

REGIONET

NATIONAL REPORT FOR THE UK

Regional Sustainable Development

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1. NATIONAL BACKGROUND ON REGIONAL DEVELOPMENT

1.2 Political and administrative system and hierarchies

In the UK, a rapid devolution process over the past six years has resulted in dynamic changes to the domestic political landscape. Devolution of power has occurred, and is continuing to occur, to Scotland, Wales, Northern Ireland, and to the regions of England to varying degrees. Although this report covers developments for each of the regions it concentrates primarily on English regional development.

Scotland: In 1999, Scotland elected a parliament with both tax-raising and primary legislative powers. Although there are some restrictions, such as the constitution, foreign affairs and defence, macro economic matters, national security etc, Scotland does now have control of many areas that relate to regional development and whether it will be sustainable. The election of a new Scottish First Minister in 2002, has also led to a number of new strategic commitments, including a new cabinet Sub-Committee on Sustainable Development, a commitment requiring all Government departments to demonstrate what their proposals mean for sustainable development, and the publishing of a set of sustainability indicators.

Wales: In contrast, Wales have elected an assembly which has no power to pass primary legislation, though the UK government is obliged to consult the Assembly on proposed primary legislation. The Assembly has the freedom to allocate the budget within its control and to restructure the quangos, though it has no powers over taxation, macroeconomic policy, defence and foreign policy, social security, or the police and legal affairs (Bristow & Blewitt, 2001).

Northern Ireland: An Assembly was established as part of the Belfast Agreement and was to be the prime source of authority for all devolved responsibilities. However, due to problems in the 'post-conflict' era the Assembly was suspended in October 2002 and dissolved on 28 April 2003. Direct rule from Westminster has since been reintroduced indefinitely.

England: Following on from the introduction of a Scottish Parliament and Assemblies to Wales and Northern Ireland, England introduced nine regional development agencies with minimal 'functional allocation' duties. Their role involves a specific remit for economic development though they remain directly accountable to central government.

Figure 1: Regions of the UK



Table 1:				
Summary data for the regions of the UK (taken from Regional Trends: Office of National Statistics, 2001)				
<i>¹Government Office regions equate to NUTS 1 regions for the EU.</i>				
	<i>Area (km²)</i>	<i>Population (000s)</i>	<i>Persons per km²</i>	<i>Local authorities</i>
United Kingdom¹	243,820	58,862	243	
North East	8,612	2,602	301	2 counties; 18 shire districts; 10 unitary councils
North West	14,165	6,885	486	3 counties; 39 shire districts; 19 unitary councils
Yorkshire and the Humber	15,566	4,805	324	1 county; 9 shire districts; 14 unitary councils
East Midlands	15,627	4,182	267	5 counties; 36 shire districts; 4 unitary councils
West Midlands	13,004	5,341	410	4 counties; 25 shire districts; 10 unitary councils
East of England	19,120	5,356	281	6 counties; 28 shire districts; 20 unitary councils
London	1,584	7,155	4,538	32 unitary councils
South East	19,111	8,137	419	7 counties; 55 shire counties; 12 unitary councils
South West	23,971	4,888	204	6 counties; 36 districts; 9 unitary councils
Wales	20,768	2,705	141	22 unitary authorities
Scotland	78,132	5,121	66	29 unitary and 3 island authorities
Northern Ireland	14,160	1,684	119	26 unitary authorities

Framework for regional development

The EU vision of a Europe of the Regions (and the need to develop regional bodies capable of securing European structural funds) was a prime driver towards a regional approach in the UK. This change of focus was reinforced by the failure of UK regional planning frameworks to facilitate adequate responses in those regions which experienced restructuring crises (Roberts & Benneworth, 2001), as well as the election of a Labour government which allowed more freedom to regional partnerships. The Government hoped that new coalitions would initiate learning processes and acclimatise regional actors to the constraints and benefits of regionally negotiated policy arenas. Additionally, it was considered that regional networks were the most appropriate unit for competitiveness policy.

In strategic terms, a variety of issues were emphasised in guidance issued at the national level, including the need to contribute to competitiveness and productivity; to address a regions skills needs; to contribute to sustainable development and social inclusion; and to support the regeneration of both the region

and, in particular, of socially excluded and deprived communities. The overall framework for regional development in England was structured as follows:

- Creation of Regional Development Agencies (RDAs) to develop and deliver tailored economic strategies to secure better and more sustainable economic performance for their region;
- Regional chambers – made up of local authority and other stakeholder representatives, to contribute to regional economic strategies and plans and scrutinise their delivery;
- Delivery improvements by bringing more responsibilities into the ambit of Government Offices for the Regions, and by strengthening the capacity of these offices.

Regional Development Agencies

In their first term in office the Labour Government initiated the devolution of power to Scotland, Wales and Northern Ireland. In England, eight Regional Development Agencies (RDAs) were subsequently established in England in 1999 (with the London Development Agency established in 2000), supported by a network of regional chambers in every region outside London.

The primary goal of the English RDAs was to focus and enhance economic development activity, though the objectives and functions of the RDAs continue to be dictated by central government. Constraints imposed by central guidelines ensure that the RDAs have relatively few powers other than the delivery of policy initiatives.

The RDAs were established as partnership bodies, created through the merger of four existing organisations: various regional development organisations, English Partnerships, the Rural Development Commission (RDC) and elements of the Government Office. Their Boards are intended to reflect regional interests, though are predominantly business-led, with the choice reflecting a balance between type and size of authority as well as geographical and political spread (Department of Transport, Local Government and the Regions, 2002). It was intended that more than a third of the members should be representatives of local government. Regional chambers were set up to maintain a level of scrutiny.

Whereas the chambers have an element of legitimacy, consisting as they do of elected councillors, RDA boards consist of non-elected members. As a result, the English RDA programme has been criticised for two main concerns (Webb & Collis, 2000):

- Too much power and authority is retained at the central level;
- Business-led ethos which permeates the agenda.

The concern about a lack of policy control is less for Greater London however, as the Greater London Authority (GLA) has the power to exercise control over functions such as planning, transport, development etc. This higher level of autonomy may also become possible for other regions with a forthcoming referendum on elected Regional Assemblies planned for 2004.

To meet European deadlines, strategies for the English regions had to be in place by December 1999, and this “meant that their strategic functions had to be discharged rapidly and, in practice, despite the presence of pre-existing assessments and analyses assembled by the Government Office-led transition teams, the RDAs had six months to consult on and finalise a regional strategy” (Roberts & Benneworth, 2001: p146). Given

that the RDAs have relatively limited resources to deliver their strategies they needed to build linkages to local actors whose own strategies complemented regional goals. However, control from the centre remained with economic strategies still subject to government approval.

In preparing regional economic strategies, different RDAs have adopted different approaches. Some have utilised some form of participatory ‘committee’ whilst others have maintained a strict RDA format, involving processes generally more closed to outside participants. These differing approaches have resulted in a range of strategies, from those that reflect solely the priorities of the RDA to those that are more inclusive of the views of other stakeholders. Interestingly, those that strayed from the official government ‘economic-led’ brief tended to perform badly in the subsequent government assessment. An important issue arising from the economic strategy process was that issues of sustainability were downgraded in all the final regional strategy documents (highlighting a strong economic perspective in the interpretation of sustainability). Strategies are summarised in Table 2.

Regional chambers

Regional chambers were created by the Regional Development Agencies Act in 1998 (though many regions prefer to use the term ‘regional assemblies’). In the beginning, their main role was to provide a level of regional accountability for the RDAs. However, they are increasingly seen as being the vehicle for a strategic ‘quality of life’ vision, with responsibility for ‘cross-cutting’ issues, such as sustainable development. Responsibilities are being further strengthened to include:

- Continuing scrutiny of RDAs;
- Coordination and integration of regional strategies;
- Formal role as the Regional Planning Body;
- A new relationship with the Regional Directors of Government Offices (GOs) and senior officers in other government-funded bodies in the region;
- Input to the spending review process, through GOs.

One of their key roles is responsibility for Regional Planning Guidance (RPG). This informs a variety of other local and regional plans and programmes, including regional

economic strategies prepared by the Regional Development Agencies. As such RPGs have been a key component of the national planning system. However, this system is set to change following recommendations of the Planning Green Paper. RPGs are to be replaced by Regional Spatial Strategies (RSS) which will provide a spatial planning framework for each region. Strategies will be legally binding and will include policies for economic development, environmental protection, housing, transport, agriculture, and waste treatment.

Government Offices for the Regions

Government Offices (GOs) act as the regional representatives of national government. As such, they help to facilitate the delivery of government policies at the local and regional scale, and in reverse they also make sure that regional issues are heard by government ministers at the national level.

1.3 History of regional development

After the Second World War, central government was seen as the most appropriate vehicle for social change, equality and economic development in the UK. This was overturned in a short period of time in the 1980s as 'Thatcherism' reduced the role of UK government in order to allow market forces a greater role in society (Pierre & Guy Peters, 2000). The legacy of this period still remains, with UK policy generally more open to market-based solutions and private alternatives.

The 1980s and 1990s saw a challenge to vertically integrated 'Fordist' state structures. With UK cities and regions acquiring increased autonomy at the expense of the state. This 'hollowing out' of the powers of the UK nation state is said to have taken place in three directions: upwards, downwards and horizontally (Jessop, 1995). One consequence has been the added emphasis on horizontal coalitions and networks, with alliances at regional and urban scales seen as increasingly important. As such, it is suggested that UK politics is increasingly conducted outside traditional institutions

(ESRC, 2000), with a transformed role of the state increasingly one of coordination and facilitation. However, national Government continues to have a dominating influence through its exploitation of the 'gatekeeper' notion, with regional and local authorities remaining heavily dependent on central government. In particular, English regions lack constitutionally protected powers and independent taxation competence.

Regional policy tended to be neglected in the UK during the 1980s and early 1990s. The removal of regional planning mechanisms, cuts in regional funding, and a downgrading of regional approaches contributed to a general decline. Regeneration policy was premised on the assumption that it was the *city-scale* that was the most appropriate geographical level around which to organise policy intervention. However, the late 1990s heralded a shift from a model of 'new localism' towards an alternative model of 'new regionalism' (Deas & Ward, 2000).

