

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
PLENARY MEETING**

Date: 4 March 2009

Subject: **Report of the Select Committee on SEEDA and Sub-Regional Working**

Report of: Interim Managing Director

Recommendations:

That the Assembly:

1. Receives this report of our select committee on SEEDA and Sub-Regional Working.
2. Agrees its recommendations as summarised below.

Purpose of Report:

To present the findings of this select committee and seek the Assembly's endorsement of the recommendations.

Key Issues:

This select committee considered how effectively SEEDA's approach to sub-regional working helps both to deliver the Regional Economic Strategy 2006-2016 and to address local needs and priorities.

Based on its discussions and input from partners representing the public, private and voluntary sectors, the committee makes the following recommendations:

**Recommendation 1:
Alignment and Investment Planning**

a) Alignment

SEEDA must work with partners to ensure greater co-ordination and alignment between the frameworks and/or geographies in which sub-regional and local partnership working takes place. As part of this, SEEDA must use its strategic regional position to try and ensure that there are strong connections between national and local initiatives. Building, for example, on the experience of the PUSH MAA.

b) Investment Planning

SEEDA should use its influence with central Government to seek an improvement in the read-across between statutory Regional Development Agency and local authority performance frameworks - including Local Area Agreements. Building on existing

work on Regional Funding Advice and the regional delivery plan SEEDA should work with local authorities and other partners to explore how best to take forward joint 'investment planning'. This should focus on ensuring public sector investment is aligned to maximise benefits in addressing local needs.

**Recommendation 2:
SEEDA-Funded Sub-Regional Partnerships**

SEEDA must ensure the 13 Sub-Regional Partnerships it funds are effectively responding to their areas' needs and issues including, where appropriate, helping to reduce inequalities and levels of deprivation. It must actively pursue robust and transparent processes for monitoring their impact and ensure that there are clear processes for taking action to address underperformance. SEEDA must ensure that SRPs engage with appropriate partners in the public, private and voluntary sectors.

**Recommendation 3:
Relationships and Ways of Working**

SEEDA must ensure that its central and area teams' working relationships with sub-regional and local partners are well co-ordinated. It must ensure its teams not only understand local needs and issues but also the roles that partners in the public, private and voluntary sectors can play in addressing them. SEEDA should also seek to use existing information and mechanisms at local and sub-regional levels such as Local Strategic Partnerships. SEEDA must develop its cross-organisational task force approach to tackling specific issues, and should extend this way of working more widely and quickly as a practical means of taking forward the 'place' dimension of SEEDA's work. SEEDA must also make clear the resources available to support and undertake work.

**Recommendation 4:
Economic Assessment Duty**

SEEDA must play a key role in working with and where necessary supporting local authorities to develop and undertake their new economic assessment duty. It should support co-ordinated approaches, bringing together priorities from across and within the region and sub-regions, and also between regions and to help link these to the new regional strategy. It is crucial that the economic assessments are translated into effective plans and delivery. SEEDA should help local and sub-regional partners to identify how to address economic development capacity issues where required.

**Recommendation 5:
Communications**

SEEDA must ensure that there is a two-way flow of information between itself and sub-regional and local partners. This should include:

- Feedback to partners and partnerships on the outcomes of evaluations and consultations.
- Information about forthcoming key events and meetings.
- Information and briefings on Government and other economic development policy.
- SEEDA should make improvements to its website in order to keep partners more effectively informed and for promoting knowledge sharing.

1. Introduction

- 1.1 The Regional Assembly undertakes scrutiny of the South East England Development Agency (SEEDA) under the Regional Development Agency Act 1998. Since 2002 we have held three select committees each year to examine a range of SEEDA's activities to evaluate how effectively they respond to the needs and priorities of the region.
- 1.2 This was the last select committee of the 2008-09 programme. It considered how effectively SEEDA's approach to sub-regional working with a range of partners helps both to deliver the Regional Economic Strategy (RES) 2006-2016¹ and to address local needs and priorities.
- 1.3 The meeting was chaired by Cllr Bob Lanzer, a Conservative Assembly member on our core scrutiny group. A list of Assembly members who participated in this select committee is included in the Annex.

