

Business plan and budget for CLG funded Regional Strategy work – April 2010 to March 2011**Introduction**

It is now a year since the South East England Regional Assembly was wound up and the new partnership working was established between the South East England Leaders' Board and SEEDA. A good deal has been achieved over the past 12 months by the South East England Partnership Board (and its related boards and panels) supported by the former Assembly staff and SEEDA's regional strategy team. Establishing the new regional governance arrangements was a challenge for all involved, but we now have the structures in place to confidently move forward with the development of the Regional Strategy and its associated Regional Delivery Plan.

The development of the new Regional Strategy is underway – the Partnership Board will be asked to sign-off the project plan in February 2010 and two workshops for the SEEDA Board, local authority leaders, delivery partners and a wide range of stakeholders will be held in February to debate some of the key challenges facing the region.

During the next year we will build on existing joint working arrangements to ensure that the 'virtual team' of officers working on the Regional Strategy continues to develop the Regional Strategy to bring together planning and economic development into a single document. SEEDA have recently completed a review of their organisation. The new structure has an enhanced commitment to working on the Regional Strategy as a core activity.

Maintaining the momentum with delivery of our current regional policy framework – the South East Plan and Regional Economic Strategy – is a key priority for the Partnership Board. Following the submission of the Regional Funding Advice in February 2009 in which we restated our commitment to develop a single implementation plan for the region, an initial framework for the Regional Delivery Plan will be considered by the South East England Strategy Board in March 2010.

The partnership working now in place will also enable us to ensure that the work on producing the Regional Skills Strategy will be fully integrated with the Regional Strategy; delivering on one the key recommendations in our Regional Funding Advice.

Communications (both internal and external) has been very important during this past year. The Partnership Board brand has been established and a Partnership Board website has been set up to provide all interested parties with access to all the key information in one place. We introduced an electronic newsletter for all interested parties, which updates readers and has embedded links with the website for more information. We have tried to ensure we work efficiently and cost effectively with the wider communications teams in SEEDA and South East England Councils (SEEC).

There will be significant challenges in 2010-11 with CLG funding reduced by 10% from this year's level. In order to maximise the use of limited resources, work priorities have been identified for the next 12 months and activity will be based around these with staff being allocated accordingly.

The priorities are:

- Regional Strategy - developing the options, including gathering the evidence base, workshops and stakeholder engagement, South East Plan partial reviews
- Monitoring – bringing the 2 monitoring reports together and developing a 'state of the region' report
- Consultations – Gypsies, Travellers and Travelling Showpeople (and proposed changes); RS issues and options and Delivery Plan
- LDFs and major planning applications
- Regional Delivery Plan
- Delivery Boards (including DaSTS phase 2)
- Comprehensive Spending Review/Regional Funding Advice
- Regional Infrastructure Fund

Key Work Priorities for 2010-11

1. Regional Strategy

a) developing the new Regional Strategy

It is anticipated that the project plan for a new Regional Strategy – The South East England Strategy – will be agreed by the Partnership Board in February 2010 and endorsed by the Government Office (see attached – appendix 1)¹. The new strategy will build on the existing regional spatial and economic strategies for the South East, providing a policy and delivery framework for the next 20-25 years (end date is 2031).

To start the process of developing the new strategy, two workshops for the SEEDA Board, local authority leaders, delivery partners and a wide range of stakeholders will be held in February to debate some of the key challenges facing the region. The topics to be covered are:

- Climate Change and a Low Carbon Society
- Economic Growth and Technological Innovation
- Funding for Infrastructure and Investment
- Demographic Change and the Ageing Population
- Dealing with Economic Disadvantage
- Tackling Housing Affordability

The output from these debates will be used alongside other key evidence (e.g. DaSTS interim report, new/emerging regional evidence, Regional Monitoring Report, initial 'local' evidence and the developing Regional Skills Strategy) and agreed priorities (including any government requirements) to inform the next stage of the process, 'regional options development'.

Between March and September 2010, a number of 'Strategic Outcomes' (i.e. the things we wish to achieve through the strategy) for the region will be developed. For each of the Strategic Outcomes, we will be considering the different approaches to reaching these outcomes – the Strategic Choices – including the different 'high level' spatial options associated with each of these.

As part of this process we will be preparing a risks assessment of the choices which will consider the risks of each in terms of the impact on other outcomes; the impact on different parts of the region; and the risks over the life of the strategy. The Sustainability Appraisal, Regional Delivery Plan and Regional Monitoring Report will all help to assess the risks.