The external impetus given to regionalisation by membership of the European Union cannot be underestimated in the UK context. The EU partnership principle sought to empower sub-national actors, ensuring a conflict with Conservative government policy that had sought to undermine the role of local authorities, which in the assisted areas were led mainly by the opposition Labour Party. As such, although initial partnerships were established for EU structural policy, central government retained the key political and administrative functions in each region and ensured that central government policies prevailed (Bache & Olsson, 2001). The 1997 election of a Labour government can be seen as a major turning point in the history of regional development in the UK. In summary, the drivers for the new regional agenda in the UK can be understood through a combination of determinants:

- Concept of a Europe of the Regions;
- The need to develop regional bodies capable of securing European Structural Funds;
- Internal dynamics of the Labour Party.

Future integration

The regional political landscape is still in its infancy and its precise form remains unknown. A Labour Party Manifesto commitment is for directly elected assemblies to go ahead in regions where people

demonstrate a commitment via a regional referendum. However, the process of moving towards elected regional assemblies is likely to be a gradual one.

Earlier this year (2003), the Deputy Prime Minister announced that referendums for directly elected assemblies would be held for the first three English regions, probably in autumn 2004. These will be the northern regions of the North East, North West and Yorkshire and the Humber.

It is intended that Regional Assemblies, where they occur, will take powers from Whitehall and Government quangos (not from local authorities) with policy functions transferred from central government and its agencies to the assembly, with an intended result of closer democratic control. This will act to reduce the size of the Government Office and other government-funded bodies in the region. Assemblies will also work in partnership with local authorities and other regional partners and be directly accountable to the regional electorate rather than to national government. It is proposed that the assemblies will be small and streamlined, and will use existing regional boundaries. They will also have powers to borrow money, subject to certain limits, and will be able to raise additional funds to contribute to their running costs. Government policy on regional governance is laid out in the Regions White Paper (ODPM, 2002).

One important policy change with consequences for regional development is the Planning Green Paper. Issued in 2001, it sets out proposals for improving the planning system in England. Under these proposals, the new Regional Spatial Strategy will have greater status than old-style Regional Planning Guidance. New style development plans and local transport plans will be required to conform to the spatial strategy. A major component is the removal of planning functions at the County-level.

1.4 National initiatives on sustainable development

The main strategy for sustainable development in the UK is *A better quality of life* (Department of the Environment, Transport and the Regions, 1999). This document, to be updated in 2004, provides a national focus from which, it is intended, local and regional action can flow. At the local level, all local authorities had to prepare LA21 strategies by the end of 2000, whereas English regions were advised to initiate sustainable development frameworks. Priorities for the UK are considered to be:

- More investment in people and equipment for a competitive economy;
- Reducing the level of social exclusion;
- Promoting a transport system which provides choice, and also minimises environmental harm and reduces congestion;
- Improving the larger towns and cities to make them better places to live and work;
- Directing development and promoting agricultural practices to protect and enhance the countryside and wildlife;
- Improving energy efficiency and tackling waste;
- Working with others to achieve sustainable development internationally.

One of the key thrusts of the programme is the prudent use of resources. As such, resource productivity frameworks, for example *Changing Patterns: UK Government Framework for Sustainable Consumption and production* (DTI/DEFRA, 2003) form part of the wider sustainable consumption and production agenda, and are to act as complements to the Sustainable Development strategy.

The UK sustainable development strategy is underpinned by the introduction of a national set of indicators for the first time. Of the core set of 150 indicators, 15 were selected as 'headline' indicators in order to raise public awareness on what sustainable development means. These have also been exploited to provide an assessment of 'regional quality of life', the latest update being Regional Quality of Life Counts – 2001, which was conducted for all nine English regions and Wales.

At the national level, a Sustainable Development Commission (SDC) has also been set up to 'advocate sustainable development across all sectors in the UK, review progress towards it, and build consensus on the actions needed if further progress is to be achieved'. The work programme comprises five individual project areas and strategies for working with individual sectors of society:

- Productivity Plus
- Climate Change
- Food and Farming
- Regeneration
- Communicating Sustainable Development

The work programme involves a strong regional element. From their website they state that: "We will work with the RDAs, Regional Round Tables, and other regional institutions to deliver sustainable development at the regional level. This work will highlight good practice across the regions in how they are meeting sustainable development objectives. It will also illustrate the diversity of concerns and approaches to sustainable development that exist across the regions. Furthermore, this work programme will provide an opportunity to gauge a regional perspective throughout all of our work programmes and to communicate the findings of our work to them".

The national agenda in relation to the pursuit of sustainable development is not helped by the fact that many of the important issues are looked after by government departments that have experienced significant changes in recent times. With the incoming Labour Government, the Department of the Environment and the Ministry of Transport were merged to form the Department of the Environment, Transport and the Regions (DETR). In 2001, this was reformed to give a broadly rural – urban emphasis, with environmental policy sections joining with the Ministry of Agriculture, Fisheries and Food (MAFF) to form the Department of the Environment, Food and Rural Affairs (DEFRA), whilst the remaining portfolio formed the Department of Transport, Local Government and the Regions (DTLR). However, a further reshuffle resulted in the re-creation of a Department of Transport, with the remaining responsibilities transferred to the Office of the Deputy Prime Minister (ODPM). The sustainable development remit

is the responsibility of DEFRA, whilst urban development issues are dealt with by ODPM.

DEFRA's detailed objectives are:

- To protect and improve the rural, urban, marine and global environment and to lead integration of these with other policies across Government and internationally.
- To enhance opportunity and tackle social exclusion in rural areas.
- To promote a sustainable, competitive and safe food supply chain which meets consumers' requirements.
- To promote sustainable, diverse, modern and adaptable farming through domestic and international actions.
- To promote sustainable management and prudent use of natural resources domestically and internationally.
- To protect the public's interest in relation to environmental impacts and health, and ensure high standards of animal health and welfare.

ODPM is responsible for policy on housing, planning, devolution, regional and local government and the fire service. It also has responsibility for the Social Exclusion Unit, the Neighbourhood Renewal Unit and the Government Offices for the Regions.

2. REGIONAL SUSTAINABLE DEVELOPMENT

2.1 National initiatives

National legislation requires that certain strategies be produced in each region. These include regional planning guidance (soon to be spatial strategies) and regional economic strategies. Other strategies are not statutory requirements, but are strongly recommended and all regions have developed them to some degree (see Table 3). Examples include:

- Regional Sustainable Development Framework
- Regional Sustainable Energy Strategy
- Regional Waste Management Strategy
- Regional Transport Strategy
- Regional Housing Strategy
- Regional Tourism Strategy
- Regional Cultural Strategy

2.2 Regional initiatives

Perhaps of greatest importance are the regional sustainable development frameworks, as they are viewed as high-level documents setting out a vision for sustainable development in each of the English regions and incorporating a wide overview of regional activity (Table 4). Of concern is the fact that the impact of policy may be undermined by their non-statutory status.

Table 4: Regional Sustainable Development Frameworks for UK regions

	Main regional sustainability frameworks
North East	Sustaine: Quality of Life in the NE
North West	Action for sustainability
Yorkshire and the Humber	Advancing together
East Midlands	Integrated regional strategy
West Midlands	Quality of life: the future starts here
East of England	A sustainable development framework for the East of England
London	Individual issue strategies but no overall framework as yet
South East	A better quality of life in the South East
South West	A sustainable future for the South West
Wales	A Sustainable Wales - Learning to Live Differently
Scotland	3 priority issues but no overall framework as yet
Northern Ireland	Discussion stage: Promoting sustainable living

Table 3: Summary of regional strategies	
Regional strategy	Summary
Regional economic strategy	Statutory requirement. Prepared by the RDA and scrutinised by the regional chamber. Some advocate a sectoral or thematic emphasis, whilst others adopt a more spatial (sub-regional) perspective.
Regional planning guidance	Prepared by regional planning bodies and issued by the Secretary of State. In five regions the regional chambers already have the role of the regional planning body. In the others, the regional planning body is a forum of local planning authorities. Provides a regional spatial strategy, including a regional transport strategy, within which local authority development plans and local transport plans are prepared.
Regional Sustainable Development Framework	High level documents that set out a vision for sustainable development in each region, and the region's contribution to sustainable development at national level.
Regional Sustainable Energy Strategy	Identify regional opportunities for moving towards renewable energy sources and contributing to national carbon reduction targets.
Regional waste management strategy	Prepared by regional planning bodies as part of RPG.
Regional transport strategy	Set out regional priorities for transport investment and management, across all modes, to support the regional strategy. Part of regional planning guidance.
Regional housing strategy	Prepared annually, increasingly by regional housing fora.
Regional tourism strategy	Led by RDAs, usually as part of RES.
Regional cultural strategy	Prepared by regional consortia – first in 2001.

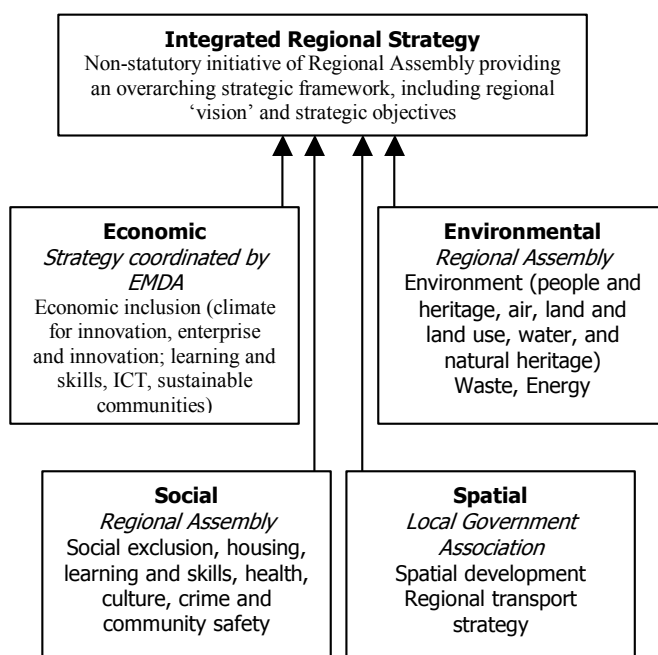
A good example of an RSDf is 'Action for Sustainability' by the North West region of England. The original version was launched in 2000, though is currently under review and will be re-launched in the spring of 2004. It is intended that the new version will build on the synergies established in 2000, and will 'capitalise on the opportunities for integration, collaboration and partnerships on which the concept of sustainable development is founded' (NWRA, 2003).