2. Our Select Committee Approach

- 2.1 The Assembly commissioned a scene setting 'context and issues' paper from the consultants Educe and Makesfive, which provided background context for the select committee. The paper was informed by interviews with regional, sub-regional and local organisations and individuals, and a desk-review of strategic documents and programmes. This work was undertaken during summer 2008. The preparation for this select committee was also aided by extensive input from SEEDA.
- 2.2 The context and issues paper was used as a public consultation document to prompt responses from partners and, along with the responses, helped to frame the committee's discussions. The consultation ran from 6 October to 26 November 2008; the organisations that made submissions are listed in the Annex. Copies of the submissions, including SEEDA's, and the context and issues paper are available on our website².
- 2.3 The select committee met on 16 January 2009. In the morning members were joined for discussion by a range of partners from the region with experience of working in partnership at sub-regional and local levels. Members considered key issues identified in the context and issues paper and assessed consultation responses. Drawing on these discussions and the consultation responses, the committee held a debate with SEEDA in the afternoon. The Annex contains a list of partners and SEEDA representatives who took part during the day. This report presents the committee's main findings and identifies five key recommendations.

3. Context - Sub-Regional Working

- 3.1 There have been a number of significant recent developments in national policy which affect SEEDA's relationships and geographical operations. A key consideration for this select committee was the Government's Review of Sub-

¹ http://www.seeda.co.uk/RES_for_the_South_East_2006-2016/RES_2006-2016/

² http://www.southeast-ra.gov.uk/committees_select_2008-04.html

National Economic Development and Regeneration (SNR)³. Government's response to the consultation on *Prosperous Places: taking forward the review of sub-national economic development and regeneration*⁴ was published in November 2008. The main proposals with implications for the scope of this select committee are:

- A new single Regional Strategy which will replace the Regional Spatial Strategy and the Regional Economic Strategy.
- A streamlined framework for economic development including transformation of regional governance structures.
- County and unitary councils will have a statutory duty to carry out economic assessments in their areas.
- Legislation will allow the creation of statutory sub-regional authorities for economic development.
- Legislation will allow the creation of Multi Area Agreements(MAAs) with statutory duties.
- Regional Development Agencies (RDAs) are encouraged to work with local authorities and other partners to develop an investment planning approach to delivering regional priorities.

3.2 Other policy initiatives which set an important context for this select committee include (amongst others): the three-year Local Area Agreements (LAAs) - as a statutory mechanism for implementing the Sustainable Community Strategy; the duty to co-operate placed on named public agencies, including RDAs, in agreeing and working towards LAA targets; MAAs - a cross-boundary version of the LAA; the transfer of 14-19 education to local authorities and the associated proposals for sub-regional arrangements for planning and commissioning education provision.

4. SEEDA's Approach to Sub-Regional Working

4.1 SEEDA's emphasis on place has evolved over three RESs. The current RES (2006-2016) captures the geographical diversity of the region by identifying a set of 'Economic Contours' (inner, rural and coastal), sub-regions, and three types of priority area: 'Growth Areas' (such as Thames Gateway and Milton Keynes), 'Diamonds for Investment and Growth' (such as Gatwick and South Hampshire), and 'Regeneration Areas' (such as Margate and Hastings and Bexhill). Taken together these provide a broad framework for implementing the RES at inter-regional, regional, sub-regional and local levels. There are a variety of other place dimensions to SEEDA's work such as: Place-Based Innovation Teams, Employment and Skills Boards, Business Links, and Enterprise Hubs.

4.2 In recognition of the emerging importance of sub-regional working on economic development, in December 2006 SEEDA carried out a review of those partnerships where it was providing core funding, such as the South East Economic Partnerships, Area Investment Frameworks, Market Town

³ Government's initial proposals for the Sub-National Review were published in July 2007, consultation followed from 31 March - 20 June 2008. The consultation document is available at: <http://www.berr.gov.uk/files/file45468.pdf>

⁴ Government's response to the SNR consultation is available at: <http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces>

Partnerships, Local Skills for Productivity Alliances, and Sustainable Business Partnerships. From the findings of the review, SEEDA proceeded to rationalise its funding and engagement with the various types of partnership, concentrating on a strengthened and better funded role for what are now formally termed as 'Sub-Regional Partnerships' (SRPs)⁵. The partnership review also led to the reorganisation and strengthening of SEEDA's Area Teams⁶ to act as: relationship managers and as drivers of local strategies, broker negotiations between SEEDA programmes and local partners, and contribute to new cross-SEEDA Task Forces focusing on geographical priorities (such as PUSH and the Thames Gateway). In addition, following the review, the SEEDA Board concluded that SEEDA would adopt LAAs and MAAs as the central focus of delivering the RES at sub-regional level.

