

**HERTFORDSHIRE COUNTY COUNCIL**

**CABINET**

**MONDAY 17 JUNE 2002 AT 2.00 P.M.**

Agenda Item No.

**6**

**BEST VALUE REVIEW OF ECONOMIC DEVELOPMENT IN  
HERTFORDSHIRE**

Report of the Chief Executive

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**1. Purpose of report**

To report on the process, recommendations and implementation of the Best Value Review of Economic Development.

**2. Summary**

This paper contains:

- The methodology and process of the Best Value Review
- The hypotheses that were tested and recommendations
- Financial Implications
- The Implementation Plan

**3. Conclusion**

Cabinet is asked to consider whether to adopt the recommendations and implementation plan arising from the review.

## **Background**

### **1. Review Methodology and Process.**

- 1.1** The review has followed the standard HCC methodology and has been carried out in four stages: preparation, information collection, hypotheses testing and reporting. At each stage the core officer review team has researched information and developed proposals. These have been tested with external challengers at 3 Workshops during the course of the review, before being presented at each stage to the Member Reference Groups for decision.
- 1.2** A “Scoping” Workshop was held on the 17 May 2001, a Challenge Workshop on the 18 October 2001 and the Recommendations Workshop on the 7 March 2002.
- 1.3** Because Economic Development is delivered in partnership in Hertfordshire and mainly through the Hertfordshire Prosperity Forum (for which HCC acts as secretariat) and because it is a cross cutting discipline it was agreed to undertake this review in partnership with District Councils. The review is therefore unusual in that 7 of the 10 Districts committed to engage in the process, with another involved to a lesser extent. (the two Councils that did not participate in the review were Watford and Broxbourne). With the County Council these authorities shared the workload, each taking lead roles in key areas to review. This engagement was also reflected in a county Member Reference Group (that included District Members). To the best of our knowledge no other reviews nationally have had this degree of “two-tier” collaboration. An HCC Member reference group was also formed to comply with internal BV structures. The composition of the two Member Reference Groups is as follows:

#### **HCC Member Review Group**

David Lloyd ( Chairman), Nigel Copping , Bernard Lloyd, Seamus Quilty, Bernard Engel, Brian York and Reg Smith

#### **County Member Review Group**

Reg Smith (Chairman), David Lloyd, Ken Coleman( Dacorum), Mike Carver (East Herts), John Gardner (Stevenage), Malcolm Macmillan (St. Albans), Martin Trevett (Three Rivers), Trisha Gibbs ( North Herts), Jacqueline Russell (Welwyn and Hatfield)

- 1.4** The “Scoping” Workshop with county partners, identified the following key areas to investigate:
- Engaging with the business community
  - Developing skills (labour force)
  - Developing partnerships and international relationships
  - Managing the economic development process

- Getting and using funding and resources
- Community Planning and developing participation
- Statutory planning and achieving sustainability

Under-pinning the above was the requirement to agree performance indicators in the absence of national ones and ensure that we are able to assess improvement from the perspective of the users of local authority economic development functions.

The review excluded those areas not considered by the Scoping workshop to be discreet priorities, where other partners in the Hertfordshire Prosperity Forum (HpF) have the lead role, or where reviews were already in place.

These include:

- Tourism
- Farmers Markets
- Inward Investment

- 1.4** The joint Member Reference Group (MRG) on the 16 July 2001 endorsed the Terms of Reference.
- 1.5** The HCC Member Group endorsed the approach on the 10 August 2001.
- 1.6** The External Challenge Workshop was held on the 18 October 2001. Invitations were extended to members of the Hertfordshire Prosperity Forum and to wider County Stakeholders. These included:
  - The District Councils
  - EEDA
  - Other economic development partnerships, e.g. Essex and Suffolk
  - Business – the HCCI and Business Link
  - The Voluntary Sector
  - GO-East
  - Higher Education
- 1.7** The Workshop identified issues and Challenges that the Core Officer Group then developed into ideas for change and hypotheses for improving performance which were tested during the Autumn with members, partners and stakeholders.
- 1.8** The Challenge Workshop on the 18 October 2001 led to the development of eight hypotheses for investigation:
  - Partnerships
  - Information
  - Business
  - Performance Indicators
  - Community Based Economic Development
  - Structure Planning
  - Lifelong Learning
  - External Funding

**1.9.** The joint MRG held on 15 November 2001 recommended prioritisation of the hypotheses, to concentrate on:

- Partnership
- Business Support
- Lifelong Learning
- External Funding
- Underpinned by Performance Indicators

Officers were asked consult the Prosperity Forum on the prioritisation. The Prosperity Forum agreed.

