

**KENSINGTON & CHELSEA PARTNERSHIP STEERING GROUP
MEETING ON 17TH JULY 2002**

REPORT BY DIRECTOR OF STRATEGY AND SERVICE IMPROVEMENT

**ROYAL BOROUGH REVIEW OF ECONOMIC DEVELOPMENT AND
REGENERATION**

This paper invites the Steering Group to comment on the forthcoming Royal Borough Review of Economic Development and Regeneration

Introduction

1. The Royal Borough operates an Improvement Programme to secure continuous improvement in the services it provides to residents and other users. Each year, as part of this programme, the Council undertakes reviews of a number of its services. This year's programme includes a review of the Council's economic development and regeneration activity.

2. Each review commences with a "scoping report", approved by Cabinet, which sets out the services that are to be reviewed and the key issues that need to be addressed. It is intended to put a scoping report for the Review of Economic Development and Regeneration to Cabinet on 25 July. The Steering Group's views on the Review will be taken into account by the Cabinet at that meeting.

Policy background

3. Over the last three or four years there have been a number of significant developments in economic development and regeneration policy, and changes to the funding regimes and delivery mechanisms that support these policies.

4. At national level, these changes include

- the launch of Government's National Strategy for Neighbourhood Renewal and the accompanying Neighbourhood Renewal Fund;
- the scrapping of statutory economic development plans; and
- forthcoming legislation to widen councils' powers to charge for discretionary services.

5. The outcome of the current Spending Review exercise may also have a significant bearing on future national policy and funding streams.

6. At regional level, we have seen the establishment of the Greater London Authority and a regional tier of economic development, employment and training organisations including the London Development Agency, the central London Learning and Skills Council, London Business Link and the local Connexions service.

7. Within the Borough, new strategic and operational partnerships have been established, three SRB schemes are underway, new funding mechanisms have been established to support economic development, and officer and member responsibilities have been restructured.

8. The Royal Borough Review provides a timely opportunity to ensure that the Council's economic development and regeneration policy and activities have kept pace with these developments.

Scoping the Review

9. The Council's overall economic development objective as set out in the 2001/02 Economic Development Plan is

“To promote a vibrant, legitimate and sustainable local economy in a safe and attractive environment for the benefit of both companies located in the Royal Borough and its residents”

with sub-objectives to

- facilitate partnership working where this will bring economic and employment benefits to Royal Borough residents and businesses
- promote the Royal Borough as a place for business and industry to locate, in accordance with the UDP.
- offer advice and support to entrepreneurs and small businesses
- promote employment and vocational training opportunities for Borough residents
- further the employment prospects of Borough residents.

10. Council-funded activities that support the delivery of these objectives include

- training,
- the provision of guidance, advice and information to businesses, and to those seeking work
- business support,
- the provision of business units,
- partnership working with other agencies to tackle worklessness
- the Council's work placement scheme.

11. The Council supports three specific regeneration projects funded by the Single Regeneration Budget and is developing a Borough-wide Neighbourhood Renewal Strategy to coordinate regeneration activity and determine how to deploy the Neighbourhood Renewal Fund.

12. In addition, there is a very wide range of other Council activity that supports economic activity and regeneration in a less direct way. Our housing, planning, transport, leisure, education, community safety, social care and environmental activities all play some part in fostering or sustaining economic activity and helping residents into work. In addition, as a major employer and purchaser of goods and services, the Council has a direct impact on the local economy.

13. The Review therefore needs to encompass not only the specific actions the Council takes to promote economic development and regeneration, but also a broader range of policies and activities that support these efforts in a more general way. The Review needs to ask some hard-edged questions about Council expenditure, but also take account of the indirect ways in which Council policy affects economic development and regeneration. So while the costs analysis might focus on specific economic development and regeneration activities, the Review also needs to examine wider Council policies and activities to ensure that the Council as a whole is tackling economic development and regeneration effectively.

14. In line with the Council's general approach to best value the Review will need to

- challenge the activities we undertake in terms of their priority, value and effectiveness.
- compare our policies and performance with other councils and service providers Are other authorities facing the same problems and, if so, are they trying the same solutions? If there are differences in approach, do these reflect different arrangements of agencies and/or local circumstances? Even when these are taken into account, what could be learned from other areas?
- consult those who use or may wish to use the services we provide, and the partners with whom we work to deliver them. What do users think of the services the Council provides? What do partners think of the way in which we work with them?
- examine whether services are competitive in relation to similar services provided elsewhere or by other organisations. Are there more efficient ways in which the Council could achieve its desired outcomes?

15. A paper setting out some specific issues that the Review could address is attached.

Conclusion

16. The Steering Group is invited to discuss the issues raised above and in the attached paper.

A J REDPATH

ROYAL BOROUGH REVIEW OF ECONOMIC DEVELOPMENT AND REGENERATION

PROPOSALS FOR ISSUES THAT THE REVIEW COULD ADDRESS

1. The Review needs to ensure that the Council's economic development and regeneration activities are

- effectively planned and managed;
- developed and delivered in effective partnerships with other agencies and local communities;
- delivered in ways that make best use of Council resources; and
- based on rigorous analysis and monitoring.