5. Findings of the Select Committee

- 5.1 There were mixed feelings on SEEDA's approach to sub-regional and local partnership working. There were many positive comments about what SEEDA brings to sub-regional and local partnership working, such as: SEEDA's increasing emphasis on place, SEEDA's role in helping to broker and build commitment amongst partners and catalysing action, and SEEDA's ability to leverage investment/resources. Partners felt that there had been progress on improving alignment between regional, sub-regional and local priorities but that progress was varied across the region. Partners felt that there needs to be greater co-ordination and alignment between or within the geographies that partnership working takes place.
- 5.2 Partners were also concerned that SEEDA must ensure that SRPs are engaging the right partners from across the private, public and voluntary sectors to address specific challenges and issues within their areas, particularly deprivation. There was agreement that a better two-way flow of communication between SEEDA and sub-regional and local partners is vital in addressing some of these challenges.

Alignment and Investment Planning

- 5.3 Establishing greater alignment between regional, sub-regional and local priorities is a key goal of SEEDA's work, and regarded as central to successful implementation of the RES. Partners were broadly positive about progress on alignment but felt that progress varied across the region and that more work must be done to achieve greater co-ordination. Several partners felt that SEEDA's geographical approach coupled with initiatives from Government have resulted in a complex and confusing sub-regional geography. Many partners felt the descriptions of different geographical categories and terms (Economic Contours, Growth Areas, Diamonds for Investment and Growth, SRPs) were difficult to grasp and convey to business and other audiences. Other partners resisted the use of typologies, feeling that they are being squeezed into a category in which they scarcely belonged. The importance of looking beyond

⁵ In April 2008, SEEDA committed to supporting and working with the 13 SRPs which are in: Buckinghamshire, Berkshire, Brighton & Hove, East Sussex, Hampshire, Isle of Wight, Kent, Milton Keynes, Oxfordshire, South Hampshire, Surrey, Thames Gateway and West Sussex.

⁶ Following recent reorganisation SEEDA has five area teams covering Berkshire & Surrey, Sussex, Milton Keynes & Oxfordshire & Buckinghamshire, Hampshire & the Isle of Wight, and Kent & Medway

the South East boundaries, particularly to London and the East of England, was also highlighted.

- 5.4 Partners were also concerned about SEEDA's emphasis on LAAs as a mechanism for delivering the RES at sub-regional and local levels. SEEDA is involved in all 19 of the LAAs in the region but partners felt that levels of engagement varied and were 'patchy'. Partners were concerned about the limited extent to which LAAs, as they are, provide an effective means of aligning regional and local priorities. SEEDA and other RDAs lobbied within Government for a wider set of indicators to be included in the National Indicator set for local authorities and LAAs for 2008-11 but this was unsuccessful. The committee felt that SEEDA needs to demonstrate the effects of this mismatch of targets over the period of the new LAAs to Government in order to try to influence Government to improve the read-across between RDA and local authority performance frameworks.
- 5.5 Alignment between RES and cross boundary initiatives such as MAAs was also seen as important. SEEDA has closely collaborated with partners on the development of the PUSH MAA and is actively engaged with the development of the Thames Gateway North Kent MAA. The committee felt that SEEDA could use the example of the PUSH MAA to demonstrate to Government the benefits of closer alignment of targets and greater flexibility.
- 5.6 Partners felt that more must be done to ensure that funding from public agencies (such as local authorities, Jobcentre Plus, Learning and Skills Council) is aligned at the local level, in order to maximise impact. Recognising the limitations of SEEDA's budget and the current economic climate partners felt that it is vital that investment priorities are aligned and agreed locally. The Government sees RDAs as taking a more 'strategic role' and wants them to work in a "strong, constructive partnership with local authorities and other sub-regional partners in planning and funding interventions and investment in their region to deliver economic outcomes"⁷. To support this approach the Government has stated in its response to the SNR its intention to work with RDAs, local authorities and other partners to develop an investment planning approach to delivering priorities in the new regional strategy. Building on existing work, such as the Regional Funding Advice, the committee felt that SEEDA must make the most of this process in order to align investment locally, sub-regionally and regionally.

5.7 **Recommendation 1:**

a) Alignment

SEEDA must work with partners to ensure greater co-ordination and alignment between the frameworks and/or geographies in which sub-regional and local partnership working takes place. As part of this, SEEDA must use its strategic regional position to try and ensure that there are strong connections between national and local initiatives. Building, for example, on the experience of the PUSH MAA.

⁷ From Government's response to the SNR consultation, page 21, is available at: <http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces>

b) Investment Planning

SEEDA should use its influence with central Government to seek an improvement in the read-across between statutory Regional Development Agency and local authority performance frameworks - including Local Area Agreements. Building on existing work on Regional Funding Advice and the regional delivery plan SEEDA should work with local authorities and other partners to explore how best to take forward joint 'investment planning'. This should focus on ensuring public sector investment is aligned to maximise benefits in addressing local needs.

