

**SOUTH EAST ENGLAND DEVELOPMENT AGENCY**

**BOARD MEETING ON 28 JANUARY 2009**

**ITEM 8**

**SUB REGIONAL PARTNERSHIP ARRANGEMENTS**

**PROGRESS REPORT**

**Recommendation**

The Board is invited to:

- **NOTE** the progress in implementing revised sub regional partnership arrangements following its decision in March 2008 to fund these arrangements;
- **APPROVE** continued funding of these arrangements for the next two financial years, at levels agreed in SEEDA's Corporate Plan 2008-11, subject to receipt of a further progress report in January 2010.

**Background**

1. The purpose of these partnerships is to bring together business and the public sector in agreeing and aligning priorities and investment at local and sub regional level. Board members agreed the framework and process for reviewing existing sub regional partnership arrangements in January 2007, with the objective of considering whether such arrangements, and if so which, were still required.
2. In July 2007, Board members endorsed the emerging approach of 13 partnership arrangements (see map appended), each part funded by SEEDA. The focus of such arrangements was to:
  - Forge strong and meaningful links between regional and local priorities where these align;
  - Recognise the central and growing role of local authorities in place-shaping;
  - Engages businesses effectively in shaping prosperous, sustainable communities.
3. In January 2008 Board members agreed funding for these partnership arrangements totalling £1.87m per annum for the Corporate Plan period 2008-11, with funding from April 2009 being conditional on receiving a satisfactory report of progress in early 2009.

## SEEDA's Objectives for Sub Regional Partnership Arrangements

4. SEEDA's expectations of partnership arrangements were agreed during 2007 with local authorities and partnerships themselves as follows:
  - Clear evidence of strong **business involvement** (both through direct membership and through events, communications and consultation mechanisms);
  - Clear understanding of **business and economic needs** (as expressed in a strategy or other statement of a clear set of priorities based on sound evidence);
  - Capacity to deliver **business engagement** (which in practice means that the partnership arrangement is generally recognised by local businesses and business representative organisations as being effective in persuading public sector partners to address business and economic priorities);
  - Clear commitment to **results on the ground that are valued by businesses**, by achieving a joined-up approach to public funding for economic development (including through the Local / Multi Area Agreement process).
  
5. Specific objectives with individual Partnerships are agreed within this framework, and included in an annual work plan which is performance managed by Area Directors on a quarterly basis (in some cases, jointly with the County Council where they are a co-funder). These may relate to the work of specific business groups (for example Hampshire Economic Partnership maintains a network of business-led sector groups, of which the Farnborough Aerospace Consortium has become the basis of a sector consortium sponsored by SEEDA), or to a specific role in a wider process (for example several Partnerships lead the economic aspect of Local Area Agreements in their area). As an example, the objectives agreed with Surrey Economic Partnership are appended to this paper.

## Partnership Achievements in Practice

6. Although annual funding for the revised partnership arrangements of £1.87m is somewhat lower than the combined running costs of the previous arrangements (spanning Economic Partnerships, Area Investment Partnerships and Area Programmes), it is nonetheless a significant increase on the £1m per annum previously invested in Economic Partnerships. Such an increase necessarily requires clear evidence of achievements in order to be justified, and the following paragraphs provide examples of achievements to date in the current financial year.

### *Economic Intelligence and Business Involvement*

7. The flexible capacity of the Partnerships was demonstrated over the summer months as it rapidly became clear that both SEEDA and central government departments required regular intelligence on the specific local impacts of the downturn. The Partnerships responded initially at very short notice to support a ministerial event in early August, and have subsequently provided substantial inputs to SEEDA's monthly regional

intelligence snapshots. The networks maintained by Partnerships are invaluable for gaining an informed view across such a large and diverse region. For example Hampshire Economic Partnership worked directly with over 1,000 businesses during the first 6 months of this year and is in regular contact with over 2,000 businesses; Surrey Economic Partnership holds monthly breakfast seminars which regularly attract 100 or more businesses; and Brighton & Hove Economic Partnership conducts a long-standing survey of 85 city centre retailers with a combined annual turnover of around £200m.

