

## **SCRUTINY COMMISSION – 1 SEPTEMBER 2004**

### **REPORT ON THE OUTCOME OF SCRUTINY OF THE LEICESTER SHIRE ECONOMIC PARTNERSHIP (LSEP) AND THE WELLAND PARTNERSHIP**

#### **Introduction**

1. The purpose of this report is to summarise the outcome of discussions held with representatives of the Leicester Shire Economic Partnership (LSEP) and the Welland Partnership.

#### **Background**

2. The regional tier of governance has become increasingly significant in recent years. The establishment of regional government offices in 1995 including the Government Office for the East Midlands was subsequently followed by the establishment of regional development agencies (including emda) and voluntary regional chambers (including the East Midlands Regional Assembly) in 1998/9. Many government agencies are now organised on a regional basis (eg the Countryside Agency) and new joint working arrangements on specific issues have been created (including regional cultural consortia such as Culture East Midlands, and regional rural affairs forums such as EMRAF in this region).
3. In view of the above, the Scrutiny Reference Group identified scrutiny of regional bodies as an area of scrutiny activity. The Reference Group and the Commission considered a paper on Regional Institutions and Policy in the East Midlands and concluded that, in the first instance, the focus of scrutiny should be on Sub Regional Strategic Partnerships (SSPs).

#### **Role of Emda and the development of SSPs**

4. Emda is the Regional Development Agency, and its role is to:
  - champion the Region's economy and its development
  - increase business competitiveness
  - develop people's skills
  - attract new businesses and create new jobs
  - regenerate local communities, and
  - create the right climate for investment

5. Emda's annual budget for 2002/2003 was £104 million. There are 15 Board members formed into teams under the five themes in the Regional Economic Strategy (RES).
6. Emda recognised that it needed to work in partnership locally to deliver the Regional Economic Strategy. To that end in 2001 sub regional strategic partnerships (SSPs) were established. The SSP's brought together a wide range of interests – including business, public sector and voluntary and community groups. The following SSP's were established in the region covered by emda:
  - The Northamptonshire Partnership
  - Lincolnshire Enterprise
  - Greater Nottingham Partnership
  - Alliance SSP
  - Derby and Derbyshire Economic Partnership
  - Leicester Shire Economic Partnership
  - Welland Partnership

The last two SSP's listed operate within all or part of the Leicestershire County boundaries.

#### **Leicester Shire Economic Partnership (LSEP)**

7. The Leicester Shire Economic Partnership was established as an SSP in Autumn 2001 and was accredited by emda in Spring 2002. The LSEP covers the administrative area of Leicester and Leicestershire. As part of its agreement the LSEP has prepared an Action Plan for 2004-07. The Plan, which was considered by the Commission on 5<sup>th</sup> April, identifies the key activities for the LSEP for the next three years and funding requirements to implement the Plan. The Commission also received a presentation from the Chief Executive of the LSEP.

#### **The Welland Partnership**

8. The Welland SSP which became operational in October 2002 covers 5 local authority areas across 4 counties which include:

South Kesteven;      East Northamptonshire;      Rutland;  
Melton;                      Harborough.

The areas served by the Welland are largely rural in nature. The Commission was advised that the impetus for establishing the Welland was to address the concerns of those authorities who considered that they were not receiving their fair share of emda funding and to address the particular needs of Rutland County Council District Council in developing its responsibilities in relation to economic development and regeneration following that Council obtaining unitary status.

9. The Commission, on 28<sup>th</sup> April, received the Welland SSP Business Plan for 2004-07 and also had the opportunity to hear from and question the part-time Chief Executive of the Partnership.

**Issues arising from consideration by the Commission of the Business Plans and Presentations made by the LSEP and Welland**

10. In the course of the discussions the following issues emerged:

**LSEP**

- (a) It was acknowledged that there was a need to have greater involvement by the private sector whilst ensuring that the membership of the Board did not become unwieldy. To that end arrangements were in hand for key local companies that were not directly represented on the Board to be consulted on the development of key policies.
- (b) The work of the LSEP in seeking to influence the policies of the Learning and Skills Council to address the deficiencies in the local skills base was particularly welcomed as were their efforts to encourage companies to provide training to raise the skills of their workforce.
- (c) The LSEP needed to do more to address local issues of concern and in particular the perceived lack of leadership in economic regeneration. The open and transparent way in which the consultation on the business plan had been undertaken and the large number of responses received was seen as a step in the right direction. The role played by the LSEP in strengthening links with Europe and exploring links with developing economies such as China and India, already developed by the County and City Councils, showed the benefits that could be delivered by an SSP.
- (d) The work that had been undertaken to encourage diversity in the local economy particularly the promotion of scientific, biotech and media companies was commended.
- (e) Some concerns remained about measuring performance. The development of the annual forum at which interested parties could question the LSEP on its performance against targets in their Business Plan was noted. [The Scrutiny Reference Group was subsequently advised of the work of the East Midlands Regional Assembly Scrutiny Panel established to consider the role and effectiveness of SSP's as a key delivery mechanism for economic development].