¹ This also included a Sustainability Appraisal Scoping Report and strategy for engaging the public and stakeholders

Both Strategic Outcomes and Strategic Choices will be the focus of a 12 week **consultation**, due to take place from October to December 2010.

The Partnership Board will continue to develop the regional evidence base to support this stage in the process and the ongoing strategy development. This will include updating of baseline information (e.g. demographics and employment forecasting) and developing new evidence, particularly related to climate change, environmental limits and the economy.

b) South East Plan Partial Reviews

Gypsies, Travellers & Travelling Showpeople: The Partnership Board's role in the Gypsies, Travellers and Travelling Showpeople (GTTS) Partial Review came to an end at the Examination in Public stage in the process. However, the Board will be responding to the Proposed Changes by the Government when they are published.

Aggregates: The Partnership Board's role in the Aggregates Apportionment Partial Review came to an end at the Examination in Public stage in the process. However, the Board will be responding to the Proposed Changes by the Government when they are published.

2. Annual Monitoring Report

The ambition for 2010-11 is to bring together the annual monitoring reports for both the South East Plan (SEP) and the Regional Economic Strategy (RES). The new style Annual Monitoring Report will be in two parts; a high level 'state of the region' report which assesses the performance of the region in terms of policy and delivery; and a more detailed report on the targets and indicators set out in the SEP and RES.

Other priorities for the year will be to develop the monitoring framework for the new Regional Strategy and redefine the role of SEE-iN, increasing its effectiveness as a regional observatory and raising its profile amongst users.

3. LDF Delivery and Major Applications

The Partnership Board will continue to comment and provide advice to local authorities (as a statutory consultee) on their LDF preparation, ensuring that it reflects the priorities of the South East Plan². As part of this process, we will be launching two new LDF guides on affordable housing and minerals and waste early in the year (April 2010), following the success of the other guides on Climate Change, Economy and Transport. An LDF 'surgery' will be held in March 2010 and if successful, will be repeated at the end of 2011. The guides have not only been welcomed by local authorities, but have been used by Government officials to inform national planning policy, particularly on employment land, with the Employment and Economic Land Assessment Guidance being the first regional 'supplementary guidance' to be published.

The Board will also continue to provide comment on major applications, as a statutory consultee, to ensure that they do not conflict with the South East Plan.

²From the 1 April 2010 although the Regional Strategy will comprise both the South East Plan and Regional Economic Strategy, only the South East Plan will be used to determine conformity of LDFs and major applications.

4. Regional Delivery Plan

The Regional Funding Advice, submitted in February 2009 restated our commitment to develop a single implementation plan for the region: the Regional Delivery Plan. In taking this forward we will build upon the work previously undertaken to produce separate implementation plans for the South East Plan and Regional Economic Strategy.

An initial framework for the Regional Delivery Plan will be considered by the South East England Strategy Board in March 2010. A key objective is to ensure that the Regional Delivery Plan realises the region's ambition for it to shape and influence investment decisions at both the sub-national and national level – a shared ambition with Government.

The importance of this was reflected in the Partnership Board's decision to invite key national agencies – the Homes and Communities Agency, the Highways Agency, the Environment Agency and the Learning and Skills Council (and its successors) – to be observers on the Strategy Board.

In the first quarter we will use the outcome of the Strategy Board's discussion on the initial framework to identify gaps in the Regional Delivery Plan and plan further work. This will be taken forward through discussion at the three 'delivery boards' – the Regional Transport Board, the Regional Housing and Regeneration Board and the Economic Development and Skills Board. It will also be taken forward in a series of meetings with local authorities and through bi-lateral meetings with key agencies.

The Regional Delivery Plan will enable us to better define the outcomes that need to be delivered in order to implement the South East Plan and Regional Economic Strategy. In so doing we will continue to identify measures using the eight regional PSA targets used to focus the Regional Funding Advice. Our approach will ensure that we improve the horizontal integration of decision making across the available funding streams. This will ensure that the Regional Delivery Plan remains focused on the critical measures that need to be delivered in order to encourage sustainable economic growth.

Our work on the initial framework for the Regional Delivery Plan will be concluded by June 2010. The outcome will be used to inform the region's case which will be submitted as part of the forthcoming **Comprehensive Spending Review**.

We will continue to develop the detail of the Regional Delivery Plan in parallel with our work on the Regional Strategy. It will also be integrated, through the Economic Development and Skills Board, with the work led by SEEDA on the development of the Regional Skills Strategy.

