

# South East England Regional Assembly Response to SEEDA's draft Corporate Plan 2008-11

March 2008

---

We are grateful for SEEDA's constructive engagement at the Assembly's select committee on 13 February. This Corporate Plan period is particularly significant given the Government's Sub-National Review (SNR). Whilst many of the detailed longer-term implications are not yet known, we think the broad direction of travel is clear. We are keen to work closely with SEEDA during this period of change, and we hope that our select committee discussion, and this written response, provide constructive input to the final Corporate Plan.

The level of change facing the Regional Development Agency (RDA) is significant and must be acknowledged as such. In our view this is not about SEEDA taking on another function, but a fundamental shift in the agency's scope, purpose and culture. Such change must be managed effectively, openly, and with the engagement of councils and communities across the region.

SEEDA also has important work to do taking forward current responsibilities and commitments to deliver the Regional Economic Strategy. Of course this work is not undertaken in isolation and we must also maintain momentum on joint work addressing the needs of our region, for example the single regional delivery plan. As reinforced by our discussions, our collective ambition is to achieve the best possible outcomes for the South East, and this Corporate Plan should play a key role in setting out, clearly and robustly, how SEEDA will be working to this end.

Our response is focused around four key themes, reflecting our select committee discussions:

1. The policy context, particularly the SNR.
2. SEEDA's approach to working at the local level.
3. Resourcing and funding issues.
4. Organisational and operational matters and how they are presented in the Corporate Plan.

The Assembly trusts that our comments will be addressed as the Corporate Plan is finalised for submission to Government.

## **I. The Sub-National Review**

We appreciate that uncertainty remains regarding the full and detailed implications of the SNR and hence the challenge of addressing this fully in the Corporate Plan. There is however room for greater clarity on certain issues.

### Engagement with Councils and Communities

There is significant risk to delivery of our shared regional aspirations if change is not managed carefully and transparently. The Corporate Plan needs to set out more

clearly and specifically how SEEDA will ensure this is the case, particularly how SEEDA will be engaging with councils and communities in shaping new arrangements.

### Advocacy for the Region and Regional Funding Allocations

SEEDA needs to set out more clearly its commitment to being a strong and effective advocate for the region's needs and how it will ensure it has the capacity and capabilities to do this. For example, we are concerned by the lack of reference to the forthcoming round of Regional Funding Allocations in the Corporate Plan. We want to see SEEDA working with the Assembly and other partners to ensure a robust and full case is made to Government, maximising the opportunities available to the region.

### Funding for Regional Planning

Whilst there is considerable debate to come, the Government intends that regional planning body functions will shift from assemblies to RDAs by 2010. Despite the considerable uncertainty still surrounding this, one thing that is clear is the need for adequate resourcing to discharge this role effectively. At present the Corporate Plan simply states that resources have not been identified to undertake this role. SEEDA needs to make the case strongly to Government for additional financial resources to ensure the regional planning function can be delivered from 2010 onwards.

### Retention of Knowledge and Capacity

Related to this is the critical issue of retaining existing knowledge and capacity from the current arrangements into the future. This includes key planning staff within the Assembly, as well as local authorities and other partners. This warrants greater attention in the Corporate Plan if progress is to be maintained both on regional policy development and delivery.

### Government Tasking Framework and Sustainable Development

We have concerns about the dominance of economic outcomes in the Government's tasking framework for RDAs, and its possible consequence on achieving sustainable development. SEEDA should renew its efforts to encourage Government to take fuller account of social and environmental, as well as economic, outcomes in the national RDA tasking framework.

We also seek clarification regarding how, and when, SEEDA will be identifying and incorporating the additional regionally-specific outputs that the Government's tasking framework allows for in the Corporate Plan.

Whilst we accept it is simply a drafting omission, we also ask that the Corporate Plan includes explanation of the role of the Regional Sustainability Framework as a key reference point in SEEDA's work.

### Good Governance

Good governance is a key factor in achieving and delivering sustainable growth. The Corporate Plan should acknowledge this more clearly, and set out how SEEDA will be ensuring that issues of good governance and clear accountability are firmly embedded in its operations now and in the future.

## Risk Analysis

There is significant risk for policy development and delivery as a result of the changes ahead, particularly during the transition period. The Corporate Plan must set out a clear risk analysis reflecting how SEEDA will ensure this is managed successfully, and how they will work with Government and other partners to this end.

## **2. Working at the Local Level**

The Government has given a clear indication that RDAs will be expected increasingly to devolve responsibilities and delegate funding to local authorities. We were grateful for the clarification provided during our select committee discussions on this subject. However, we feel that there are a number of issues which should be clarified further in the Corporate Plan.