### Welland

- (f) The Partnership worked co-operatively with neighbouring SSP's and County Councils particularly in relation to attracting funding (e.g. SRB Building Bridges) and in delivering services (e.g. co-operating with County Council on improving access to rural areas).
- (g) Given the characterisation of the area, where 35% of the population worked outside it in high paid jobs, the economic objective of the partnership to seek to stop this migration by creating high value jobs in the area was considered by members to be unrealistic.
- (h) The Partnership, given the resources available to it, had concluded that it would not take a leading role in dealing with inward investment and tourism.

### **Further Issues identified by the Scrutiny Reference Group**

11. The Scrutiny Reference Group has now, as requested, considered the contents of both presentations and the points raised by members during the debates. The Group took the view that it could usefully seek further information on the following:-
  - a) the relationship between the partnerships and the County Council at officer level. (Response set out in Appendix 1);
  - b) the grant funding made available by the partnerships for projects in their area, in particular in Leicestershire. (Response set out in Appendix 2);
  - c) further information from the LSEP on how that organisation responds to economic issues in rural areas. (Response set out in Appendix 3);
  - d) information from emda on how it:-
    - (i) ensures there is no duplication of funding in the two areas of the County covered by the LSEP and the Welland;
    - (ii) determines priorities between competing bids;
    - (iii) would manage a situation where a Countywide initiative which requires the support of the SSPs does not receive the endorsement of one of the SSP's. (Response set out in Appendix 4);
  - e) views from Lincolnshire and Northamptonshire County Councils (as the other two Counties where two SSPs cover a County area) as to their relationship with the Welland. (Response received from Northamptonshire is set out in Appendix 5).

12. The Reference Group has now considered the issues raised in the presentation to the Commission and in the further correspondence with the officers of the Authority, LSEP, emda, Lincolnshire and Nottinghamshire County Councils. The Reference Group having considered this report in draft form recommends the following as its key conclusions which should be drawn to the attention of the Cabinet, emda and the East Midlands Regional Assembly.

Welland

- (a) the duplication with the LSEP particularly in the Melton and Harborough areas and the potential for these areas to bid to two SSP's for funding was unfair and not helpful in relating expenditure to need or ensuring a consistent approach in the allocation of resources and prioritisation of issues across the County Council area. Emda does not, in practice, provide a mechanism for dealing with issues of potential conflict and overlap;
- (b) the decision taken by the Partnership not to take a leading role in the areas of inward investment, large scale physical infrastructure projects and tourism limited its effectiveness in achieving its strategic objectives;
- (c) the Partnership's role and remit, particularly as a means of enabling rural communities to have a voice, promoting community development and supporting social infrastructure projects could be undertaken by the LSP's for each district served;
- (d) In conclusion, the Reference Group considers:-
  - i) the rationale for establishing and continuing with the Welland Partnership as an SSP remains unclear;
  - ii) that the Partnership does not bring any substantial added value to the sub-regional economic development agenda in Leicestershire or deliver support to projects which is not available from the LSEP;
  - iii) there is a need for a rural economic strategy to be developed and driven by GOEM, with the support of emda and the Regional Assembly, but that this could best be delivered through support to and further development of existing countywide bodies such as the Leicestershire Rural Partnership so that all rural areas in Leicestershire would benefit equally;

LSEP

- (f) whilst recognising the need for the LSEP's Business Plan to reflect emda's broad vision for the East Midlands, there needs to be a greater autonomy for SSP's to make decisions which address particular issues of local concern. Such autonomy should also extend to implementing funding initiatives;
- (g) the recent adoption by the LSEP of the East Midlands Rural Affairs Forum Charter which commits the LSEP to put rural thinking into the mainstream of planning and delivering its policies and activities is to be welcomed but that the LSEP should consider further means of developing its capability in rural areas;

emda

- (h) in the light of these findings as to the role of the Welland, reconsider the rationale for the Welland SSP and in particular its role and remit in parts of Leicestershire;
- (i) having regard to the points made in (f) above, and in the light of the increasing role of SSP's, encouraged by emda, emda should reconsider its own role and remit;
- (i) further work should be undertaken on developing a mechanism for measuring the performance and added value of SSPs and this work should be considered in the light of any issues emerging from the recent review undertaken by the Scrutiny Panel of the East Midlands Regional Assembly.

**Recommendations**

13. The Commission is asked to:-

- a) consider the issues identified by the Scrutiny Reference Group in paragraph 11 and its conclusions in paragraph 12 above;
- b) agree to refer the conclusions reached to the Cabinet for consideration;
- c) agree that a report from the Commission be presented to the next meeting of the County Council proposing that the views of the Authority be referred to emda, GOEM and the East Midland Regional Assembly;
- d) agree that the support of Northamptonshire and Lincolnshire be sought on the conclusions set out in this report.

**Equal Opportunities Implications**

14. Both Partnership have in place strategies and mechanisms to ensure that the needs of minority groups and disabled groups are addressed in their development and business plans.

**Background Papers**

- The role of the LSEP – Reports to and Minutes of the Commission held on 5<sup>th</sup> April, 2004.
- The Welland Partnership – Reports to and minutes of the Commission held on 28<sup>th</sup> April, 2004.
- Draft final report of the East Midlands Regional Assembly Scrutiny Panel established to review the role and effectiveness of Sub-regional Strategic Partnerships (SSPs) as a key delivery mechanism for delivering Economic Development at a Sub-Regional Level.

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