### *Business and Economic Needs*

8. A number of Partnerships have been able to integrate their work on developing an understanding of business needs with the strategy-making role of local authorities. For example Brighton & Hove Economic Partnership currently leads the process of renewing the city's economic strategy – the City Council fully supports the Partnership's role in devising the renewed strategy. In several areas, including Milton Keynes and Buckinghamshire, the Partnership leads the economic theme of the relevant Local Area Agreement. Surrey Economic Partnership works closely with the County Council's Policy Team and ensures that business views are reflected in the full range of strategies and policies.
9. This process of collaboration has been taken further in several areas. In both Buckinghamshire and Oxfordshire, SEEDA's renewed commitment to partnership arrangements has led the County Councils to commit to co-locate their Economic Development Departments with the Partnership to create a single unified capability. Surrey County Council has effectively outsourced much of its Economic Development work to Surrey Economic Partnership. Thames Gateway Kent Partnership is currently co-ordinating the preparation of a Multi Area Agreement for North Kent, having been instrumental in bringing partners together to consider whether to proceed with a proposal.

### *Business Engagement*

10. Many of the foregoing examples demonstrate that Partnerships are engaging businesses directly in relevant aspects of their work. As one example of what this looks like on the ground, Surrey Economic Partnership has an established working relationship with Surrey Chambers of Commerce, engaging 1,200 businesses through short 'e' surveys and collaborating with the Chamber on its quarterly business confidence survey. This approach is being extended through liaison with the Business Link service provider, the CBI and IoD.

### *Results on the Ground*

11. As strategic organisations, these Partnerships do not generally have a direct role in service delivery. However, they play a major role in shaping initiatives to address local needs. For example, Brighton & Hove Economic Partnership has established the City Centre Business Improvement District which will generate over £1m in cash contributions from businesses to

improve the quality of the public realm and support independent retailers. West Sussex Economic Partnership has facilitated the creation of the Gatwick Skills Centre, coordinating the creation of a pilot project to develop skills at the airport which has recently led to a 5 year agreement being signed by BAA and Central Sussex College to run the centre. The Partnership has also led the development of EASIT – an innovative approach to changing work travel behaviour and easing perennial peak congestion problems at Crawley’s Manor Royal industrial estate. Achievements to date include a car share website with 1500 staff signed up, and the introduction of a new bus route stimulated by a company survey.

12. The Partnerships have also shown an ability to react to challenges from unexpected sources. Thames Gateway Kent Partnership was invited by central government to submit a Business Plan for carrying out a package of environmental schemes across North Kent. As a result, funding of over £10m was approved in November for Parkland projects across North Kent. Meanwhile Surrey Economic Partnership is currently working to create an Executive Job Club to respond to the impact of the downturn on those formerly commuting to City / West End jobs.

#### *Other Achievements*

13. As the current year has progressed, it has become clear that the Partnerships have a valuable and growing role in helping to shape SEEDA’s work. SEEDA’s policy teams are now regularly consulting with Partnerships to inform the development of programmes, two recent examples being the re-contracting of Business Link services and the development of Innovation and Growth Teams.
14. Partnerships also have a valuable role in being able to work across administrative boundaries at both local and regional level. The role of Thames Gateway Kent Partnership in developing a Multi Area Agreement spanning unitary and two-tier local government boundaries has already been highlighted. In South Hampshire, business input from Hampshire Economic Partnership has assisted the development of the PUSH initiative including its Multi Area Agreement. Surrey and West Sussex Economic Partnerships have collaborated for several years to help bring forward the Gatwick Diamond initiative. Milton Keynes Economic and Learning Partnership has worked with a range of organisations to develop plans across the Milton Keynes South Midlands area (encompassing part of 3 regions).

#### **Challenges Ahead**

15. On 16 January the Assembly Select Committee hearing on SEEDA and Sub Regional Working was overwhelmingly positive about the enhanced role of the renewed Partnership arrangements. While detailed recommendations are awaited, we anticipate overall endorsement of the approach taken by SEEDA. That said, the next 2 years will bring a number of challenges.