### Delegated Funding

There seems to us to be a fundamental mismatch between the messages from Ministers on this and the very limited ambitions of the Corporate Plan. At most the Corporate Plan seems to foresee delegated funding to localities continuing at the same level as the current year, namely £18m, i.e. just over 10% of the RDA's budget. We would expect the proportion of budget delegated to grow to over 50% by 2010 if SEEDA is convincingly to deliver on the promises of the SNR.

### Local Area Agreements

We have expressed considerable concern about the role of Local Area Agreements (LAAs). The Corporate Plan should be clear that LAAs are a tool to align delivery, not the chosen mechanism for delegating RDA funding. Furthermore LAAs are unlikely to provide the comprehensive vehicle for alignment that SEEDA seek, and we urge consideration to also be given to other approaches.

### New Ways of Working

The Corporate Plan needs to be clearer about how SEEDA will work through its area teams or otherwise with local authorities and other partners to take forward delegation of funding and devolution of responsibilities. This will involve new ways of working for SEEDA and the Corporate Plan needs to reflect this, and give a clearer indication of the 'route-map' ahead.

### Partnership Working

We also want to reinforce the importance of an effective partnership approach in the way SEEDA works both now and in the future. Ensuring active involvement of councils and communities will be critical in both delivering SEEDA's current responsibilities, as well as during the period of change ahead.

### **3. Funding and Resources**

The Government's Comprehensive Spending Review 2007 indicates, along with other RDAs, a declining budget for SEEDA and requirements for efficiency savings. This rightly puts increased focus on how SEEDA will use resources to best effect.

#### Decision Making

We ask that greater clarity is provided in the Corporate Plan regarding how SEEDA will be taking decisions on allocating resources to regional and local initiatives. At the select committee it was indicated that the principles set out in section 2.1 of the Corporate Plan would be used to this end, but we do not think this is clear within the Plan itself. Furthermore we question the suitability of this list as it stands in guiding priorities.

Related to this, it will be helpful to know what degree of influence spatial factors will have on resource allocation and prioritisation. It would also be helpful if a final version of the chart presented to our select committee, setting out broad resource allocation to different parts of the region, were included.

#### Leverage

As we discussed at our select committee, we feel that the approach set out in the Corporate Plan for SEEDA's financial leverage should be reconsidered. We understand and accept the concerns that a leverage 'target' could result in a narrow field of investment opportunities being explored (i.e. only those with high-leverage potential) and this could be at the cost of investment in other priorities with lower leverage potential. Nevertheless, we recommend that an 'aspirational' level of leverage be included to enable appropriate focus to be brought to this issue.

### **4. Operational Issues**

SEEDA will need to ensure it operates in an inclusive, robust and transparent way if it is to deliver on current responsibilities, and progress through the period of change ahead. We therefore have several comments on how SEEDA's organisational operations are addressed in the Corporate Plan.

#### The New Agency

SEEDA has changed significantly since it was planning for its last Corporate Plan period (2005-08). Given changing roles and responsibilities, we also see the agency looking quite different by 2010 to how it looks now. This should be reflected more clearly in the document, setting out the 'route map' for the agency itself.

#### Portfolio Structure

It would improve clarity if the three portfolios relating to delivery of the RES - Global Competitiveness, Smart Growth, Sustainable Prosperity - were differentiated more clearly from those that relate to supporting activities, i.e. Enabling Infrastructure and Development, Strategic Influence, Developing SEEDA. This would emphasise SEEDA's

key role in delivering specific aspects of the RES and separate this more distinctly from wider organisational development and change which will be required.

We also suggest that the way each portfolio is presented in the Plan is reviewed. The current presentation is confusing, particularly given the two annexes also relating to them, and would benefit from some streamlining.

### Skills and Capacity

SEEDA will need to ensure that it has the specific skills and capacity required to deliver new and changing responsibilities in the next three years. This will require careful planning to ensure that capacity is maintained to deliver the continuing challenges of RES delivery, but also to build capabilities for the responsibilities ahead, including regional planning and effective working with local authorities. It is also essential to ensure that, where possible, existing expertise and experience is utilised to best effect in the new arrangements.

### SEEDA Chairman and Board

SEEDA's Chairman and Board play key roles in both shaping the strategic direction of the agency, as well as acting as interfaces between SEEDA and the region as a whole. SEEDA must ensure that its Chairman, Board and Executive have a clear shared ambition for the future, and the necessary skills and capabilities to work effectively with partners in the region to take this forward.

### Inclusive, Transparent and Focused Ways of Working

Finally, we share SEEDA's ambition for inclusive, transparent and focused ways of working. The presentation of the Corporate Plan should reflect this. We think that there is work to be done to make the document clear and accessible, not only for SEEDA's partners but also for its staff.

Contact Officer: **Nick Woolfenden, Head of Policy**

Tel: 01483 555240

Email: [nickwoolfenden@southeast-ra.gov.uk](mailto:nickwoolfenden@southeast-ra.gov.uk)