From a list of 35 proposed objectives, 5 are considered priorities:

- Reduce the need to travel;
- Minimise waste and increase recycling;
- Reduce poverty;
- Increase energy from sustainable sources;
- Raise awareness of and education for sustainable development.

Now that a portfolio of strategies is beginning to form at the regional scale, the focus is turning to means of integration, and how the various strategies can be pulled together to create a single regional 'vision'. The most advanced of these experiments is considered to be the East Midlands (Figure 3).

Figure 3: East Midlands policy framework



Their Integrated Regional Strategy is based on the four themes of economic, social, environmental and spatial issues. The

framework is informed by sub-category studies and reports (Viewpoints – which are position statements for broad topics e.g. housing). It has also secured a level of compatibility between the economic strategy and draft spatial strategy, which were both subject to sustainability appraisals. The Assembly also produced a Sustainable Development Checklist and developed a sustainable development appraisal methodology to assist the assessment of policy documents.

Institutional capacity is considered an important element of sustainable regional development. In terms of best practice, Sustainability NorthWest, an institution established by North West local authorities and private sector businesses to develop a regional sustainability strategy, is considered to command certain legitimacy within the region. SNW has been instrumental in developing many of the partnerships which are addressing sustainable development in the North West. Through networking, hosting conferences and, most importantly, by engaging with the region's decision makers and business leaders across all sectors, SNW has raised the profile of regional sustainability both within the region and wider afield.

2.3 Structural funds and sustainable development

Overview of programmes

Structural Funds (SF) have been the catalyst for strengthened links between the regions and the EU, and are one of the most visible signs of the benefits of EU membership. SF programmes provide significant extra resources for many of the poorer performing areas across the UK. Over 11 million Euros will be delivered to the English regions through Objective 1, 2 & 3 programmes between 2000 and 2006 to assist with training, business support, economic development and regeneration activities. ERDF is the most obvious funding mechanism, being the principal and longest

standing instrument of EU regional policy (see Table 5).

Partnership has become a central principle of European Union (EU) policies, particularly in relation to the Structural Funds. It is an attempt to make structural policy more legitimate by involving local actors most familiar with the problems and priorities of targeted regions and social groups. Actors from both the private and voluntary sectors have been encouraged to become involved, thus adding a horizontal dimension to the multilevel partnership between the Commission, central and sub-national layers of government.

In the UK, at the start of the new SF programming period (2000-2006) devolution policies promise a more direct role for regional policy makers. However, the resources available to the English regions will reduce from 2006, when it is likely that support will be spread more thinly across the EU, with a large proportion diverted to accession states.

National context

The demands of European regional policy were a key factor behind the establishment of Government Offices in each of the English regions. These were established in April 1994 and acted as key conduits for central government in the distribution of Structural Fund resources.

The European regional funds required a form of regional collaborative working, institutional capacity and regional strategy against which to draw down and spend funds. However, although programmes are delivered regionally, in ways that meet regional needs defined by regional partners (through a partnership chaired by the regional Government Offices and given strategic direction by the RDAs), it is clear that Central government has been able to maintain a dominant 'gatekeeping' role, with SF allocations continuing to be administered by central government. The public expenditure system acts as the conduit for their distribution to eligible regions and programmes, and this continues to be justified on the basis that the UK taxpayer ultimately finances this spending.

Table 5: Structural funds

The European Regional Development Fund (ERDF)	Aims to improve economic prosperity and social inclusion by investing in projects to promote development and encourage the diversification of industry into other sectors in areas lagging behind. This fund is available in Objective 1 and 2 areas.
The European Social Fund (ESF)	Funds training, human resources and equal opportunities schemes to promote employability of people in both Objective 1 and 3 areas. In Objective 2 areas ESF may be used to complement the ERDF activities.
The guidance section of the European Agricultural Guidance and Guarantee Fund (EAGGF)	Is available in rural Objective 1 areas to encourage the restructuring and diversification of rural areas, to promote economic prosperity and social inclusion, whilst protecting and maintaining the environment and our rural heritage. In areas outside Objective 1, the EAGGF (Guarantee section) provides funding within the England Rural Development Plan.
The Financial Instrument for Fisheries Guidance (FIFG)	Funds projects to modernise the structure of the fisheries sector and related industries and to encourage diversification of the workforce and fisheries industry into other sectors. It also aims to ensure the future of the industry through achieving a balance between fisheries resources and their exploitation.

Additionality

A further complication is that the matching finance principle allows EU grants to be used by member states as substitutes or 'price reductions' for existing or planned domestic regional programmes of expenditure. This is said to have been exploited by the UK Government and is exposed in Wales through the designation of West Wales and the Valleys as eligible for Objective 1 funding for the 2000-06 programming period (Bristow

& Blewitt, 2001). This situation is unique as no other UK region has ever had such a significant proportion of its area (and public expenditure) exposed to Objective 1 funding.

The UK's problems with the additionality principle appear to have been both more acute and more high profile than in other European member states. This is largely due to the Conservative Party's view that the resources represented a reimbursement for the UK's contribution to the EU budget.

Political conflict was also a factor in the refusal to allow trade union representation on committees. This policy of exclusion was unique to Britain and was roundly criticised.

One explanation for central government control of SF resources lies with the lack of effective sub-national governance structures in the past. When the EU partnership principle was introduced in Britain, already weak local authorities were being further undermined by a series of central policies. Although the British government had no problem accepting partnerships conceptually, in practice policies were implemented that followed 'gatekeeper' principles.

However, post-1997 and the election of a Labour Government, there are signs that things are changing. It is clear that the role of sub-national actors has been enhanced within SF partnerships. For example, the inclusion of trade unions within SF partnerships closed an important gap in relation to sectoral representation and thus enhanced legitimacy. In Scotland and Wales, devolution policies ensured a prominent role in SF matters for both the Scottish Parliament and the Welsh Assembly, and hence there is a greater level of democratic control over the implementation of the SF. In the English regions, the Regional Development Agencies have increased their role in the administration of the SF from 2000.

Structural fund programmes

A region may have access to one or more of four structural funds, depending whether it has Objective 1 or 2 status; all regions in the UK have Objective 3 status. Most structural fund spending is targeted on specific regions, known as Objective 1 and 2 regions. There are separate national Objective 3 programmes in England, Wales, Scotland and Northern Ireland (Figure 4).

Objective 1:

Eligible areas are those that have less than 75% of EU average GDP. It is the highest level of regional funding available from the EU and is aimed at promoting the development and structural adjustment of the EU regions most lagging behind in development. In the UK, areas that qualify are *Merseyside, South Yorkshire, Cornwall and the Scilly Isles, and West Wales and the Valleys*. In addition to these areas, the UK also has two transitional Objective 1 areas, the Highlands and Islands and Northern Ireland which also qualifies for a unique PEACE programme. In total the UK will receive over £3.9 billion of Objective 1 money between 2000 - 2006. Most Objective 1 programmes were submitted in October 1999 by the regions and devolved administrations and were agreed with the Commission in July 2000. Projects were called for in the eligible areas and approved projects have received offers of grant assistance.

Objective 2:

Aims to support the economic and social conversion of areas facing structural difficulties. It is the second highest level of funding available from the EU. Areas qualify for Objective 2 under four strands - industrial, rural, urban and fisheries. This objective covers nearly fourteen million people in the UK. In addition, areas that had Objective 2 or 5b status in the previous programming period are eligible for transitional funding until 2005. Including transition, Objective 2 covers well over nineteen million people in the UK. In total, the UK will receive over £3.1 billion for UK Objective 2 and transitional Objective 2 areas for the period 2000 - 2006. Programmes for England and Scotland were submitted before the deadline set by the regulations for the submission of the regional Objective 2 Single Programming Documents (SPDs). The programmes were agreed in 2001.