During the second half of 2010 the delivery boards will use their experience to advise the Partnership Board on delivery issues arising from the 'Strategic Outcomes' being developed for the Regional Strategy. They will consider in greater detail the 'Strategic Choices' facing the region and advise on the deliverability and affordability of specific proposals.

Work on the Regional Delivery Plan will be integrated with that on the Annual Monitoring Report. This will enhance the capability of the delivery boards to advise the Partnership Board on progress with the implementation of the approved regional policy framework, as well potential implications for the development of the Regional Strategy.

5. The 'Delivery Boards'

The Partnership Board gave a high priority to improving our capacity and capability in respect of delivery. Building on our success in previous years, 2009 saw the role of the Regional Transport Board (RTB) and the Regional Housing and Regeneration Board (RHRB) strengthened. It also saw the establishment of our new Economic Development and Skills Board (EDSB), which is chaired by a SEEDA Board member.

The three delivery boards reflect the three key strands of the current Regional Funding Advice as well as ensuring work on learning and skills priorities is properly integrated. Horizontal integration of the delivery boards' work will be achieved through regular liaison between the Chairmen. Dedicated managers have been appointed for each Board, working closely with the respective Chairman, and as a team, to ensure that investment priorities are identified on the basis of their contribution towards meeting key outcomes.

Building on the work undertaken in 2009 on the **Regional Funding Advice**, and in particular the Government's response to the region's submission, the key focus for the delivery boards in 2010/11 will be:

- To monitor progress with delivery of agreed investment priorities in the short to medium term;
- To advise the Partnership Board on the potential for new models of delivery;
- To advise the Partnership Board on the implications of changes in the level of funding available to invest in the region;
- To continue to develop the region's approach to prioritisation, in particular;
 - improving its capability in respect of identifying priorities for housing and regeneration and economic development;
 - ensuring that investment priorities support the need to move towards a low carbon society;
- To use the region's experience of delivery to inform and shape the development of the Regional Strategy.

Each of the delivery boards will continue to meet on a quarterly basis. A 12-month business plan identifying the key areas of work for each Board will be prepared by June 2010. These will be considered by the Partnership Board at its meeting in July and the Board Chairmen will provide regular reports to the Partnership and Strategy Boards.

With an agreed regional policy framework now in place increased emphasis will be given to ensuring that prioritised investments are programmed and delivered.

a. Regional Transport Board (RTB)

A key focus for the RTB is the on-going regional programme of work associated with the Department for Transport's 'Delivering a Sustainable Transport System' (**DaSTS**).

This work is critical to ensuring that the proposals put forward for prioritisation are focused on addressing the challenges of delivering the growth set out within the regional policy framework. An interim report on the first phase of the regional programme will be submitted to the Department for Transport in April 2010.

The Board will work with local authorities and delivery agencies in the region to build upon the outcome of the first phase of work. This second phase of work will be critical to ensuring that we have a programme of measures that are affordable and deliverable. The pace at which progress can be made with the second phase will be dependent upon the Department for Transport continuing to provide additional funds to the Partnership Board over and above those made in respect of the work associated with the Regional Strategy. Any reduction in the level of funding available from the Department for Transport will require the Board's programme of work to be reviewed.

The regional programme of work associated with DaSTS is critical to providing shape to the investment programme beyond 2013/14 given the long lead-in time associated with major transport infrastructure. The outcome of phase 2 needs to be available by March 2011 in order to inform the region's input into the next regulatory reviews of the rail industry and any future national investment priorities.

b. Regional Housing and Regeneration Board (RHRB)

The business plan for the RHRB will reflect its broader remit following the creation of the Homes and Communities Agency. A key priority for the first quarter will be agreeing the detailed working relationship between the Board and the Agency; in particular ensuring that the Agency's business plan takes proper account of the region's wider objectives and priorities.

Another key priority for April to September 2010 is to ensure that the monitoring framework available to the Board provides a comprehensive picture of housing and regeneration activity in the region. Existing monitoring information continues to show a problem with the delivery of affordable housing in rural communities. Early in the new financial year the Board will consider opportunities for regional leadership in addressing this issue.

c. Economic Development and Skills Board (EDSB)

This Board is administered and supported by SEEDA. Even though it is the newest of the three Boards the significance of its role – both in terms of monitoring progress with delivery of the existing regional policy framework and in informing the Regional Strategy – is acknowledged by the Partnership Board.