16. The policy environment will continue to evolve as proposals to implement the Sub National Review are carried through to execution. Emerging policies regarding Local Economic Assessments, together with the development of a joint investment planning approach between RDAs and local authorities to inform delegation of RDA powers, could be read as justifying greater emphasis on direct working between RDAs and local authorities with correspondingly less emphasis on separate partnership arrangements. Equally, both areas could be viewed as demonstrating the need for structured engagement of businesses at the local and sub-regional level. Certainly in several parts of the South East, Sub Regional Partnerships are now viewed as an essential feature.
17. Revised partnership arrangements are not yet in place in all areas. In Kent and the Isle of Wight, Area Directors are working with local authorities and business representatives to agree changes which ensure the most effective response to changing circumstances. In the Thames Valley, a new Partnership has been aligned with the six Berkshire unitary authorities, and work continues to harmonise this with the existing Thames Valley Economic Partnership, maximising the opportunities for business engagement. In East Sussex, a new model which gives a central role to the County Council has been developed, but a contract is not yet in place. In West Sussex, the County Council gave notice in December that it will not fund the West Sussex Economic Partnership beyond 31 March 2009, effectively ending the current partnership arrangement. In each of these areas, it is proposed that Area Directors work with local authorities and businesses to conclude effective arrangements within the current budget.
18. By extension, it is clear that a 'one size fits all' approach is not appropriate. This was recognised in the proposals agreed by SEEDA's Board in January 2008. At the same time, there is ample scope for learning across boundaries as shown by the working dinner held with Partnership chairs, attended by several Board members in December. The central coordinating function for Partnerships has a key role to play in facilitating this process. The coordinating function also draws out best practice, marshals responses to consultations and allows SEEDA to draw on all the partnerships to help deliver transformational action: for example helping drive business resource efficiency by targeting the big business parks, building on the EASIT initiative at Manor Royal (see paragraph 11 above).
19. It should also be noted that there is further scope to simplify SEEDA's sub-regional arrangements. In particular, there is scope to bring together the work of existing Sub Regional Partnerships and the emerging Employment and Skills Boards. Proposals are currently being developed to allow this to progress in a way which best meets the needs of each part of the region.
20. Taken together, these challenges will lead to a further year of development for the partnership arrangements described here. It is therefore proposed that a further progress report is brought to the Board in January 2010.

## **ANNEX 1**

Surrey Economic Partnership SRP Contract 2008-11: Schedule 1 - 2008-09

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### **Sub-regional Partnership:**

Induction Plan for New Chief Executive to be in place and review of induction process to be completed Oct 08

Partnership and performance evaluation plan to be developed for end of year report Mar 09

Change management of transition to strategic organisation with new ways of working developed to include policy analysis, area focus, and business engagement

### **Business Engagement and Representation:**

Set baseline for current SEP level of business engagement Sept 08

Double the number of large businesses (250+) involved in the quarterly board meetings to drive the key debates and to set the strategic agenda Mar 09

Re-establish the SEP Business Network of 200 businesses to develop leadership skills and discuss key economic performance issues

### **Influencing Economic Strategies and priorities for investment:**

Evidence the impact that the Partnership has had on the strategic plans and policies of other organisations. Demonstrate the positive impact and contribution

Lead on the co-ordination of LAA target management and monitoring of Action Plan Delivery of the economic block through the SEP role as thematic lead for the Surrey Strategic Partnership and representative on the Community Strategy Management Group

Finalise the Gatwick Diamond priorities for action and establish new governance arrangements, including an understanding of the West Sussex and Surrey Economic Partnership arrangements and the respective leadership roles. Establish relationships with BAA Gatwick and major developers Sept 08

Develop appropriate mechanisms to work in partnership with Berkshire and greater London on the Heathrow Phenomenon, to explore the feasibility of generating a response that aligns with the RES and the inner south east contour Mar 09

# ANNEX 2 – SUB REGIONAL PARTNERSHIPS

