

SEERA Consultation on AIFs – Comments on behalf of Rother District Council

Below are our comments in response to the various discussion points in the document by SQW.

Discussion Point 1: Should a much broader range of SEEDA departmental expenditure be channelled through AIFs and corporate planning documents more fully support the development of AIFs, or should expectations of what AIFs can deliver be tempered?

AIFs are intended both as a vehicle for directing SEEDA funding but also as a framework for directing mainstream funding of other partners, in particular other public sector agencies. As such, the greater leverage that SEEDA can bring to the table in terms of funding the greater the likelihood of it having a real effect on other funders' priorities. In addition, AIF's provide the framework for greater 'joined-up' delivery which is sometimes more easily achievable at a local level than through regional or nationally-administered budgets.

Discussion Point 2: In view of the change to more localised pattern of mainstream programmes provision is the consultancy-report driven, project-orientated and output-focussed activities being developed for SEEDA Devolved funding the most appropriate method to catalyse change and generate local investment frameworks and related capacity?

Yes. One of the key aspects that differentiates AIFs from earlier devolved programmes such as SRB is that it takes a proactive approach to meeting local priorities using funding to supplement existing activities; rather than the bidding process, which tended to require 're-inventing the wheel'.

Discussion Point 3: What level of staff and financial resources both in and out of SEEDA are appropriate to develop, train staff and administer AIFs?

To date the AIF's in East Sussex have required considerable resources to establish and administer due in part to the tension between the need to meet tight deadlines and the desire to embrace participation amongst stakeholders. This has yet to generate into a cyclical process that is familiar to everyone. The level of resources entailed, not just in co-ordination and administration but also in participation are not yet justified by the level of funding. The resources available for administration should be commensurate to the level of activity and the outcomes required: but it must also be recognised that any devolved delivery programme entails a degree of beaurocracy and at low levels of funding there is a point at which the level of beaurocracy outweighs the benefits.

Discussion point 4: There are benefits from providing maps that sets out more clearly how AIFs and LSPs relate, and guidance for potential public sector partners on how to engage. This can have the effect of empowering potential partners.

Agreed. I would go further to say that there needs to be far greater alignment of LSP's and AIFs.

Discussion Point 5: How can partnerships be configured to make them attractive to all mainstream providers and 'business focussed' in relation to discussing mainstream services or investments?

It may not require all mainstream providers. The role of the AIF is to target resources in areas where investment is most needed: so AIF Partnerships should be constructed according to their investment priorities.

Discussion Point 6: Were lessons learnt from the AIF Pilot Review, what lessons could be incorporated into current AIF policy?

Our experience to date has been that AIF Partnerships have been working to very tight timescales and are required to provide detailed information on project plans, budgets, etc. whilst not having certainty at that stage as to the likely funding available. A great deal of time and effort has gone into drawing down relatively small amounts of funding and effective project planning will require greater certainty on the funding commitment from SEEDA.

Discussion point 7: There are emerging benefits of AIFs in terms of identifying priorities, new partnerships and some strategic investment decisions. There is clearly potential for such benefits to develop further. How can SEEDA best foster genuine strategic focus and further encourage the process of AIF development? One tactic would be to sell and promote AIFs at a higher level across different government departments.

AIFs are in their infancy and the most effective promotion in the long run will be to demonstrate that they make a measurable difference. Their relationship with LSP's in terms of driving investment decisions is critical to the success of both. I suspect that public sector partners are confused by the muddled relationships between the two.

Discussion point 8: SEEDA argues that AIFs are not a default replacement for SRB, however the perception amongst many is that this may in part be the case. In addition, views even with SEEDA can vary as to SEEDA's position regarding continuity funding for SRB.

The mechanisms and processes are different between AIF's and SRB. In Rother the structures are entirely separate and there is little cross-reference in terms of project activity, although there is alignment in terms of their priorities for intervention.

Discussion point 9: Is the current balance of community vs. economic development in relation to AIFs the correct balance. Furthermore, 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 such as providing for community-related activity?

In Rother, the Hastings & Bexhill AIF's Investment Priorities embraces social as well as economic regeneration priorities. The East Sussex AIF focuses solely on economic priorities. It is generally felt that Tier 3 outputs, whilst acting as a useful guide, are too inflexible in their current form to allow for support for projects that achieve economic regeneration outcomes. However, SEEDA's funding should continue to focus on economic targets: however the role of AIF's should also be to identify other gaps in investment – this again highlights the crossover between AIF's and LSP's in this regard.

Discussion Point 10: The approach towards Investment Frameworks has generated a number of “unofficial” AIFs that do not have devolved SEEDA funding. Should there be policy guidance for these? Should they be incorporated into any future evaluation of AIFs?

No – we do not consider it appropriate for ‘unofficial’ AIFs to be incorporated in the evaluation and guidance process as they are not in identified areas of need and have therefore arisen for different reasons.

Discussion point 11: 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?

Refer to Point 9 above – if the CVS has a role to play in contributing to economic regeneration targets then there should be the opportunity to play a role in AIFs. That role may be more apparent if the narrow restriction of Tier 3 outputs is revisited.

Discussion Point 12: Is the current and future framework of AIF and LSP partnerships the best arrangement to optimise the partnership of wider mainstream funding programmes? Furthermore, perhaps AIFs should more formally develop local area economic development strategies to make them clearly distinct from LSPs?

No. The current framework of LSP's and AIF's needs to be made more flexible in order to achieve closer alignment and optimise the partnership of wider mainstream funding. AIF's are already setting local economic development strategies.

I hope that these observations are of assistance.

Graham Burgess
Acting Head of Regeneration
Rother District Council

29/10/04