The Board will be the sounding board for the Regional Skills Strategy, a draft of which will be ready by the end of June 2010. It will monitor progress being made with Local Economic Assessments across the region both to ensure that good practice is shared quickly amongst local authorities and to ensure consistency in approach where this is required to support the Regional Strategy.

6. Regional Infrastructure Fund (RIF)

In 2009/10 we were successful in establishing the RIF. This had been identified in our **Regional Funding Advice** submission as an important new mechanism for enabling critical infrastructure to be delivered thereby allowing planned growth to be delivered. The initial investments to be made through the RIF have been identified and we are working with SEEDA to put in place the necessary legal agreements to enable them to be delivered. This experience has enabled us to develop and refine the working arrangements to enable the RIF to become an effective mechanism for delivering enabling infrastructure.

Further investment proposals will be identified in the first quarter making use of the funds identified for investment through the RIF that are unallocated. Priorities for investment will be consistent with the spatial priorities set out in the Regional Funding Advice, which is in turn based on the framework set out in

the South East Plan and Regional Economic Strategy. The Partnership Board will continue to work with SEEDA to provide the administrative support for the Investment Panel, while SEEDA will continue to administer the financial workings associated with the RIF.

'Corporate' activity

a. Communications

Although Partnership Board communications activity will be reduced from 2009-10 levels, the nature and target audiences of this activity will broaden. During this past year, communications activity has concentrated on informing stakeholder groups and staff about the new arrangements, structures of the boards, etc. In 2010-11, for example, the 'general public' as an audience sector will become more important as work on the regional strategy requires formal consultation.

The coming year will see a further reduction in communications staff - the Partnership Board communications team will reduce from 2.5 FTE to 1.5 FTE.

Priorities for 2010-11 will be:

- continuing to build on the working relationship already established with SEEDA and SEEC communications teams and fine-tune procedures
- ensuring stakeholder groups are kept well briefed by continuing to update and maintain our new website, reviewing its content and purpose and integrating SEEDA's former South East Excellence website and brand into the Partnership Board website
- issuing appropriate and relevant press releases, based mostly on the outcomes of meetings
- using the electronic newsletter to communicate with as wide a spread of stakeholders as possible
- internal communications – regular newsletters for staff and all-staff meetings to keep employees updated and engaged in the Partnership Board.
- publishing reports and research – although less than in previous years, this continues to be important
- the need to conduct a **formal public consultation** on the Regional Strategy in the third quarter and we will look for ways to give the campaign impact in the most creative and cost-efficient way possible

b. Staffing and change management

In 2009-10 staff numbers in the Partnership Board Strategy Unit (former Assembly staff) have been reduced as we work within a reduced budget and concentrate on core activities and priorities.

Staff numbers will reduce further in 2010-11. We will aim to retain key technical skills, whilst reducing the number of support staff in order to achieve this objective. The full time equivalent (FTE) number of staff will be below 30. The allocation of staff will reflect the work priorities set out in this Business Plan. There will also be a need to reduce the budget available for research to support Partnership Board activities.

2009-10 was a year of transition to allow time for the new governance and support arrangements to settle down. It was always envisaged that these arrangements would be reviewed after 12 months and this would include a review of the management of the Partnership Board staff. With the general election due by June 2010 at the latest, it has been decided that the review will be delayed until after the election.

Key risks to delivering this business plan include:

- Following the general election in Spring 2010 there is renewed uncertainty about the future of the new Regional Strategy and regional planning
- An early general election may mean that the Leaders' Board scheme and this business plan/budget have not been signed off by Government causing a potential delay to the first half year's funding being paid
- Key staff are not retained and expertise and/or knowledge or information is lost
- There is a further cut to the CLG budget during the year 2010-11
- Although the outstanding legal challenges on the South East Plan are a matter for the Government to deal with, if these result in a re-opening of the Examination in Public, the Partnership Board will have to present evidence. This may require preparation of new evidence.
- Funding for phase 2 of the DaSTS programme is withdrawn
- The expectation is that the EiP report on the GTTS partial review will be published before 1 April 2010 and therefore the process should be completed by GOSE. If this is delayed, changes to the system as a result of the new Act would require the proposed changes and consultation to be managed by the Partnership Board with a subsequent impact on resources

Conclusion

We are confident that the programme of work and priorities set out in this Business Plan are achievable within the funding available. The Partnership Board places great value on the highly skilled and knowledgeable team of staff available to the region; this Business Plan sets out how that resource will be used to deliver in a highly challenging environment.