



THE STRATEGIC PLANNING ON THE LOCAL LEVEL AND THE BUSINESS - IS THE SYNERGY POSSIBLE?

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The goal of this report is to prove that the synergy between the local governments and the local business in the process of the strategic planning at local level is possible. The method of study research of theory and best practices of famous European cities is applied. The conclusions included that the synergy is possible and even more - it is absolutely necessary for the developing of the local economics as competitiveness and sustainable in the dynamic industrial surrounding and globalization.

In the report are studied the different theories in the strategic planning process as well as best practices from London, Valencia, Barcelona. And not so best practices from some of the largest Bulgarian cities.

It is not secret that the resources of the societies, economics and the planet are limited enough. One the most successful and efficiency principle for their judicious absorption probably is the synergy between all interested players involved. It is applied of the day EU Funds absorption level.

The Strategic planning on the local level and the business - is the synergy possible? The most possible answer should be "YES". But one of the uncaused questions is 'What is the strategic planning at local level?'. Dozens of answers are given in the theory of the local governments. Some of examples are as follows:

The municipal plan is both a thorough research document of the community's present condition and a guide for accomplishing community aspirations and intentions through public investments, land use regulations and other implementation programs. The plan is based upon surveys of existing conditions and probable future trends in the municipality, the region, and the state. Based on these surveys

and trend, the plan identifies strategies for development and preservation of resources.

The principal purpose of the municipal plan is to be a guide for the achievement of short-term and long-term community goals. To do that, the plan attempts to:

- *Define the community's vision for its future;*
- *State and promote community values in its goals, objectives and programs ;*
- *Establish a process for orderly growth and development;*
- *Balance competing interests and demands;*
- *Provide for coordination and coherence in the pattern of development;*
- *Provide for a balance between natural and built environment;*
- *Reflect regional conditions and consider regional impacts;*
- *Be consistent with statewide goals and policies;*
- *Address both current and long-term needs;*
- *Give specific guidance while retaining enough flexibility to be useful when faced with unforeseen circumstances; (1)*

The Municipal Plan is a legal document (a by-law) that helps to guide the physical development of our city. It contains planning policies that guide:

- *What our downtown should look like in the future;*
- *How our neighbourhoods evolve over time (e.g. homes, shops, parks, schools...);*
- *The location and look of commercial and industrial areas;*
- *What kinds of natural spaces should be preserved and where parks are located;*
- *What kinds of city facilities are provided;*
- *How city land is used;*
- *What kinds of infrastructure (e.g. sewers, roads) are provided and how;*

- *How different parts of the city connect to each other and with our neighbouring cities of Dieppe and Riverview;*
- *A big picture of how a community is intended to look like, not just next year, but many years from now (many plans look at least 25 years forward), and the policies and actions required to carry out the plan.*

Municipal Plan policies influence a number of things, including:

- *The development rules that are applied to individual properties in the city (Zoning By-law;)*
- *The rules that are applied when properties are subdivided (Subdivision By-law;)*
- *How applications for development are processed (including the kinds of things that are considered and the type of consultation that is required);*
- *Other studies and planning initiatives that are undertaken once the Municipal Plan is in place;*
- *Investment decisions (public and private);*
- *It is a document that affects us all in one shape or another. (2)*

The planning system outlines what can be built and where, and plays an important part in protecting the environment, in towns, cities and the countryside. This is described as a plan-led system.

At the heart of the government's system lies the Local Development Framework (LDF) that contains a number of key planning documents. There are three required documents in the Local Development Framework. These are the:

- **Local Development Scheme** - *a project plan for the LDF, which states how the local authority will produce the LDF;*
- **Annual Monitoring Report** - *a report submitted to the government by a local planning authority (borough) to assess the progress and effectiveness the LDF;*
- **Statement of Community Involvement** - *a document explaining how the community will be involved in the development of the LDF. This is central to the government's new plan system.*

*There are usually a few **Development Plan Documents** (DPDs) which have development plan status and there may also be **optional Supplementary Planning Documents** which expand or add details to local planning policies in DPDs (3)*

The examples given above are from different states and cities. Besides these descriptions is underlined one more important thing: the strategic planning at local level is applicable and necessary for all of the cities, never mind if they are located in EU or USA or Canada or another states, which mission is sustainable development in a long term period.

Of course how the planning process to be implemented depends by the legislative frameworks and the traditions on national level. In the first example the planning process is managed by the Planning Commission which formed study committees to address the special topics. A downtown market study, which was a joint project of the City of Barre and the Barre Partnership, is also included as part of the planning process. A series of informal public forums are hold to review the downtown revitalization, child care, housing, and land use issues. These forums provided a means to review the Planning Commission's initial findings and recommendations with the public. In addition, the Planning Commission holds a formal public hearing and City Council held two additional hearings as required by state law.