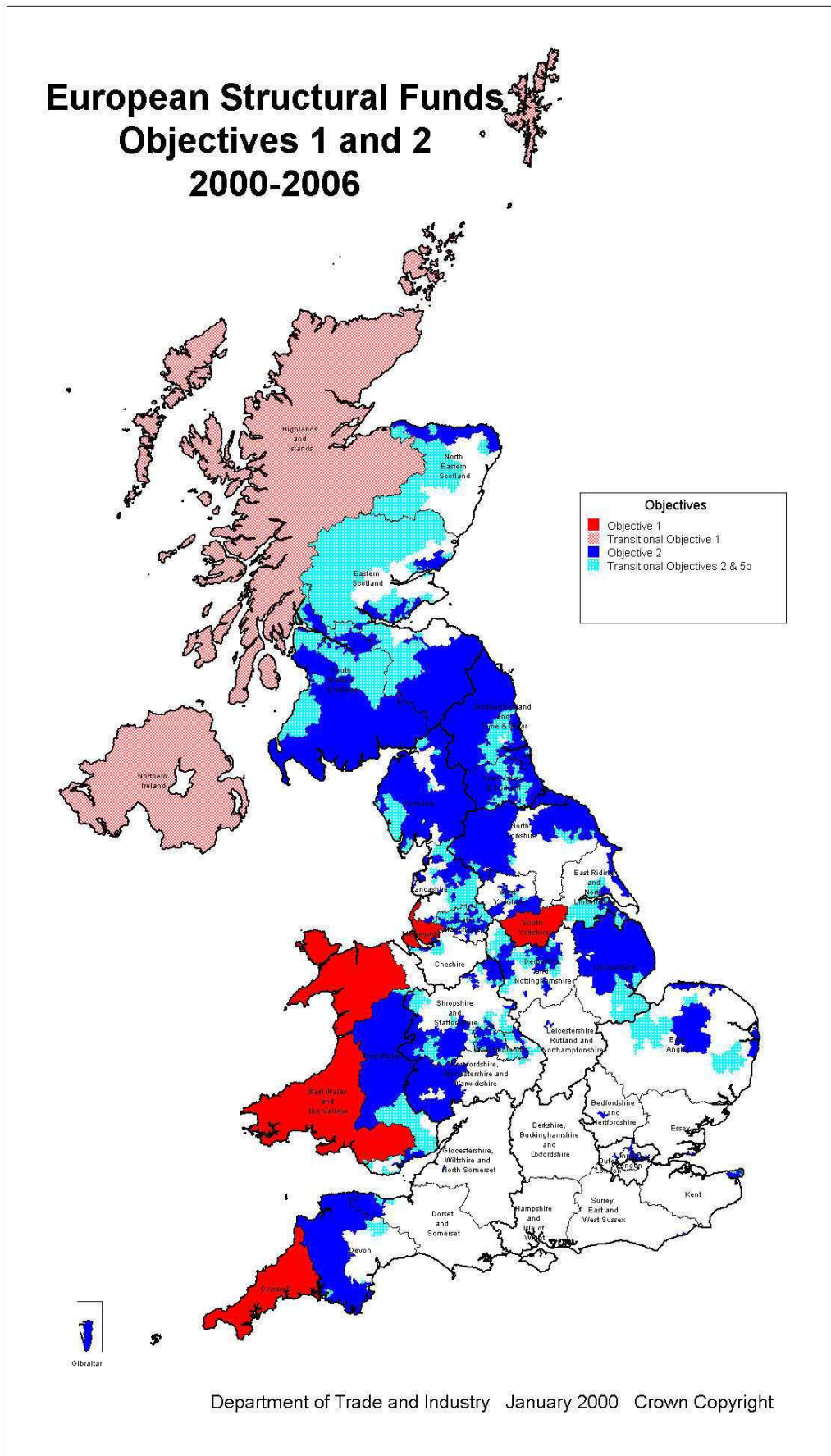


Figure 4: Structural funds

Objective 3:

This Objective involves only the European Social Fund and operates outside Objective 1 areas. It aims to develop labour markets and human resources and in addition, will help firms and workers adapt to new working conditions and so compete more effectively in global labour markets. It is directed at the long-term unemployed and those facing particular barriers to finding fulfilling employment because of their disability, racial origin, or sex. The UK will benefit from just under £3 billion of Objective 3 money for 2000-06. The English operational programme was adopted on the 18th of July 2000 and projects have already been approved in a number of regions.

Coordination

The Department of Trade and Industry coordinates overall UK Government policy on the Funds and takes the lead on many issues affecting more than one fund or more than one part of the UK. The Department for Work and Pensions has overall responsibility for the European Social Fund and the Department for Environment Food and Rural affairs leads on the EAGGF Guidance section and FIG. However, implementation of the Structural Funds is devolved to the Scottish Executive, National Assembly for Wales and Department for Finance and Personnel in Northern Ireland while in England ODPM takes the lead on the ERDF, operating through the Government Offices in the regions.

Applications for funds are made direct to the appropriate regional Government Office in England, or devolved administration in Northern Ireland, Scotland and Wales. The Department for Work and Pensions has responsibility for European Social Fund, but applications for funds are made to the relevant Government Office in England, or to the devolved administrations in Northern Ireland, Wales and Scotland.

Community Initiatives

In addition to the priority Objective areas around 5% of the Structural Fund budget fund four Community Initiatives. The UK will receive around £916 million for these in 2000- 2006. The current initiatives are:

- EQUAL - funds training and employability schemes to combat discrimination and inequalities in the labour market; the

Department for Work and Pensions is responsible for this programme.

- LEADER + - funds rural development projects; The Department for Environment Food and Rural Affairs is responsible for this programme.
- INTERREG III - provides funding to encourage cross border, trans-national and interregional co-operation; to encourage balanced and sustainable development across the European Community. ODPM has responsibility for this programme.
- URBAN II - funds schemes in small and medium sized towns suffering from significant economic and social conversion difficulties. ODPM again is responsible for this programme.

2.4 Experiences of the regions

Structural funds have helped a wide variety of projects in the UK, from large-scale public works to small-scale local initiatives. For example, ERDF-aided projects have:

- Encouraged industrial development and provided workplaces by reclaiming land, refurbishing buildings and providing services to open up sites;
- Improved public transport access as well as road, rail and inland waterway networks, to support business and tourism;
- Encouraged the setting up and growth of SMEs;
- Encouraged tourism by improving or developing attractions and providing facilities for tourists themselves;
- Improved the local environment to make areas more attractive to business and visitors.

Projects are scored, appraised and selected through a competitive bidding process. In England the managers for this process are the relevant Government Offices. To be successful, projects must show that they will:

- Add value;
- Give good value for money;
- Contribute to meeting objectives;
- Meet the more specific targets and requirements of the appropriate Single Programming Document, Regional Development Plan or Operational Plan.

The Single Programming Document is developed for each eligible region under Objective 1 and 2. Each therefore has a plan

which sets out the specific priorities and key target groups for support in that region. For Objective 3, Operational Plans and Regional Development Plans have been developed for each English region. Due to the number of initiatives, it is worthwhile to concentrate on one English region receiving a high level of financial assistance, the North West of England. "In spite of the growth over the last five years, the economy (of the NW) retains a number of structural weaknesses. Over-dependence on sectors in decline, particularly in manufacturing, agriculture, and resort tourism, lower than average growth in services, as well as low rates of new firm formation have meant that prosperity in the region has continued to lag behind national and EU averages" (Government Office North West, 2001: p2).

Objective 1:

The Merseyside area of the North West region has been designated an Objective 1 region for the second time (Government Office North West, 2002). It will receive Euro 1.3bn for the new programme (2000-2006). To address the social and economic problems on Merseyside, the programme has four main priorities:

- Developing business;
- Developing people;
- Developing locations;
- Developing Pathways Communities.

Furthermore, three cross-cutting themes have been adopted:

- Information Communication Technology;
- Equal opportunities and social inclusion;
- Environmental sustainability.

In terms of environmental sustainability, proposed objectives include:

- To promote investment and innovation in new and clean technologies and services, particularly waste minimisation initiatives and promote growth of new businesses developing environmentally sustainable technologies and services;
- To promote good environmental performance and eco-efficiency in businesses, through training, environmental audits, environmental management systems, waste management plans, and increased energy efficiency;
- To promote reduced emissions of gases which contribute to poor air quality and climate change;

- To promote energy generated from sustainable or renewable sources and use of demand management and new technologies to reduce energy and water consumption;
- To minimise the use of primary minerals and aggregates and other non-renewable resources;
- To reclaim derelict and contaminated land, accelerate regeneration and encourage the use of brownfield sites as priority locations for investment;
- To improve the image of Merseyside as a high quality environment for investment, leisure, tourism and quality of life;
- To plant new woodland, increase net tree cover in the region and promote active and sustainable woodland management;
- To protect and enhance endangered and valued species, habitats and natural heritage sites;
- To help achieve good quality inland, estuarine and coastal waters, and support the enhancement and sustainable management of coastal and river valley areas;
- To help protect and enhance countryside character, quality and accessibility and to protect and enhance the quality of green urban landscapes;
- To provide more sustainable travel choices, to improve and increase use of public transport and to promote sustainable access to employment from Pathways areas;
- To promote environmentally sustainable transport initiatives in businesses and to increase the level of investment in and use of rail freight and water transport.

Objective 2:

The new areas eligible for funding in the North West relates to a population of 3.46 million, accounting for 63% of the population (excluding Merseyside). Three complementary priorities govern the type of actions which will be supported:

- Priority 1: Businesses and ideas
- Priority 2: People and communities
- Priority 3: Strategic regional investment

Furthermore, it is stated that 'rather than focus solely on economic goals or objectives, the programme should fully embrace access to opportunity and sustainability'.

Objective 3:

The Regional Development Plan was developed in the light of the EU employment framework, UK policy developments and the

EU SF assistance within the region 2000-2006 (Government Office North West, 2000). It was based on five policy fields:

- Active labour market policies
- Equal opportunities for all and promoting social inclusion
- Lifelong learning
- Adaptability and entrepreneurship
- Improving the participation of women in the labour market

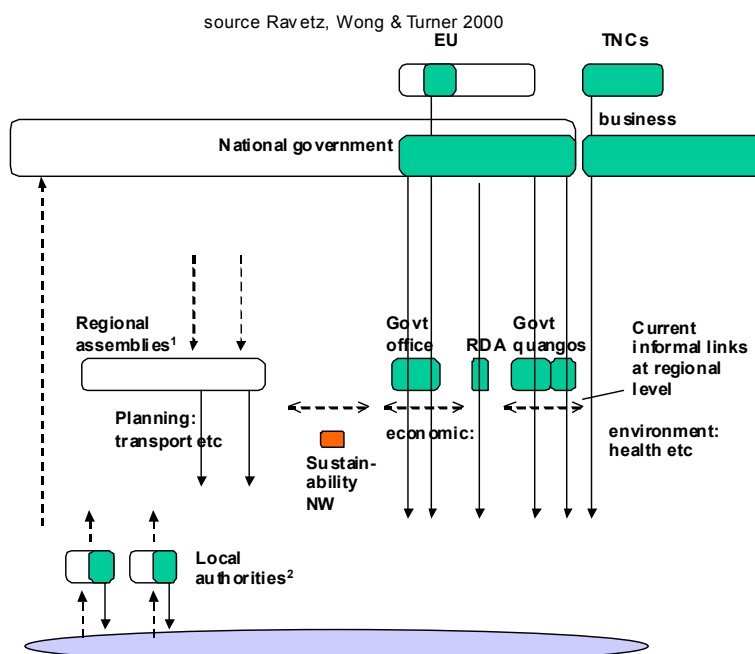
It is stated in the plan that 'an important consideration in the strategy is the development of capacity and structures which will be maintained beyond the period of the programme. Projects which demonstrate sustainable development potential will be accorded additional priority'.

