



South East England Regional Assembly

**A Response by the Social and Environmental Partners'  
of the South East England Regional Assembly to  
Area based regeneration strategies (SRB and AIF)  
A context and issues paper**

---

**1. Overview and Broad Issues**

1.1 Draft comments based on discussion between the SEPs were circulated for comment. This final response represents the consensus view obtained during further discussion between them of this draft.

1.2 There is general concern that the lack of structure of AIFs (Area Investment Frameworks) leads to *ad hoc* local implementation that is inconsistent, and can exclude the voluntary and community sector. SEPs feel strongly that adequate procedural guidance would enable AIFs to be of real use, as failure to engage the community leads them to be economically driven. The voluntary and community sector has at times found it extremely difficult to become engaged.

1.3 There is a need to ensure that AIFs and LSPs are linked to the community plan and that this is used to evaluate whether they are actually working on the ground. There is a need to clarify the relationship between the two.

1.4 In addition there is a lack of information on how they function, and in the practical aspects of their working arrangements. SEPs note that there are examples where they are not in fact working well. Without precise information there can be no real comment as it is simply not possible to reach an understanding of quite how they operate, or what their successes and failures might be. The report provides little clarity.

1.5 The use of language in the SQW Report was unclear in places and it was difficult to extract any real meaning from some parts of the text.

1.6 SEPs have concerns regarding the scrutiny process itself, based on their experience of the Urban Renaissance Scrutiny. The programme for the first day consisted of a number of presentations by SEEDA that occupied much of the time available. Consequently there was only time for one question from each member at the end of the session and there was little sense of participation in the process. The second meeting reviewed the report, leaving no opportunity for discussion of the issues involved. SEPs believe that this process should not be repeated for the current scrutiny.

Suggested improvements by the SEPs include:

- SEPs felt that a more complete understanding of the subject matter based on full information would enable them to engage more fully.
- There should also be sufficient opportunity for SEPs and other participants to enter into dialogue with SEEDA during the scrutiny process and to ask questions. This should ideally be during both days.

1.7 Monitoring and Evaluation are essential functions and should be addressed in the paper. Failure to monitor rigorously can result in initiatives going off-track. The collection of data to inform ongoing scrutiny will also fail to be carried out. Without some process of self-evaluation there are no checks to ensure best practice.

**Detailed comments to the Discussion Points raised in the report are as follows:**

#### **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**

- See responses to discussion points 3 and 9 below.
- It is essential that funding is available to provide fully trained staff to administer AIFs in accordance with the principles of sustainable development. IRF indicators should be used to measure this.
- A structure to support these goals should be available for consistent application prior to any expansion of the scheme.
- The geographical coverage of AIFs is restricted to priority areas determined by economic rather than administrative boundaries. Whilst this may have economic benefits in some areas, there is little provision for support to areas of multiple economic deprivation outside the designated priority areas. This is of particular relevance in areas of multiple deprivation in urban hotspots such as Slough and Reading, which are in otherwise economically successful sub-regions.
- Para 1.22 of the SQW report describes the current system, but a closer focus to pick up hotspots and address needs on this scale should complement the existing system. There is otherwise a risk that funding to priority areas might benefit recipients other than those for which it is intended, while ignoring those with very real needs isolated within affluent areas.

#### **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**

SEPs cannot understand what is meant by this discussion point. It needs clarification.

#### **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?**

- The challenges experienced by SEEDA staff in adapting to a new regime are acknowledged. This highlights the need to ensure that all staff engaged in the process are fully trained. Funding must be available to ensure that not only are staff of the appropriate calibre engaged, but that they have a full understanding of the AIF process. SEEDA has lower funding provision than other RDAs but this should be key to their activities as failure to address this would lead inevitably to poor delivery

#### **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.**

- Information on AIFs is not readily available to potential participants, to stakeholders or the community at large. Some information on AIFs was available on the SEEDA website but it was not readily accessible. APSU managed with some difficulty to extract sufficient information to gain a general overview from a number of documents on the website, but specifics such as the number and type of AIFs remained inaccessible. Other organisations have since confirmed that they too have encountered difficulties in obtaining information and some have used the incomplete information compiled by APSU. If AIFs are to be a mainstream tool, it ought to be easy to access comprehensive information on them.

Specific difficulties were encountered in obtaining information from the website on the following:

- Geographical areas covered by existing AIFs;
- Named SEEDA or other contact;
- Main players and contact details;
- Funding streams committed to AIFs (by SEEDA or other) by geographical area;
- Whether funding is for capital or revenue funding;
- Whether partners or SEEDA decide on splits in funding allocation between capital and revenue and the general operation of AIFs;
- What monitoring process was in place;
- Intended outcomes;
- Timescales;
- How communities could access/engage with AIFs;
- Whether AIFs are co-terminates or partnership working;
- How much of the devolved funding actually supports AIFs;
- A clear definition of the term "Tier 3" to be available on the website rather than within the text of the RES, a document that may not be consulted by many readers.