In the second example given a citizen-based committee has been created to help with the proess. Members are a diverse group of talented Monctonians, representing various communities within the city.

In London's Planning process one of the key steps is to be found information on planning research including Mayoral responses and annual monitoring reports.

The GLA's Planning Team produces a number of reports including Annual Monitoring Reports and Technical & Research Reports. The team uses this information to help produce the policies in the Mayor's London Plan, the Regional Spatial Strategy for London.

The London Plan is based on a number of projections based on the best research and evidence available when the document was prepared. These provide a sound basis for the plan's overall direction and policies, but it is important to understand that circumstances can change. It is essential can adjust, especially to changes that could lead the GLA's to reconsider the plan's direction or policies, either in part or in whole. This approach is at the heart of the plan-monitor-manage process.

The **Annual Monitoring Reports** is the central component of the statutory monitoring process required to assess the effectiveness of the London Plan. It is based on the Key Performance Indicators (KPIs) in Chapter 6 of the London Plan but also includes additional contextual monitoring which highlights more specific challenges for London.

The **London Development Database** records the progress of planning permissions in the Greater London area as part of the process of monitoring the Spatial Development Strategy contained in the London Plan.

The London Assembly's Planning and Housing Committee monitors the ways the Mayor exercises his powers to produce the London Plan, decide the biggest and most strategic planning applications from the boroughs, and produce a housing strategy. It also produces reports investigating other planning and housing issues that matter to Londoners.

In Bulgaria the planning process on local level is given in the Regional Development Act (RDA) which has been changed several times in its relatively short history. The planning process of the local development and strategic plan preparing is enacted too general and schematic. This reflects on the quality of the Municipal Development Plans and their subsequent realization. The first planning process on the local level in the period of the EU pre-accession when the Municipal Development Plans 2005-2013 has been prepared was too formal and chaotic. On the one side it has been due to the very complicated planning scheme set in the RDA. On the other side in the most cases these strategic plans so important for the further EU Funds absorption and local development have been assigned on consultancy companies. So far so good but in a significant part these companies have not been known the municipalities in details. In some of the largest municipalities the draft versions of the prepared plans have been public discussed at least with a part of the stakeholders. The realizations of the plans are assigned of the mayors according the Regional Development Act. And again the stakeholders are included mainly wishful in the realization and monitoring processes.

Out of the Bulgarian practice the experience of the most successful, dynamic and sustainable development cities in Europe and beyond shows that as rule in their strategic plans and supporting documents the principles of the local economic development are leading.

In several lines Local Economic Development (LED). The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation.

(4)

The main misconceptions can be summarizing as follows:

- It isn't rocket science and doesn't have to be expensive
- It isn't all about high-tech and is about small, medium as well as large cities
- It is inclusive, collaborative and competitive
- It is practical, involves all who want to play and can be fun!

But actually it means to Paradigm to be changed and to be awareness by the local governments and stakeholders on all level that the LED principles must be integrated into the strategic plans. These principles are only 5:

- **Firms, not government, create wealth;**
- Effective public institutions reduce the cost of production;
- Efficient delivery of public services/utilities improves the communities competitive advantage;
- Access to employment opportunities improves the overall wealth of a community;
- Local economic development programs should be executed in partnership with national government;

One of the proven the best models for integrating the LED principles into the strategic plans preparing and realizing is that of the Regional Economic Development Agency.

The following examples are eloquent enough in supporting of this statement:

Brazil: Economic Development Agency of the ABC Region

Established in 1998, the Economic Development Agency of the ABC Region is an example of a regional non-governmental agency with a mission to unify efforts from public and private institutions to promote sustainable economic development. The ABC Agency represents seven local governments and includes petrochemical industries, labor unions and educational institutions of the ABC metropolitan region. It has a number of associated organizations such as various chambers of commerce and SEBRAE-Brazilian Micro and Small Business Support Service, www.aenciaeabc.com.br (4)

Netherlands: Development Corporation of Rotterdam

In the Netherlands, development corporations are a commonly used municipal approach to stimulating economic development, the development of industrial areas, office locations and housing. The Development Corporation of Rotterdam (OBR), acting as guide and business partner, offers experienced staff to advise new or expanding businesses on their activities and operations in Rotterdam. The service and assistance varies from finding office or warehouse space, housing and introductions to the Chamber of Commerce (for company registration and trade information), to temporary employment agencies and specialists in the field of logistics, international banking, tax and company law.

www.obr.rotterdam.nl (4)

Great Britain, the nine RDA's**Purpose and strategy of the RDAs**

Each RDA originally had five statutory purposes:

- to further the economic development and regeneration of its area;
- to promote business efficiency, investment and competitiveness in its area;
- to promote employment in its area;
- to enhance development and application of skills relevant to employment in its area; and
- to contribute to achievement of sustainable development in the United Kingdom where it is relevant to its area to do so.