SEEDA-Funded Sub-Regional Partnerships

- 5.8 The committee heard a good range of support for the SEEDA-funded SRPs. There was considerable debate about who should be represented on SRPs and whether it is clear about what their role is in relation to other strategic partnerships such as Local Strategic Partnerships. Further, there was a feeling that SRPs should, where necessary, focus on tackling underlying economic development challenges such as reducing deprivation. Some partners felt that a more 'holistic approach' is required by SRPs to ensure that they are tackling both the economic and social problems in their areas. The committee felt that the SRPs need to ensure they understand the roles that the voluntary and community, public and private sector partners play in tackling challenges in their areas. Some partners, particularly those in the voluntary and community sector, felt that SRPs could do more to engage with them and understand the role that the voluntary and community sector can play in delivery.
- 5.9 Partners felt that SEEDA must ensure there are robust and transparent processes in place for monitoring SRPs impact and how effectively they are tackling key issues and meeting the needs of partners at sub-regional and local levels. The committee heard that SEEDA do have a performance framework in place to monitor the performance of the SRPs against business plans submitted in consultation with local partners and agreed by SEEDA. In addition, SRPs carry out their own self-evaluations. However, partners felt that SRPs need to build on this process and clearly demonstrate the difference they are making not just to businesses in their sub-regions but also in helping to tackle underlying economic challenges such as deprivation so that investment is more effectively targeted.
- 5.10 **Recommendation 2:**
- SEEDA must ensure the 13 Sub-Regional Partnerships it funds are effectively responding to their areas' needs and issues including, where appropriate, helping to reduce inequalities and levels of deprivation. It must actively pursue robust and transparent processes for monitoring their impact and ensure that there are clear processes for taking action to address underperformance. SEEDA must ensure that SRPs engage with appropriate partners in the public, private and voluntary sectors.

Relationships and Ways of Working

- 5.11 Partners presented, on balance, a reasonable picture on relationships between SEEDA and partners at sub-regional and local levels, though there were many suggestions for improvements. Partners highlighted many examples of where

there are strong and positive relationships between SEEDA and sub-regional and local partners. Several partners felt that SEEDA's Area Teams have improved relationships with partners at the sub-regional and local level. SEEDA's ability to bring together partners and broker relationships was commended, particularly in relation to the Rural Towns Programme. SEEDA's introduction of Place-Based Innovation Teams was also seen as an example of good practice.

5.12 However, there were varying opinions on how well different parts of SEEDA listen to the views of and understand the contribution that partners from the private, public and the voluntary and community sectors can play in delivering the RES and meeting local needs. Partners from the voluntary and community sector in particular had concerns about the extent to which SEEDA listens to their views, and the extent to which SEEDA understands the role they can play in delivery. In addition, despite progress, there was still a feeling that more could be done to join up SEEDA internally.

5.13 SEEDA must be agile and flexible in responding to local needs. The committee felt that new cross-SEEDA Task Forces⁸ focusing on geographical priorities are a step in the right direction. SEEDA should develop this approach, bringing together staff with partners to look at shared challenges and solutions.

5.14 **Recommendation 3:**

SEEDA must ensure that its central and area teams' working relationships with sub-regional and local partners are well co-ordinated. It must ensure its teams not only understand local needs and issues but also the roles that partners in the public, private and voluntary sectors can play in addressing them. SEEDA should also seek to use existing information and mechanisms at local and sub-regional levels such as Local Strategic Partnerships. SEEDA must develop its cross-organisational task force approach to tackling specific issues, and should extend this way of working more widely and quickly as a practical means of taking forward the 'place' dimension of SEEDA's work. SEEDA must also make clear the resources available to support and undertake work.

Economic Assessment Duty

5.15 In order to increase the focus on local economic development and regeneration, the SNR proposed that a new duty be placed on all county and unitary authorities to assess the economic conditions of their area. As a key strategic partner in economic development the committee felt that SEEDA should work with and support local authorities to develop and undertake their new economic assessment duty. Partners felt that robust assessments and evidence must be translated into effective regional and local plans, and most importantly delivery.

5.16 **Recommendation 4:**

SEEDA must play a key role in working with and, where necessary, supporting local authorities to develop and undertake their new economic assessment

⁸ New cross-SEEDA Task Forces are gradually being implemented, each chaired by an Executive Director. One recent example was a session in relation to the PUSH Business Plan, involving lead local authority chief executives from the sub-region.

duty. It should support co-ordinated approaches, bringing together priorities from across and within the region and sub-regions, and also between regions and to help link these to the new regional strategy. It is crucial that the economic assessments are translated into effective plans and delivery. SEEDA should help local and sub-regional partners to identify how to address economic development capacity issues where required.

