

Assembly Comments - Draft SEEDA Corporate Plan

1. Objective

- 1.1 The Assembly/SEEDA Board Level Liaison Meeting, held on 9 November, included an agenda item on an early draft of the SEEDA Corporate Plan 2005-08. To complement the informal discussion, SEEDA asked for a written response from the Assembly, to inform SEEDA redrafting of the Corporate Plan prior to submission to the DTI in January 2005.

2. Background

- 2.1 The Assembly welcomes the shift of emphasis from the previous Corporate Plan, and the intention of SEEDA to focus its efforts on fewer, more effective ways of adding value rather than spreading its limited resources across a large number of activities and projects. In particular we see SEEDA's role as leading innovative projects, contributing to partnership work and catalysing action from others.
- 2.2 The Plan needs to provide a forward-looking, detailed account of how SEEDA will use its funds and provide support for the economic and social development of the region. While it is clear that the Corporate Plan must reflect the outcomes of the Spending Review 2004, the Assembly believes that with a strong track record of achievement in the period 2001-04, there is a need for the Corporate Plan to set robust targets which reflect the priorities of the South East's economic strategy rather than over emphasise national priorities.
- 2.3 We understand that while the SR2004 settlement will lead to an increase in SEEDA's single programme allocation, a significant part of this increase is related to responsibilities transferred to all RDAs. The devolution of new responsibilities is welcome and to be encouraged. However it is now clear that a number of new responsibilities, such as implementing the Lambert Review, will be allocated without the benefit of additional funding. The Assembly believes it is unrealistic to fill this funding gap through 2.5 per cent efficiency gains and the run down of Single Regeneration Budget commitments and we support the efforts of SEEDA to lobby for adequate funding through the new allocation mechanism. Pending a final decision from Ministers on this funding allocation, the Assembly believe that SEEDA must demonstrate a sound understanding of the additional responsibilities and the implications (and risks) of insufficient funding for delivery of the region's economic strategy.

3. Sustainable Economic Growth

- 3.1 SEEDA's role is in tackling areas of market failure and facilitating the right environment for businesses to grow and develop, including the infrastructures, both human and physical, that the region needs. The trend towards the New Economy and high-tech jobs, skills needs have grown significantly over the last 20 years, in favour of highly skilled, flexible workers. There is a need to recognise and clearly articulate the changing climate for economic growth and how this impacts on the South East.
- 3.2 The region compares well with other regions in Europe at developing peoples' high-level skills. But we do less well at key and intermediate qualifications, particularly the technical skills valued so highly in high-tech value-added industries. The Corporate Plan should set out how SEEDA can use its resources and leverage to assist companies to develop these key skills needed by employers.
- 3.3 Educational establishments inject a considerable amount of spending and expertise into the local community, so the focus in Priority 5 on education led regeneration is welcome. The stated aim is to roll out a University Centres model, based on the established centre in Hastings. There is evidence of good practice in Hastings, but it is unclear if a full evaluation has identified the added value of this model before the allocation of significant public money to the programme (also see section 5 below).
- 3.4 Issues to be addressed:
- It is unclear how SEEDA aims to identify and then meet the needs of sub regional partners and sub regional priorities. Related to this issue, there should also be a clear rationale stated in the Corporate Plan for the allocation of resources between investment in the more successful parts of the region and economic development in areas in need of regeneration.
 - It is expected that the handover of Business Links contracts in 2005 will lead to further improvements in focus and performance. The Corporate Plan should signal how a successful handover is to be achieved and how BL programmes are to be made consistent with broader corporate policy.
 - Assembly scrutiny of SEEDA's Enterprise Hubs identified their key importance to the region's economic development. However it is unclear what measures are to be taken to ensure their financial sustainability.
 - The closure of Skills Insight leaves a question mark over the approach to be taken by regional partners to the effective use of labour market intelligence. This is a key component of labour market intervention and policies to ensure that the region is supplying a workforce with the skills needed by employers, yet it is an issue overlooked in the draft Corporate Plan.

4. Sustainable Communities

4.1 The Assembly supports the renewed focus from SEEDA on joint work and catalysing the work of others. This is clearly the most appropriate route to the achievement of sustainable economic growth with the limited resources available to SEEDA. We agree that SEEDA's objective to promote quality physical development will be achieved more fully by influencing the private and public sector to work together than through directly managed projects (on the lines of Chatham Maritime). This important for the physical development of the whole region, including the designated growth areas and priority areas for regeneration.