#### **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**

- Discussion Point 5 is barely comprehensible

#### **Discussion Point 6**

**Were lessons learnt from the AIF Pilot Review, what lessons could be incorporated into current AIF policy?**

- This is difficult to comment on as little information is available.

#### **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**

- With the lack of information available on the SEEDA website, how can this statement be made as no measurements are available.
- There is concern that SEEDA is not successfully leveraging all the funding which might be available to the region by involving funding organisations in the initial planning of AIFs.

### **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.**

- Although the consultant's report is confusing in parts, it appears that AIFs are not replacements for SRB in that not only are they to be applied almost in total to priority areas, but that SEEDA funding is considerably less than was previously the case.
- As a tool for the purposeful planning of local requirements they represent a potential improvement over SRB, but in some respects remain untried. Much remains to be clarified regarding clear definitions of purpose, local arrangements for application, community involvement and continuity of funding.
- In particular exit strategies for SRB projects should be transparent.
- The benefits and rationale for changing from SRB funding that could target local issues to AIFs which operate in a similar way but with allegedly less funding are unclear. This becomes even more relevant with the sub-regional geographical emphasis of AIFs that make them focus on a larger area than might have occurred under SRB.
- AIFs are not a default replacement for SRB in that the latter enabled SEEDA to coordinate funding that they could support financially. AIFs are now expected to coordinate funding that they apparently do not have and to persuade government bodies holding these funds to contribute. They have therefore relinquished the mainstream funding role of SRB and now largely act as a planning tool.
- Paragraph 1.52 reveals that views within SEEDA on SRB are not consistent. It is therefore unclear how else consistency might be obtained.

### **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?**

- The sole use of Tier 3 outputs with an economic focus effectively restricts the remit of AIFs to purely economic areas of activity, since these outputs drive the allocation of SEEDA funding. This linkage is highlighted in the SQW report (para 1.58). Community / Voluntary Sector outcomes therefore do not, according to this report, feature in AIFs. If it is the intention that community outcomes feature in the process, it is essential that these be built in. AIFs might then be able to begin to address more than one strand of the sustainable development agenda and ensure that community engagement is for meaningful and measurable outcomes.
- Indicators enshrined in the Integrated Regional Framework should be used to measure community and environmental outcomes to ensure that the process is indeed driven by the ethos of sustainable development that underpins the existence of SEEDA.

### **Discussion Point 10**

**The approach towards Investment Frameworks has generated a number of "unofficial" AIFs that do not have SEEDA funding. Should there be policy guidance for these? Should they be incorporated into any future evaluation of AIFs?**

- The demise of SRB funding has led to some areas such as the Thames Valley setting up "unofficial" AIFs without SEEDA involvement since funding for the future seems less likely. For adverse impacts of this strategy see discussion point 1 above

### **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?**

- Para 1.56 to 1.59 indicate the greater emphasis of economic initiatives over social ones. This has implications for the Voluntary and Community sectors since unless they adopt Tier 3 targets in community enterprise initiatives they will not secure funding. The economic imperatives in these targets will in practice make it nearly impossible for socially oriented organisations to obtain SEEDA funds.
- Environmental groups would be similarly disadvantaged, with only those able to produce economic outputs able to derive benefit.

### **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 areas economic development strategies to make them clearly distinct from LSPs?**

- Although AIFs are in an evolutionary stage there seems a clear need to define their remit and purpose in order for them to adhere largely to a coherent concept. A lack of understanding and consistency would serve to blur the focus of their purpose and could muddle their direction. Without coherent direction AIFs could lose identity in their adaptation to local circumstances.
- It is the experience of some SEPs that inconsistencies arise in local application where some AIFs have an almost exclusively economic focus and communities are not engaged. AIFs and their purpose therefore require clear definitions that are accessible to those wishing to participate in them, and these definitions should clearly distinguish them from other strategies such as LSPs. Issues can arise as timescales of AIFs differ in some local applications to arrangements under SRB, bringing a degree of uncertainty to some of these schemes. Expectations for participants of AIFs should be made clear in this respect.
- The discussion point relating to the inter-relationship of AIFs and LSPs is not dealt with in the report
- There is confusion in some shires on county-wide LSPs, Local Authority LSPs and, in certain cases, area LSPs that exist within a county

October 2004