3. MULTI-LEVEL GOVERNANCE

The UK is represented by a complex and multi-layered governance system (Figure 4). Relationships and tensions tend to reflect the historical balance of power between central and local policy networks, with relatively limited powers extended to local government from a strong centralised state.

It is argued that the UK has undertaken a transition from a 'Fordist' style of government to a more informal governance system. It is particularly interesting that the introduction of many new para-state institutions, for example 'quasi non-governmental organizations' ('QUANGOs'), has resulted from this shift from **government** to **governance**. This has allowed a devolvement of responsibility and the engagement of experts, however strong concerns have been voiced about the transparency and accountability of such structures. These operate with varying degrees of central control, though are commonly criticised for being too close to national government.

REGIONAL GOVERNANCE IN ENGLAND



Even with this shift to 'governance' the UK remains a special case due to the influential 'gatekeeper' role of national government.

Figure 5: Multi-level governance in England

3.1 Regional issues & EU, national and sub-national coordination

Summary of regional administration

England is made up of nine administrative regions, including London. Much of the work of Government Departments and their agencies has a regional dimension.

The key representatives of central Government at the regional level are the Government Offices for the Regions (GOs). They are funded and staffed by ten sponsor Departments: the Office of the Deputy Prime Minister; the Department for Transport; the Department for the Environment, Food and Rural Affairs; the Department of Trade and Industry; the Department for Education and Skills; the Department for Work and Pensions; the Home Office; the Department of Health; the Cabinet Office and the Department for Culture, Media and Sport. The Regional Co-ordination Unit of the Office of the Deputy Prime Minister has overall responsibility for the Government Office network.

In 1999 the Government set up **Regional Development Agencies** (RDAs) in the eight English regions outside London. These Agencies provide co-ordinated regional economic development and regeneration in each region. Lead responsibility in central Government for the RDAs rests with the DTI. ODPM remains responsible for the regeneration programmes administered by the RDAs.

Each English region outside London has at present a Regional Chamber. Each chamber is a voluntary grouping of representatives from the region with a stake in the region's economic, social and environmental well-being. The chambers have a formal role in relation to the oversight of Regional Development Agencies.

Each of the Government Offices for the Regions has a small strategic team that carries out work on behalf of the Department for the Environment, Food and Rural Affairs (DEFRA), particularly on sustainable

development and rural issues. The aim of these teams is to help foster partnerships and greater integration of rural and environment concerns into all aspects of policy at the local and regional level.

Regional data

The Office for National Statistics provides a wide variety of statistical data to provide a comprehensive and meaningful description of the UK's economy and society. This includes data on the English regions. Regional Trends is a comprehensive annual source of official statistics for the Statistical Regions of the United Kingdom (consisting of Scotland, Wales, Northern Ireland and the Government Office Regions within England). It includes a wide range of demographic, social, industrial and economic statistics, covering aspects of life in the regions. Region in Figures is a comprehensive source of official statistics about the regions and sub-regions of England, including data on population, economy, labour market, education and training, transport and the environment and living in each region.

In each region, Regional Observatories are engaged in producing, analysing, organising and disseminating information and intelligence to inform regional policy and strategy. Not all Observatories operate in the same way and they are at different stages of development. Together they have formed the Association of Regional Observatories which provides a focal point for consultation, lobbying and joint working, and seeks to promote awareness of Regional Observatories.

Regional Chambers

Voluntary, multi-party and inclusive Regional Chambers have been established in each of the eight English regions outside London, building on the partnership working arrangements that already existed in some regions between local authorities and regional partners. Each Chamber has been formally recognised by the Government as being representative of the interests of the region in relation to the work of the region's Regional Development Agency (RDA). Chambers operate within the same boundaries of the Government Offices in the regions and the RDAs. Their constitutions vary from region to region.

European influence

Not only has the UK seen devolution of some degree of autonomy to the regions in recent years, there has also been increasing European influence on policy decisions, highlighting a shift in power upwards to the supra-national level as well. This is not only in relation to structural funding with its distributive impact, but also in terms of regulatory restrictions, such as those imposed by EU environmental policy. As a result, environmental groups in the UK have increasingly used this new opportunity to exploit European connections in order to influence policymaking, thereby outflanking the British Government. The EU Habitats Directive and the forthcoming EU Water Framework Directive are two examples of European legislation that have implications for domestic policy making.

Regional – urban – rural linkages

There is optimism that the move to a regional emphasis will provide the platform for a strategic approach to sustainable development, indeed many regional documents make explicit reference to such issues with targets and indicators increasingly incorporated within different regional strategies. However, there are continuing tensions between the regional scale (embodied in the RDAs and their evolving functions) and the local scale (as represented by the local authorities and LA21 initiatives, as well as a portfolio of other responsibilities).

To counter the restrictions of a centralised state, in the 1980s local authorities tried to engage directly with Europe, and others, in a bid to seek out new roles and to promote local development potential. This predominantly involved urban-based alliances, though the introduction of European structural funds has since shaped new regional institutions though the shift of focus from local to regional exacerbated pre-existing tensions between and within regions, particularly around the urban areas. For example, in the North West region of England there has been a 'delicate' relationship between the city of Manchester and the region. In the 1990s, Manchester made serious attempts to improve its national and international profile through the promotion of an 'entrepreneurial city' image. As a result of

this experience, the political leadership of Manchester came to view the city level as the most appropriate scale at which to organise partnerships. Tensions also exist at the sub-regional scale with Manchester and Liverpool, as the two major conurbations in the North West, often in competition.

The Core Cities Group now represents the 8 largest cities in England outside of Greater London. It makes a powerful argument that their members are now the engines of regional development, and hence deserve special treatment in funding for urban regeneration.

3.2 Multi-level interaction among the different stakeholders

Connection to local policy making

The recent reform of local government has increased the opportunities for new approaches at the local scale. For instance, national Government has directed local authorities to consider the environmental impacts of their service delivery through a 'best value' approach. This service framework is now the driving force behind operational management in local government. However, it is evident that in many instances the focus for Best Value has been predominantly on cost rather than on the wider goals of sustainable development. Debate continues as to whether the changes are beneficial or a threat to sustainable development.

Reform has also introduced a goal of overall improvement of local quality of life as a responsibility of local authorities. The new duty to promote social, economic and environmental well-being is clearly dependent on the actions of many other players. A new way of working, including increased partnership activity, is part of the new agenda. As a result of the Local Government Act 2000, local authorities now need to take the lead in establishing Local Strategic Partnerships and preparing Community Plans, aimed at addressing how national and global concerns can be tackled at the local level. However early experience from community strategies suggests that

environmental agendas may be sidelined in community strategies.

It is important that regional strategies and leadership provide effective frameworks for local or sub-regional action and make the necessary connections to local activity. This is echoed by the UK Local Government Association, who stress that close links with local government are essential in order to design programmes in a way which is consistent with the roles and needs of councils. The following pro-active linkages between regional and local levels will be beneficial (Local Government Association 2003):

- Regional bodies should aim to take a clear leadership role in translating regional targets into meaningful local targets. Ideally these should be pragmatic in reflecting the economic and social characteristics of different localities, but should also be aspirational in looking for a step-change in behaviour. It is essential that local strategies be clearly linked to a wider regional vision.
- Regional bodies need to ensure that sustainability factors are included within key local impact indicators, and should take the lead in providing monitoring facilities for key local impact indicators. Monitoring should be backed up by regular regional reporting, with dissemination of examples of local good practice.
- Regional coordination offers potential economies of scale in terms of provide staff training and capacity building in planning, environmental, development and property sectors.

3.3 Cross-sector policy integration

It should be clear that RSD is not a simple concept that can be easily explained. Sustainability issues are cross-cutting and can be broken down sectorally, thematically, and involving a range of different actors both vertically and horizontally. This represents a challenge to any policy system, and the information system which underpins it.

Local policy integration

Strategies for engaging stakeholders at the local level in the UK are clearly still evolving and at this stage good practice is only

beginning to emerge. Much can be learned, however, from the wide range of work already undertaken on other policy initiatives, and particularly key lessons from the Local Agenda 21 process. These include:

- A tendency for Local Agenda 21 strategies to be strong on good words, but to have rather less of a tangible impact in terms of policies and actions;
- A tendency for LA21 to be tokenistic and ad-hoc in many local authorities, reflecting a lack of political will and money at central and local levels for fundamental change;
- Too few people have been engaged in the LA21 process, with difficulties in building genuine ownership of LA21 across and outside the local authority.
- Particular difficulties in engaging poorer communities and business.

Lessons from LA21 and other local initiatives suggest:

- A need to ensure that sustainability strategies are embedded within and across all relevant organisations;
- The importance of linking strategies to targets aimed at a range of stakeholders;
- The challenge of making strategies meaningful to stakeholders;
- The importance of adequate resourcing and integrated planning;
- Making the most of available resources;
- The importance of high-level corporate support in determining the scope and effectiveness of LA21;
- Local authorities and other public authorities need to set an example.

Regional policy integration

4. EVALUATION METHODS FOR REGIONAL SUSTAINABLE DEVELOPMENT

4.1 Existing evaluation methods and tools

Evaluation is applied at many levels, many sectors and at many stages in the policy cycle. Here we focus mainly on the evaluation methods, tools and information systems, at the regional or strategic level of public policy:

- Formal evaluations of EU regional funding
- Other evaluations of national regional funding
- Emerging methods for social and environmental evaluation in related policy areas.