Communications

5.17 Key concerns for partners when considering SEEDA's approach to sub-regional and local partnership working were transparency and communication. Several partners felt there was a lack of feedback from SEEDA on consultations, such as the Coastal Framework, and evaluations as well as information on forthcoming key events and meetings. Many partners felt that SEEDA needs to be clearer about its area and investment priorities as set out in its Corporate Plan⁹. The committee felt that SEEDA needs to ensure that partners are kept in the loop about its own activity such as evaluations and consultations as well as developments in national policy - particularly in the context of the recession.

5.18 Recommendation 5:

SEEDA must ensure that there is a two-way flow of information between itself and sub-regional and local partners. This should include:

- Feedback to partners and partnerships on the outcomes of evaluations and consultations.
- Information about forthcoming key events and meetings.
- Information and briefings on Government and other economic development policy.
- SEEDA should make improvements to its website in order to keep partners more effectively informed and for promoting knowledge sharing.

6. Conclusion

6.1 Overall the committee identified a range of good support for SEEDA's approach to sub-regional working. There has been some positive progress in establishing greater alignment between regional, sub-regional and local priorities but progress is varied across the region. There remain some questions about how to achieve the desired results and tackle underlying issues such as deprivation. SEEDA needs to ensure there is a cross-organisational understanding of sub-regional and local needs and issues. SEEDA must clearly communicate and work with partners across all sectors to identify key priorities and to continue to improve strategic alignment and delivery.

Diana Pogson
Interim Managing Director
17 February 2009

Contact: Ameeta Rowland, Policy Adviser
Tel: 01483 555204
Email: ameetarowland@southeast-ra.gov.uk

⁹ http://www.seeda.co.uk/Corporate_Plan_2008-2011/

Scrutiny Committee Members:

Cllr Robert Lanzer - Chair	Crawley Borough Council
Cllr Louise Bloom	Eastleigh Borough Council
Jonathan Cheshire	RAISE
Ian Chisnall	South East England Faith Forum
Cllr Catherine Mayhew	Tunbridge Wells Borough Council
Cllr Jerry Patterson	Vale of White Horse District Council
Mark Pearson	Surrey Economic Partnership

SEEDA representatives at the select committee meeting:

Alex Pratt	SEEDA Board member
Paul Lovejoy	Executive Director, Strategy & Communication
Oona Muirhead	Executive Director, Skills & Sustainable Prosperity
Nigel Horton-Baker	Area Director, Surrey & Berkshire
Dr Susan Priest	Area Director, Kent & Medway
Warren Ralls	Area Director, Milton Keynes, Oxon & Bucks
Kathy Slack	Area Director, Hampshire & Isle of Wight

Stakeholders who attended the select committee meeting:

John Ball	Policy Officer, Southern and Eastern Region Trade Union Congress
Paul Carter	Leader, Kent County Council
Michael Coughlin	Chief Executive, Reading Borough Council
Odette Cousin	Head of Policy and Strategy, RAISE
Graham Grover	Chief Executive, Buckinghamshire Economic and Learning Partnership
Kieran McNamara	Head of Strategic Economic Development & Skills, East Sussex County Council
Marinos Paphitis	Regional Director, Learning Skills Council
Alastair Reid	Economic Support Manager, South East Economic Partnerships (SEEP)
Keith Robson	Director, Research & Enterprise Support, University of Surrey
Karen Stalbow	Senior Manager, Regional Campaign Office: South East, Shelter
Damian Testa	Senior Manager for Environment and Economy, Surrey County Council
Patricia Ward	Group Manager Economy and Enterprise, Buckinghamshire County Council

Organisations which made a written submission in advance of the select committee:

Buckinghamshire County Council
Canterbury City Council
Chichester District Council
East Hampshire District Council
East Sussex County Council
Eastbourne Borough Council
Engineers Employers Federation
Environment Agency – Southern Region
Hampshire County Council
Kent and Medway Employment and Skills Board
Kent County Council
Learning and Skills Council – South East
Maidstone Borough Council
NHS South East Coast and NHS South Central
Oxfordshire County Council
SEEDA
Shelter and RAISE (joint response)
South Bucks District Council
South East Diamonds for Investment and Growth
South East Economic Partnerships
South East Multi-Ethnic Development Agency
Southern and Eastern Region Trade Union Congress
Surrey County Council
University of Surrey