4.2 Issues to be addressed:

- The bulk of SEEDA's spend will be in the designated growth areas and priority areas for regeneration. The Corporate Plan must highlight where lessons and expertise from activity in these areas can be shared and benefit the whole region. There is a real opportunity for SEEDA to act as a regional focus for economic development expertise and to transfer practical know-how throughout the region.
- A key element of the Corporate Plan is the approach taken through Area Investment Frameworks. SEEDA must demonstrate that local partnerships are representative and able to work effectively to agree priorities and take action to meet both economic and social priorities.
- Tackling both the economic and broader social factors that impact on economic development will reduce inequalities within the region. With the demise of the Single Regeneration Budget, the Corporate Plan must ensure that economic development runs in parallel with broader regeneration initiatives and equal weight is given to both through objectives and targets.

5. Strategic Influence

5.1 SEEDA has been able to demonstrate significant added value where it has encourage a shared vision, influenced others and facilitated joint action. However, while there is significant anecdotal evidence of achievement by SEEDA the evidence base on which to evaluate specific policies has been opaque. Well designed and implemented evaluation can improve value for money (economy, efficiency and effectiveness) and have a part to play in improving the delivery of SEEDA's services. The objective must be to promote an evidence based approach to policy and programme development and promote best practice (or the lessons where programmes fail).

5.2 Issues to be addressed:

- The strategic influence section needs to provide an effective overview of how SEEDA will performance manage its programmes and policies or demonstrate 'best value'. This is vitally important for an overall evaluation of SEEDA's impact and an assessment of how SEEDA will meet the objectives of a broader set of stakeholders in the region.
- The Assembly would be keen to work with SEEDA to ensure that the Corporate Plan (and the subsequent revision of the Regional Economic Strategy) is consistent with the priorities outlined in the draft South East Plan.
- The Assembly recognises the influence SEEDA has in Whitehall and Westminster. The Assembly believes the Corporate Plan should place greater emphasis on how SEEDA and the Assembly can work together to ensure that the region can increase its influence over UK Government and European decision makers.

6. Targets

6.1 SEEDA's own resources represent only a small but important part of the total resources available for economic development in the South East. The Assembly welcomes the ambition to focus activity where it can add value, rather than trying to spread limited resources across the whole region. The objective should increasingly be to invest resources in strategic projects and use SEEDA's brokering and influencing powers to unlock other available resources. An important element of SEEDA's ambition, therefore, must be to provide a more robust performance management framework that will give a better indication of SEEDA's impact.

6.2 Although clearly at an early stage, the draft Corporate Plan has few clear links between the actions and milestones identified and a set of targets and agreements. For example:

- How will performance be managed to ensure continuous improvement over the lifetime of the Corporate Plan?
- How is it possible to assess the performance of SEEDA in meeting the ambitions raised through the ten priorities?
- Is it possible for external stakeholders to see how the Agency's activity and spending in relation to them will feed through into identifiable outcomes.

- How will projects be appraised to ensure they:
 - Provide value for money and are sustainable.
 - Correspond to SEEDA's corporate objectives (i.e. there is strategic fit and added value?).
- Decision-making is consistent, transparent and justifiable.

6.3 The Corporate Plan should promote greater transparency in decision making around use of funds (particular now the aim is that devolved funding is to be commissioned rather allocated through competition). In line with the Single Programme Appraisal Guidance, there should be a clear audit trail of how assessments and decisions are made, with no 'back-door' for projects, however important.

6.4 With limited financial resources, much of SEEDA's work is dependent on the effectiveness of relationships with private, public and voluntary sector partners. Greater emphasis is needed on identifying mechanisms to improve engagement with sub-regional partners and/or develop sub-regional economic strategies that not only reinforce the regional Strategy but also respond to particular sub-regional needs and opportunities.

6.5 SEEDA will also be closely involved in the development of the South East Plan and will play a key role in its implementation. This suggests the need for a more robust framework for Assembly/SEEDA implementation of the policies raised through the South East Plan. It will be important to ensure understanding and coordination between SEEDA and the Assembly over the sub regional boundaries used.

7. Further Consultation

7.1 It will be for SEEDA to consider how best to foster and maintain regional partnership and co-operation, in both public and private sectors. However, it will be important to ensure that SEEDA continue to consult with the broad spectrum of economic, social and environmental interests within the region and that they encompass all relevant economic and social groups, including the voluntary and community sector, in the development of the Corporate Plan. The Assembly is keen to be involved in the continuing development of the Corporate Plan and hopes to shape realistic targets for the next three-year period.

25 November 2004