Structural Fund evaluations

Following EC requirements, periodic evaluations of the performance of Structural Fund Programmes have been carried out. In the UK, the most significant evaluations have been the final (*ex post*) and interim evaluations of the Objective 1 and Objective 2 regions. A full listing includes:

- 1994-99: Objective 1 SPDs and *ex ante* appraisals
- 1994-96: Objective 2 SPDs and *ex ante* appraisals
- 1997-99: Objective 2 SPDs
- 1997-99: Objective 2 interim evaluations
- 1994-99: Objective 1 interim evaluations
- 1994-96: Objective 2 *ex post* evaluations
- 2000-06: Objective 1 SPDs
- 2000-06: Objective 2 SPDs
- 2000-06: Objective 1 and 2 *ex ante* appraisals
- Objective 3, 4 and 5b evaluations
- Thematic Structural Fund evaluations
- DTI/Enterprise evaluations
- DTLR/Regeneration evaluations

- Sub-national economic documentation (RES, FEDS etc)

A recent review of regional evaluation in the UK concluded: (European Policy Research Centre & Fraser Associates 2003):

- “financial data was generally good, although on occasion it could be incomplete;
- monitoring data was not always accessible to the evaluators;
- the systems of performance indicators used were not always capable of capturing the full range of project activity under the programme;
- on occasion, there was confusion between activity, output and impact indicators;
- inadequate definitions of indicators could lead to differences in their interpretation and application;
- incomplete guidance for project sponsors on selecting and using indicators could lead to project activity being incompletely or inadequately described.

Alongside the review of financial and monitoring data, some final evaluations of Objective 2 in the 1994-96 period included primary research on the impact of the programme through large-scale surveys of both businesses and individual beneficiaries. These primary research efforts are limited to the final evaluations conducted once a programme has been completed; by contrast, interim evaluations are typically based on the centrally-held monitoring progress data. Beneficiary-level research has the advantage of providing a ‘reality check’ on what the impact of the programme has actually been, and enables a more informed understanding of the programme’s performance as presented by the monitoring data.

The evaluation documents are evenly split between those that have carried out beneficiary-level research, and those that have not. Where beneficiary-level research has been carried out, the evaluators have often noted problems in obtaining beneficiary contact details, and in making contact with beneficiaries. In attempting to assess the impact and added value of EU Structural Funds, therefore, the performance review evidence offered by the interim and final evaluations offers more fruitful sources than the SPDs. However, the problems identified by the evaluators, in both reviewing the monitoring data and conducting beneficiary-level research, need to be taken into consideration.

Finally, none of the evaluation documents reviewed by the research team provide a substantial treatment of the links between the Structural Fund programme and UK national policy initiatives. At best, a number of evaluations contain passing mention of a UK policy initiative where considered relevant.”

Spatial development appraisal

Environmental appraisal of spatial development plans is now required at every level from local to regional. However there is large variation in the quality and depth of these appraisals. At the regional level, the current Regional Planning Guidance and the forthcoming Spatial Strategies. Are both subject to Sustainability Appraisal ('SA'), supported by government guidance. As with other applications above, the SA is to be objectives-based, and ideally include a rigorous system of targets and indicators. In reality there is much ambiguity over the definition of targets and performance measures of input, output, outcome and context for each of the relevant policies.

Environmental appraisal & assessment

Environmental reporting and assessment is now common practice in most other policy areas, and falls into two main types:

- Statutory requirements at the national level, under the EIA and forthcoming SEA Directive
- Other environmental appraisals

The SEA Directive is now being applied to regional strategies under the overall framework of Sustainability or Integrated Appraisal as below.

Social impact assessment

Social impact assessment (SIA) has often been more marginal compared to economic and environmental assessment. There are obvious difficulties with definitions and quantification of many kinds of social impacts. In particular there is growing awareness of more invisible but equally important factors in social cohesion, community capacity, cultures and networks. This is reflected in the requirement for urban regeneration and planning programmes to be more open,

participative and inclusive of different groups in society.

Participatory Rural Appraisal, originally developed in overseas aid programmes, has emerged in many rural and urban regeneration programmes in the UK.

For the assessment / evaluation of participation itself, the new generation of 'Single Regeneration Budget' (SRB) programmes run by the RDAs at urban and neighbourhood level, include for greater levels of participation than ever before. There are many experiments in targets and indicators schemes to capture the elusive 'participation factor'.

Capacity building through evaluation is also emerging as a key factor in promoting the internal self-reliance of communities and social groups.

Each of these approaches is being tested at the regional level, however there are difficulties in the scale and complexity involved in public participation or 'stakeholder involvement' in a region of up to 8 million population (Roberts & Baker 2003).

Transport assessment

Major infrastructure such as transport has a long history of evaluation and appraisal, and an established body of methods and tools from local to national level. The national NATA framework provides a system of objectives, targets and performance indicators for ex-ante assessments. These are linked into technical modelling of networks and emissions. They can also be linked into a public communications and participation programme.

In the last decade the scope of transport assessments has enlarged from the previous focus on pure cost-benefit analysis, to a wider consideration of other non-quantifiable factors both social and environmental.

Sustainability Indicators

For each of the English regions there are three main policy processes at the current time, each with their own monitoring system: the Regional Economic Strategies, (which tend to have a short term focus), Regional Planning Guidance (which take a longer term,

strategic outlook and are spatial in nature), and the new Regional Sustainable Development Frameworks (which are intended to be an integrating document). The role of RPG is to provide an overarching spatial strategy for the region, with the RSDF intended to provide a framework within which RPG policies can be formulated. It therefore has influence but is not binding upon the RPG. As RPGs have a relatively long-term focus (in line with regional waste and transport strategies which inform sections of the guidance) there is a need for an effective monitoring process to ensure progress in the right direction. Ideally, this requires a framework which is capable of incorporating trend / target data. Any framework for sustainability indicators should therefore aim to provide transparent linkages between all three strategies.

At present the sustainable development frameworks for the English regions differ considerably in terms of issue categorisation, themes, and indicators, even though it was intended that they be based on the national Sustainable Development strategy, with four main objectives:

- Social progress which meets the needs of everyone;
- Effective protection of the global and local environment;
- Prudent use of natural resources;
- High and stable levels of economic growth.

Currently, there is a plethora of data sets addressing many issues (not only sustainable development but also social, economic or environmental purposes specifically), including at differing spatial scales. They range from Local Quality of Life indicators through a European Common Indicator set to international examples by OECD and the United Nations. The multitude of different indicator sets for different purposes has led the UK Sustainable Development Commission (SDC) to cite a sense of 'indicator-fatigue' in regional and local

authorities, and stress the need for clarification or dissemination of good practice.

- It is clear that some regions have kept to the national objective template more closely than others;
- Common themes across the regions include: health, housing, crime, climate change, water & waste;
- Many other themes are either subject to broader categorisation e.g. environmental quality (air quality), or are assumed as driving forces with impacts to be picked up by other themes e.g. transport – air quality;
- Of those themes included in regional frameworks which are in addition to the national classification, the following can be determined:
 - Sectoral (these include rural development, tourism, energy, ICT);
 - Minerals; one major resource issue, although there would be others
 - Spatial development (access, linkages between/within regions);
 - Culture; and social capital: these are crucial but difficult to measure in a definitive sense.

The UK national set of indicators have been exploited to provide an assessment of 'regional quality of life', the latest update being *Regional Quality of Life Counts – 2001*, which was conducted for all nine English regions and Wales (where information was available). The communication format linked to the assessment of 'regional quality of life' is a useful example of how to disseminate information. At an initial superficial level, overall progress against objectives for each indicator is highlighted by four basic symbols (positive change, little change, negative change, and insufficient data). More information is then also available in the form of more detailed indicators, and listed goals and objectives. This layered approach provides a useful structure for effective communication.

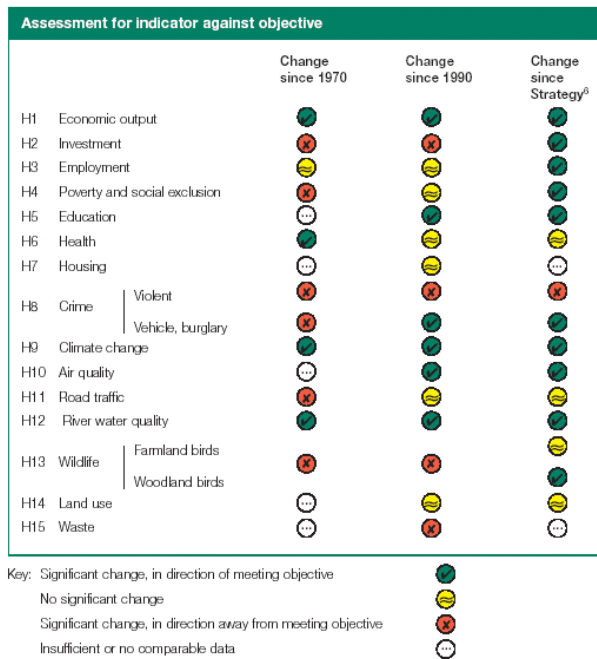


Fig 6: example of 'Regional Quality of Life' SD indicators report: available from www.odpm.gov.uk

4.2 Types of measurement

Modelling methods

Regional sustainable development 'models' do not offer a single solution at present. One example is the Regional & Welsh Appraisal for Resources & Development ('REWARD') programme, aiming to provide tools for increasing resource productivity at the regional scale. It contains an environment-economy input-output model: a large database of regional environmental emissions and economic trends: and a programme for applying these to regional strategic planning, policy appraisal, sectoral strategies, business benchmarking etc.

In parallel there is a programme for mass balance and ecological footprint analysis at the regional scale, which is being coordinated through the 'Eco-Budget UK' project. This will provide a detailed database of consumption impacts, and analyse scenarios for national and regional eco-tax, infrastructure and policy options.

Social approaches

- 'Quality of life capital'
- multi-criteria assessment

4.3 Harmonisation

Integrated / sustainability appraisal

Many regional bodies have developed simple 'check-box' appraisal systems, though there is an acknowledgement that these are limited in their current form. Both Regional Planning Guidance and Regional Economic Strategies are required to undergo sustainability appraisals, with the new style RPGs subject to a systematic monitoring and review process. There is also a renewed emphasis on more responsive approaches to sustainability appraisals, including the utilisation of clear objectives and monitoring. Currently the sustainability assessment process requires that policies be appraised against criteria representing national Sustainable Development objectives.

