

30 October 2004

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Dear Gillian

South East England Regional Assembly Select Committee on Regeneration and AIFS

Thank you for the opportunity to comment on the SEERA Select Committee on Regeneration and AIFs. I set out below comments from the Kent & Medway Strategic Health Authority based on the context and issues paper prepared by SQW Ltd to the South East England Regional Assembly in September.

1.7 *“Should a much broader range of SEEDA departmental expenditure be channelled through AIFs and corporate planning documents more fully to support the development of AIFs”*

It seems logical that if the development of AIFs is the focus of SEEDA policy, then a broader range of SEEDA departmental expenditure should be channelled through AIFs. However with the arrival of the Local Area Agreement (LAA) pilots in some areas (including Kent) a review of other regeneration linked funding streams is taking place. Therefore decisions about SEEDA funding should be considered within this context.

1.8 It is true to say that the early development of AIF strategies has been largely poorly informed as a result of a lack of engagement with wider stakeholders. This has been exacerbated by SEEDA's focus of achieving Tier 3 outputs through project activity. AIFs in some areas may have focused too much on "pipeline projects" rather than fully engage a wider community in developing new programmes. Although clearly SEEDA has a lead role in economic led regeneration it should be remembered that successful and sustainable regeneration will only occur if the social and community components of regeneration receive equal priority. Therefore a broader approach would be an advantage.

1.14 *“Should all of SEEDA’s expenditure be required to contribute equally to Tier 3 outputs or should there be substantial flexibility between funding streams to focus on different areas of activity that ultimately achieve the broader Tier 2 aims?”*

There should be greater flexibility between funding streams that will enable a balance between community development and economic regeneration. SEEDA’s overall regeneration objectives will not be achieved unless this balance is more apparent.

1.15 *“Unofficial AIFs – should there be policy guidance on them, should they be incorporated into any future evaluation of AIFs.”*

Unofficial AIF partnerships should be allowed under the general umbrella of AIFs. Successful organic area regeneration partnerships such as West Kent should be encouraged. However this should be a decision for that partnership. In other words the approach should be permissive rather than prescriptive.

1.17 *“In view of Government policy to increase the role of the CVS in influencing shaping and delivering mainstream services, what role should the CVS play in AIFs?”*

The Voluntary and Community sector (VCS) should be an integral part of AIF or Area Strategic Partnerships (ASPs). This would help ensure that a greater balance can be achieved between "hard economic" and "soft community development" goals. There is currently some innovative work being undertaken in East Kent, for example, to look at the formation of an area wide Community Enterprise Trust Model to support the voluntary and community sector infrastructure. SEEDA funding would be well used in pump priming the establishment of Community Enterprise Trust Models. This would lead to the development of a sustainable voluntary and community sector infrastructure. This infrastructure is crucial if the voluntary and community sector is to play its full part in regeneration in general and AIFs in particular.

1.18 *“Should AIFs formally develop local area economic development strategies to make them clearly distinct from LSPs and is the current and future framework of AIFs and LSPs the best arrangement to optimise the partnership of wider mainstream funding programmes?”*

In view of the new development of Local Area Agreements, (LAA) the structures of AIFs and LSPs should be considered in this context. For example what will the relationship between the sub-regional LAA and the AIF partnerships be ?

Will SEEDA be part of sub-regional LAAs and if so how will this affect the prioritisation of objectives and funding at an area level?

The link between LSPs, AIFs and Local Area Agreements

This is a crucial area that needs much further consideration. The inter relationship between AIFs, LSPs and sub regional partnerships such as the Kent Partnership will need to be explored further in the light of LAA pilot. Furthermore, within the Sustainable Communities areas, the arrival of Local Delivery Vehicles (LDVs) has already affected the balance between LSPs and AIFs. For example, in Thames Gateway, many of the priorities outlined in AIF strategies at a North Kent level are now being focused through separate and distinct delivery vehicles in Kent Thameside, Medway and Swale. This implies that AIFs are not an appropriate vehicle for this and also to some extent, have undermined the position of AIF partnerships in these areas to the extent that their own viability has been called into question.

There should be a role for AIFs and area based regeneration partnerships in ensuring that whilst LDVs are achieving local district based regeneration, an area perspective (for example North Kent focus) is maintained. Any decisions about the future of AIFs should be concerned with achieving the appropriate geopolitical balance that will be required for effective regeneration. This means considering the particular geopolitical context, which in Kent and Medway includes Local Delivery Vehicles, AIFs, LSPs and a pilot LAA at County /sub regional level.

AIF Stakeholders

The question also arises about the level and representation of stakeholders in AIF areas on the Board and to what extent their influence can be focused. Boards may benefit from having a wider membership. For example health bodies such as Primary Care Trusts (PCTs) and Strategic Health Authorities (SHAs) should be automatically considered for board membership.

Discussion point 8

AIFs may not be intended to be the default replacement for SRB in areas. However where long-term mainstream funding has not been found to support existing SRB objectives, there will be a need and expectation that AIFs will continue to help support the funding for SRB projects.

If you would like clarification of any of the comments in this response please do not hesitate to contact me.

Yours sincerely



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