Subsequently, as a result of the London Olympic Games and Paralympic Games Act 2006, all RDAs have an additional statutory purpose of preparing for the London Olympics in 2012, although this has not been the focus of this report.

To meet their purposes, RDAs have funded and, in many cases, delivered programmes and projects to:

- enhance business development and competitiveness;
- promote regeneration through physical infrastructure; and
- support people and skills.

They have also delivered other interventions that span more than one of these categories, for example the Single Regeneration Budget (SRB), as well as up to ten national programmes which they have delivered within parameters determined by central government departments.

Ten national programmes have been defined: the Coalfields Programme; the Regional Innovation Fund; the Manufacturing Advisory Service; Regional Tourist Board Support; the Rural Development Programme for England and Sustainable Food and Farming; Market Town Initiative; Business Link; Regional Selective Assistance/Selective Finance for Investment; Grant for Research & Development; and Phoenix Fund.

Besides the direct and indirect impacts associated with their project and programme spending, RDAs were also given the remit to play an important strategic role within their regions:

- by exhibiting leadership so that national, regional and local institutions could be harnessed to exploit the indigenous strengths and tackle the particular weaknesses of each area; and
- by providing the environment for businesses and communities to maximise their potential through reforms that strengthen the key drivers of productivity and growth at the most appropriate spatial level.

Reflecting this role, the delivery of Strategic Added Value (SAV) is seen as an important further element of the impact of the RDAs' activities.

RDAs' expenditure

Between 1999/2000 and 2006/07, the RDAs have collectively spent around £15.1 billion, and their total annual expenditure (net of receipts) has increased from £825m in 2000/01 to £2.3 billion in 2006/07, reflecting the significant extensions of their responsibilities. In the period of the Single Programme (from 2002/03 up to and including 2006/07), the RDAs spent about £11.2 bn. Of this expenditure, 32% is spent on regeneration through physical infrastructure, 17% on business development and competitiveness and 8% on activities related to people and skills. Around 17% of expenditure has been spent through the SRB, which the RDAs inherited but which has declined over time as their new responsibilities have increased. In addition, RDAs spent £1.3 bn on ten national programmes delivered on behalf of central government departments.

Although this report draws on evaluations which cover RDAs' spending over the whole period since their establishment in 1999, its focus is on understanding the impact of their spending on interventions in the period of the Single Programme between 2002/03 to 2006/07.

Thus, it focuses less on those programmes and projects which RDAs inherited from their predecessors, including the ten national programmes where the RDAs have been responsible for delivery within parameters determined by central government departments, and projects where it may be too early to expect to assess the impact, for example some of the spending to prepare for the London Olympics in 2012.(5)

To the last example could be added also the Mayor of London, Boris Johnson, vision of leadership:

The Mayor believes London is the greatest of all the world's great cities. His strategy will ensure that the world comes to share this view.

Opportunity will be expanded for all Londoners and London enterprises, to enjoy the best business climate, the highest quality of life and the very best environmental standards. London will lead the world in meeting the urban challenges of the 21st century.

To deliver this vision, the Mayor and the London Development Agency (LDA) work in partnership with both private and public bodies to develop a strong environment in which companies can flourish and a public arena where Londoners can live healthy and fulfilled lives.

The Mayor will support the success of the private sector and help catalyse appropriate contributions from public bodies to achieve a cooperative partnership which brings development to benefit all of London. And big events like the 2012 Games will be capitalised on to present a modern, vibrant face to the world and leave a great legacy for future generations. The Mayor will build on London's strengths and address its weaknesses, developing a city which serves the needs of all its businesses, all its public bodies and all its citizens.

Much more definitions and examples could be given. But what is must be underline is that the local and national governments in Bulgaria should benefit from them. And in the start of

planning of the new EU Funds 7-years period to revise the mistakes and gaps in order new mles and principles in the regional and local planning process to be integrated. Because the lack of administrative capacity is probably the main reason for low EU Funds absorption and the sustainable last ranking in EU 27 development chart.

In spite the established RDA's in Bulgaria in the period of 1995-2000 and their Association in 1997 (BARDA) these organizations are not even mentioned in the Regional Development Act.

If the RDA's are responsible or at least involved in the process of Strategic planning on local and regional level it will be most effective. One of the reasons is that each one RDA will have the necessary information to coordinate better different type of measures and projects between municipalities in order of their mutual problems solving and sustainable development.

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