Although sustainability appraisals are an important component of the regional agenda, they are still embryonic and as such have practical limitations. In their academic survey of existing sustainability appraisals, Smith & Sheate (2001) note that the number and scope of objectives varies considerably between regions. For instance, Yorkshire and Humberside use 10 objectives within their regional appraisal process, whereas the North East region uses 28. Further limitations included a lack of targets as part of the appraisal process, and also a failure to identify appropriate indicators.

Whilst sustainability appraisal is now widely adopted in relation to the major regional strategies and as part of project appraisal for 'structural' and 'single-pot' funding this does not always adequately address other agendas, for example climate change. Nor is sustainability appraisal always undertaken for thematic regional strategies. In similar fashion, the mid term evaluation of the Objective 2 Programme found that there was little monitoring of the effectiveness of the programme in terms of CO₂ reduction, despite it having an objective to this effect.

Limitations & misuse of RSD evaluation

The overall conclusions from the current state of evaluation practice is that there is some encouraging progress, but much more needing to be done. In particular there are obvious difficulties of evaluation with limited resources, scarce data, uncertain effects and political pressure, and complex qualitative factors.

- Policy justification – when evaluation is used to justify rather than to criticise policy.
- Policy therapy – when evaluation is more of a feel-good process which mitigates otherwise worrying tendencies.
- Policy ‘cerebration’ – when action appears to be taken even when there is nothing more than discussion.

5. REVIEW OF REGIONAL SUSTAINABLE DEVELOPMENT

5.1 The agenda for RSD

For this brief review, there are many themes to which we can only point. First are general questions on the *meaning of RSD* itself.

In terms of definitions of RSD: the question is whether sustainability is considered to be an adjustment and ‘add-on’ to existing development objectives and processes: or an entirely new perspective on the meaning of development at the regional level.

There is also the question of whether to best focus on existing regional / administrative boundaries, or more on other functional units and scale levels, either economic, social or environmental.

The nature of regional functions and inter-dependencies is also a fast changing picture in terms of the globalizing economy, mobilizing cultures, and the impact of information and communications technology.

A second set of questions concerns the unique *geography and politics of the UK*. In particular there are complex relationships between the Greater London, the 8 English regions, and the devolved administrations of Wales, Scotland and Northern Ireland.

In reality this ‘asymmetric geometry’ is changing rapidly. At present in 2004 there are referenda planned to decide on regional parliaments in the 3 northern-most English regions: if successful this could see a situation where each region / devolved administration of the UK is almost unique in its powers and resources. The picture of the UK in comparison to other EU countries’ regional structures may be still more complex. The EU enlargement and other changes in the Atlantic regions are also macro level influences. Within the UK there is

also the modernization of government and policy processes at various levels.

This political picture is then overlaid on an economic and spatial development perspective. The transformation of former industrial regions is proceeding rapidly, and there is a new agenda for the 'Core Cities' which are seen as engines for regional growth.

There is a raft of government policy on spatial development, along the compact city principles, and some of the targets for redevelopment of urban land are now being met. There is a national 'Sustainable Communities Action Programme' which accelerates development in the South East, while addressing the problem of decline and dereliction in the most deprived northern areas.

A third set of questions concerns the practical implications and **opportunities for RSD** in many fields such as housing, transport, training and employment, environmental management and so on. Each of the examples below and more, depends on a **sustainable economic development** strategy at the regional level. This is where it becomes difficult to distinguish rhetoric from reality. As 'sustainability' is now a standard part of the policy language, every RDA strategy is labelled 'sustainable', and the regions now contain such things as sustainable nuclear power plants, sustainable airports and so on. Therefore a more effective way of making distinctions and evaluations for RSD may be to look at the opportunities and opportunity costs of alternative development paths, against a more comprehensive of environmental, social, human and manufactured capital (GHK et al 2003).

Current regional development

There is a growing consensus that the UK's regional disparities are growing in spite of policy initiatives up to now: the Government has accepted an ambitious target of reducing these disparities over the long term. Crucially the sustained regional voice provided by the Office of the Deputy Prime Minister has been supplemented by the rise of HM Treasury as regional champions, on the basis of cost efficiency and effectiveness.

However, there is less consensus over the causes of these disparities, and what policy instruments would make a real difference. The government's reliance on the RDAs is attracting criticism, on the grounds that they lack democratic accountability, and that they do not have the powers in themselves to address the structural divisions between rich and poor regions across in the UK.

One view is that a national spatial framework is needed to provide clarity on many issues which lie between geographical regions (Wong, Ravetz & Turner 2000). Another view is that much more radical forms of intervention are needed at both regional and national scale (IPPR, 2003).

Evaluation of RDA Strategies and Action Plans

The University of Dundee with Arup Economics & Planning and Aston Business School (2000) carried out an evaluation of the RDA Regional Economic Strategies (RESs) and Action Plans, with the following findings:

"The content of the Regional Economic Strategies (RESs) and Action Plans produced by the RDAs generally fulfilled the requirements of statutory and non-statutory guidance issued by government. The RDAs faced challenging timescales and organisational issues at the time that they were producing the RESs and Action Plans. Within this context, the RESs and Action Plans can be considered to successfully meet most of the basic requirements of the evaluation criteria set out for this study. In most regions the RESs commanded the support and commitment of the majority of partner organisations, and were recognised to provide a clear over-arching vision and framework for taking forward economic development and regeneration.

There is generally comprehensive coverage in the RESs of all the main policy areas specified in the guidance (and outlined in the evaluation criteria). Although often, specific policy areas were considered to varying degrees of detail. As the RDAs move away from a context of separate funding streams and programmes to a 'single pot' form of funding, there is scope in the future for the RESs to demonstrate greater integration between policy themes.

In most regions, the background research and baseline analysis undertaken to inform the production of the RES, represented a fair attempt to develop a robust and comprehensive analytical basis for the RES within the limited timescale available.

In general, the visions and broad objectives of the RESs were appropriate (if not particularly distinctive) to their regions, and reflected the analysis upon which they were based. A main shortcoming of the documents was a general lack of regional distinctiveness or spatial specificity in the consideration of general approach to regional development and priorities in specific policy areas.

The RESs were broadly consistent with the framework of other regional strategies. In many regions the RDA produced the RES in the context of an uncertain and under-developed wider framework of other regional strategies. Consideration of inter-regional and cross-boundary issues was generally under-developed in most of the RESs.

Following initial problems in some regions, a 'fitness for purpose' approach to Action Plans has since been developed – the timescales and formats for the documents are appropriate to the specific regions, RESs, and varied RDA roles in different policy areas. As such, the Action Plans provide a sound basis for implementation of the RESs.

The interim monitoring and evaluation frameworks generally met the requirements of guidance in terms of core indicators, although there were some concerns that over-aspirational targets had been set. Most RDAs have built on this early work to work closely with partners to further develop these frameworks.

The RDAs will be in a far stronger position as they come to review and update their strategies. Organisational and policy competencies and joint working with partners will be more firmly established. There should be a clearer and more comprehensive base of background research and analysis on regional conditions. RDAs will also benefit from more appropriate timescales and a more clear wider policy context for the development of the strategies. The move to 'single pot' funding and increased resources for RDAs should also enable a more targeted and integrated approach to be specified in the

strategies. As such, it should be possible for a far better developed, more detailed and regionally distinctive set of documents to be produced."

5.2 Experiences with regional sustainable development

Concepts of RSD – a UK perspective

Regional Sustainable Development is clearly a complex and multi-level concept. One starting point is to ask why are regions not the 'cornerstones' of sustainability? (Gabriel & Narodoslowsky 1998)

- **Lack of definition:** many regions overlap, and the boundaries of economic, political, social and environmental systems are often all different.
- **Political & economic dependency:** the UK national level has ultimate legal and financial powers, and regional powers have to be negotiated.
- **Urbanization & globalization:** regional economies generally operate and compete on a global scale, taking in resources and producing goods for the nation and the world.

However, at the regional level there is often a strong correspondence and 'fit' between physical functions, social identity, economic units and political territories. The environmental features of regional 'units' include water catchments, air dispersion bowls, soil types and agricultural markets. The economic features include urban hinterlands, travel patterns, housing markets, trade flows, and industrial profiles. Most regions have a strong sense of identity, linked with language and customs, and with kinship or migration patterns.

In the UK the new 'policy-scape' of agencies, programmes and objectives, are each intended to be joined at the regional level, and may have better chances for success than at local or national levels. In general the regional level offers the chance of new linkages, between the local and the national scale, where policy is often in a greater state of flux, and where the 'connexity' of sectors

and actors can be increased (Mulgan 1997):
(**Fig 7**):

- Horizontally, between different sectors or policy silos
- Vertically, between top-down providers and bottom up consumers
- Laterally, between upstream 'causes' and downstream 'effects'
- Culturally, between different worldviews, ethics and cultures

In reality the UK regional policy choices face similar challenges as local and national, with conflicts between growth, decline, stability and change. The current UK regional SD strategies show a difficult balance between low-risk adjustments to the status quo, and high-risk aspirations for a better world. The practical question is in the centre of this balance – what are the 'opportunities' for RSD and how can they be mobilized?

Opportunities for RSD

For the **built environment** sectors, many regions are attempting to fit the SD agenda for compact cities and mixed use neighbourhoods, with the economic pressures for business parks and airport runways. In some regions the 'Regional Planning Guidance' is beginning to provide operational frameworks for planners to coordinate with financiers, housebuilders, landlords, developers, utilities, retail, health and education services. Meanwhile the largest single environmental impact is caused by the stock of housing and commercial buildings. In some regions a '**regional buildings strategy**' provides for rising standards while reducing CO₂ and other emissions by 40% or more.

Most regions now have **regional energy** and **regional climate strategies**. These aim to transform the regional energy metabolism, through a partnership which coordinates between impacts and mitigation, and between energy demand and supply sides:

- Regional climate impacts, response, adaptation and mitigation programmes, to monitor risks and opportunities.