Planning and management

2. We need to ensure that the Council's policies are

(a) Relevant. Current policies focus on creating new workspaces and tackling barriers to employability. Is this still appropriate or should our priorities be revised? Do we have a clear rationale for our activity? Are our objectives and future spending priorities clear and explicit?

(b) Joined up. Is the planning, policy and decision-making machinery established under the new governance arrangements tackling economic development and regeneration issues effectively? Do core local authority services promote economic activity and regeneration? Do we do enough to integrate economic development and regeneration with our corporate objectives and strategic planning (e.g. the Unitary Development Plan, Visitor Management Strategy, Asset Management Plan, Crime and Disorder Strategy and Housing Strategy)? Do key documents such as these recognise and reconcile successfully any conflicts between economic development and other Council policies?

Partnership

3. A wide range of agencies undertake activities that promote economic development and regeneration in the Borough. These include the Learning and Skills Council, the London Development Agency, London Business Link, the Connexions service, the Employment Service, Greater London Enterprise, the Kensington Chamber of Commerce, the Paddington Business Forum, the University for Industry and the leading relevant voluntary organisations. In order to assess whether the Council is making the most effective contribution to these efforts, we need to consider:

- (a) The effectiveness of our links with other key organisations. How well do we understand what these organisations do, and how the Council's efforts can best dovetail with them? Are we doing enough in terms of co-location with other agencies? Could sign posting be improved and new links developed between services and agencies to improve access?
- (b) Whether we have the right range of partnerships to support economic development and regeneration in the Royal Borough. Is the relationship between these partnerships clear and effective? Are there opportunities to develop further links, to rationalise existing partnerships, or to wind some up? Do we need to establish any new ones? Where does the recently formed Kensington and Chelsea Partnership Steering Group fit in to the picture?
- (c) Whether the existing partnerships are successful. Are they involving local agencies and the community appropriately and effectively? Are they adding value by actually changing the way that services are delivered and things are done on the ground? Can they be improved? How?

Operational efficiency and effectiveness

4. We need to collate up to date information on Council spending on economic development and regeneration, recent trends in the level of spending, and the outcomes and outputs that have resulted from it. This needs to be set within the broader context of overall activity within the Borough, so that the relative importance of the Council's contribution can be assessed.

5. With this information to hand, we should then examine:

- (a) Whether the Council's services are really adding value, or merely supplanting provision by other organisations. For example, do the commercial premises developed by the Council meet an unmet need, or do they simply crowd out private sector provision?
- (b) Whether the services we offer are even-handed and fair in the access they afford to the Borough's residents and business people. Are clients accessing and satisfied with our services? Could take-up be improved? Are particular problems or client groups being neglected? Are there specific barriers to access? Could services be refocused to address these problems and needs, or should new services be developed? How effective are the services directed at meeting the needs of certain groups, such as those with learning, sensory or physical disabilities and enduring mental health problems?
- (c) Whether there are ways of rationalising business support and training activities, for instance by delegating support to a single lead agency. How do our unit costs measure up alongside other councils, and other organisations operating within the Borough? Can lessons be learned about more efficient methods of delivery? Are there private or voluntary sector companies that could deliver business support and training more efficiently than the Council? Could a development company involving the local authority, training and business support agencies both save on overheads and reduce fragmentation?

(d) Whether we are exploiting all the available opportunities to bring additional funding into the Borough. With one of our SRB schemes winding up and NRF due to end next year, are we well-placed to bid for other available sources of funding?

Analysis and monitoring

6. We need to examine the challenges and opportunities facing the local economy, including an examination of variations within the Borough, and comparisons with London as a whole and the rest of the country. Employment and economic activity levels, educational attainment and levels of benefit dependency are examples of the issues that need to be examined. From this we need to identify which issues can be tackled locally, and which require action at wider levels. We also need to consider

- (a) whether Council policy is well-informed. How good is the strategic analysis underpinning our policies? Is our activity based on current and projected skill profiles, an analysis of growth sectors and forecasts of prospects for local business? What effort do we make to keep this
- (b) analysis up to date? How well do we understand the needs of job-seeking residents and our local businesses? How well do we tie up our information on employment supply and demand with the training we provide? How good is our data on occupancy of council-owned business units and how do we ensure that they are meeting local needs?
- (c) whether we monitor the outputs and outcomes of our activity effectively, and use such information to inform future policy. How good is our performance information? Can it be mapped against existing and planned expenditure? Do we have clear targets and systems to track progress towards them?
- (d) Whether information is shared effectively within the Council, and between the Council and its partners. Are there significant gaps or duplication? Are opportunities for synergy exploited?

A J Redpath
July 2002