- Regional renewable energy programme, linking land-owners and utilities to public purchasing policies.
- There is also the possibility, although more difficult, of mobilizing energy services firms and regional energy agencies to promote efficiency in all sectors.

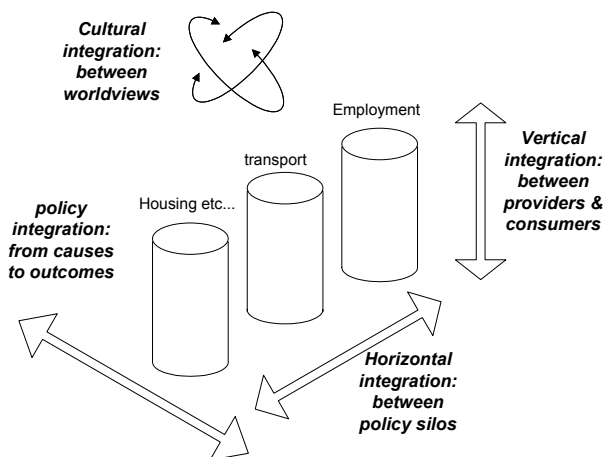
On the economic front itself, there are opportunities now emerging for regional investment / assistance funds to be targeted on 'green finance' at every level of the regional system. In some cases such funds are beginning to be run by a partnership of commercial banks, RDAs and government offices. Their main objectives are in bridging 'market barriers' to increase the viability of investment in SD ventures and technologies.

Various forms for this enhanced 'pro-active' model of sustainable economic strategy can be seen:

- clean technology 'growth pole' with technology transfer network, linking research, higher education and industrial bodies
- market development programme, linking green investment and public purchasing policies to venture capital and supply chains.
- preferential finance for environmentally accredited businesses and projects, as piloted by the Cooperative Bank in the North West region.
- infrastructure development: long term equity or financial underwriting to environmentally-led schemes such as renewable energy.
- partnership agencies: preferential capital, equity investment and underwriting to the regional energy agency, transport agency and similar consortium bodies.
- employment development programme: tackling unemployment, community capacity building and local business development, with energy efficiency and similar programmes.

Fig 1

INTEGRATION in REGIONAL DEVELOPMENT



5.4 Conclusions

Regional development structures

The United Kingdom contains England, with 9 regions including Greater London. It also contains the 'devolved administrations' ("DA") of Scotland, Wales and Northern Ireland.

The English regions have no political autonomy as yet, but a referendum in 2004 will decide on possible parliaments to be set up in the 3 most northern regions. The DAs have various combinations of parliaments / assemblies.

Structural funds are combined with other government funding for regional, urban and rural development. Each of the 'Regional Economic Strategies' is titled 'sustainable', with their own interpretation of a sustainable balance of economic, social and environmental goals.

Multi-level governance is a challenge yet to be achieved: the Regional Economic Strategies are run by the Regional

Development Agencies ("RDAs"), appointed by national government. The regional assemblies are the coordinators of local authorities, but have no legal or financial powers.

Horizontal coordination across sectors should be done by both the RDAs and the regional assemblies, but this is very difficult in practice. The RDAs include NGOs, education, health etc on their boards: the regional assemblies are responsible for Regional Spatial Strategies, including housing, transport, environmental policy etc.

Evaluation and appraisal is applied to all levels of urban and regional development. Most evaluations are focused on the inputs and outputs of the policy or programme. There are also experimental methods such as the policy-focused 'Integrated Appraisal Toolkit', and the more technical 'REWARD' environment-economy modelling system. The EC Directive on SEA is now being implemented, within the limits of current levels of data and skills.

Major findings

REGIONET has provided a focus for debate, rather than final answers. It has highlighted how the multi-dimensional concept of RSD applies to technical tools, policy tools, social processes, spatial development, technology innovation etc.

RSD at present is constrained by the lack of political and financial authority at the regional level: and also with the privatisation of utilities, transport and other functions. The first objective of RSD policy should be to develop new models for combining market-based, policy-based and interest-based (NGO) organizations.

6. APPENDICES

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6.2 Abbreviations

CCI	Communications, Coordination & Involvement programme of REWARD
CURE	Centre for Urban & Regional Ecology
DTLR	Department of Transport, Local Government and the Regions
DEFRA	Department of Environment, Food and Rural Affairs
DETR	(the former) Department of Environment, Transport and the Regions
DPSIR	'driving forces, pressures, state, impact, response' framework
DTI	Department of Trade and Industry
EEA	European Environment Agency
ERDF	European Regional Development Fund
EU	European Union
GDP	Gross Domestic Product
IA	integrated assessment / appraisal
ICT	information & communications technology
IO	input-output form of economic modeling
LCA	life-cycle analysis of environmental impacts
LSC	Local Strategic Partnership
NAW	National Assembly of Wales
ODPM	Office of the Deputy Prime Minister
PIU	Performance & Innovation Unit
RDA	Regional Development Agency
REEIO	'regional economy-environment input-output' model
RES	regional economic strategy
RPG	Regional Planning Guidance
RSDF	Regional Sustainable Development Framework
SA	sustainability appraisal
SD	sustainable development
SE	Scottish Executive
SEA	strategic environmental assessment
UDP	Unitary Development Plan

6.2 Typology of forms of regional government

Based on: Wiehler & Stumm (1995); Stoker *et al.* (1996); Council of Europe (1998).

	Form of regional government	EU Examples	UK equivalent
Federal states	Wide-ranging powers: elected parliament; budgetary powers; legislative powers; right to levy taxes.	German Länder; Belgian provinces; Austrian Länder.	
Regionalised states	Advanced powers (political regionalisation): elected parliament; limited budgetary powers; limited right to levy taxes.	Spanish Autonomous Communities; Italian regions.	Devolved administration in Scotland.
Devolving unitary states	Limited powers (regional decentralisation): elected parliament; limited budgetary powers and substantial financial transfers from central government; limited right to levy taxes.	French regions; Dutch provinces; Danish amtskommuner.	Regional devolution model, to be tested in 2004 in 3 English regions (North West, North East and Yorkshire / Humber) Devolved administration in Wales, although without taxation powers. (also Northern Ireland which is a special case)
Classic unitary states	No powers (regionalising without creating a regional level): no elected parliament; no budgetary powers and all financial resources transferred from central government; no right to levy taxes.	Greek nomoi; Portuguese planning regions; Finnish regions; Irish counties; Luxembourg; Swedish Län (counties)	Former English regions and remainder after 1 st wave of devolution.
New governance models	Business led executive agencies funded by national government, implementing regional programmes: No direct democratic accountability.	Various	Regional Development Agencies

6.3 Summary of EU regional funding in the UK

	Objective 1	Transitional support under Obj 1	Objective 2	Former Obj 2 & Obj 5b	Objective 3	Total
UK	5085	1166	3989	706	4568	15514
	84.8	19.4	66.5	11.8	76.1	258.6
EU 15	127543	8411	19733	2721	24050	182458
	318.9	21.0	49.3	6.8	60.1	456.1

6.4 Summary of NUTS levels in the UK

NUTS level	Total in UK	England	Scotland	Wales	Northern Ireland	Examples
1	12	Government Office Regions (GORs)	Scotland	Wales	Northern Ireland	North West
2	37	Counties/groups of counties	Combinations of council areas, LECs and parts thereof	Groups of unitary authorities	Northern Ireland	Surrey
3	133	Counties / groups of unitary authorities	Combinations of council areas, LECs and parts thereof	Groups of unitary authorities	Groups of district council areas	Greater Manchester
4	443	Districts/unitary authorities	Combinations of council areas, LECs and parts thereof	Unitary authorities	District council areas	City of Manchester
5	c.11,000	Electoral wards/divisions	Electoral wards or, rarely, parts thereof	Electoral divisions	Electoral wards	Ardwick

6.5 Summary of regional economic strategies

(adapted from Roberts & Benneworth, 2001)

Region	Development Agency	Regional Chamber	Summary of regional economic
East of England	East of England Development Agency	East of England Regional Assembly	Little sense of being a region or history of regional co-operation; Had to develop from scratch - strategy was not well developed; Very few structures which the RDA had to incorporate and deal with at a RES judged as a good starting point.
East Midlands	East Midlands DA	East Midlands RA	Several existing organisations were incorporated into the Development Agency; Strong links with the Regional Chamber and Regional Planning Conference; EMDA chose to take their strategy forward both thematically and at a sub-Regional action plans – from which sub-regional action plans can then be developed.
North East	One North East	North East Assembly	Economic problems arising from structural economic crises had encouraged investment; The RDA acknowledged that it would take more than a 10-year period for Government criticised the strategy for failing to deal with social inclusion and its role in public-private partnerships.
North West	North West DA	North West RA	Some aspects of the work of the previous Regional Planning Council were Partnership; The Agency uniquely chose a 20-year period for its strategy, arguing this NWDA also chose to deliver a controversial document which voiced the criticism critical of perceived shortcomings.
South East	South East England DA	South East England RA	The SE is the wealthiest region in England. The vision the strategy advanced formidable business, social, educational, heritage and environmental strengths. The South East was in the unusual situation of being mid-way through SEEDA with a free hand to establish many of the relationships which were. The main area of concern Government expressed was the possible income sector and funding streams such as the SRB with their own designation and
South West	South West England DA	South West RA	The main problem faced by the SW in drawing up a strategy was the strategy was focused around creating a common sense of purpose, with vision for region as becoming a European exemplar region; Given the diversity and divergence evident in the region, SWRDA decided partnerships.
West Midlands	Advantage West Midlands	West Midlands RA	The prior existence of the West Midlands Regional Consortium assisted the draft RES failed to address the substance of many of the specific problems. An important stakeholder is the Government Office, because it exercised control West Midlands, covering 60% of the region's population.
Yorkshire and the Humber	Yorkshire Forward	Yorkshire & Humberside Assembly	Long history of collaboration between local authorities, including a voluntary regional partnerships have tended to be led by the private sector; Only one of the six objectives deals with the social cohesion agenda - business positive of the Government responses.