**1.10** During the Autumn officers of the Councils tested the hypotheses with other sub-regional economic partnerships both within and outside the region (these included Essex, Suffolk, Norfolk, Surrey, Lincolnshire, Berkshire, Bedfordshire/Luton, and the Thames Valley).. HPF partners and a range of businesses were also consulted. Comparison techniques included interviews, questionnaires and other benchmarking techniques.

## **2. Hypotheses**

**2.1** The review recommendations arise from investigation of the following four hypotheses:

### **i Partnerships**

If we developed a single point of access for all Hertfordshire Economic Development operations, we could provide seamless, consistent, efficient, more effective Economic Development services for Hertfordshire.

### **ii Business Support**

If local authorities offered a “demand led” economic development service, we would get more business ownership and involvement, which in turn would lead to more appropriate targeting of resources and services.

### **iii Lifelong Learning**

If we can better integrate the lifelong learning activities of our key partners with Economic Development we will promote the prosperity of businesses and individuals.

### **iv External Funding**

If we planned and co-ordinated a better approach to external funding, we would be more effective in bringing resources into Hertfordshire and using them more appropriately to complement existing resources’

**2.2** Results of the hypothesis testing and draft recommendations were taken to the Third Member Review Group on the 18 February and to the Stakeholders Recommendations Workshop on the 7 March 2002.

The review timeplan is shown as Appendix 1.

### 2.3 Quick Wins

A factor in deciding to concentrate on a smaller number of areas (hypotheses) was that the partnership is already working on related areas. These are:

Activity	Action
<ul style="list-style-type: none"> <li>• Develop and link ICT provision</li> </ul>	<ul style="list-style-type: none"> <li>- Hertfordshire Observatory and Regional Observatory</li> <li>- Herts Network</li> <li>- Partner Websites</li> </ul>
<ul style="list-style-type: none"> <li>• Community Based Economic strategies, Development</li> </ul>	<ul style="list-style-type: none"> <li>- Developing links between community</li> <li>- Lifelong learning and economic development</li> <li>- Businesses and local stakeholders invited to engage in community strategies</li> <li>- Active rationalisation of district and county partnerships</li> </ul>
<ul style="list-style-type: none"> <li>• Strategic Planning and Autumn 2002 Transport Policy</li> </ul>	<ul style="list-style-type: none"> <li>- Best Value Review scheduled for input to Structure Plan and Local Transport Plan</li> </ul>

2.4 External challenge was also provided by Howard Davis of the Warwick Business School and by Joe Doak of the University of Reading. Joe Doak was commissioned to research nationally and report on sub-regional economic partnerships.

The research and subsequent report examines the types and effectiveness of partnerships, the use of performance indicators and recommends a set of indicators to measure the effectiveness of HpF.

### 3. Best Value Review of Economic Development: Recommendations

3.1 Following the Recommendations Workshop an Implementation Plan is in the course of being agreed. The draft plan is attached as Appendix 2.

3.2 In summary, the recommendations are:

a) **Partnerships** - encourage partnerships by:

- establishment of an HpF Project Co-ordinator post with administrative support:
  - seconded from the private or public sector

- located in partner organisation
- reporting to the Chairperson of the HpF

- establishing a small working group to take forward and reconsider the issue of membership fees when reviewing EEDA funding, and when there is more clarity about subscriptions to other economic development organisations
- establishing a simple 'shop window' HpF website which should be introduced this year (2002/03) and will signpost to other partners and services.

**b) Business-** to help us support businesses:

- establish the HpF Project Co-ordinator post
- set up a short-term task group to develop more effective business support sign-posting
- establish a Business Board within HpF
- create a single branding throughout HpF
- establish a nominated business co-ordination officer in each Hertfordshire council
- establish an 'intelligent' client-handling system throughout HpF, and
- ask the task group to check the experience of County Supplies with regard to local purchasing and report back with recommendations
- ask the task group to consider how to improve links with business, including linkages with the e-government agenda
- work strategically with business support organisations to assess which systems are most effective, and implement these systems pan HpF where appropriate.

**c) Lifelong Learning-** learning to become a primary objective in economic and community strategies by:

- HpF partners to review related strategies and plans and amending them accordingly to promote learning opportunities
- the Hertfordshire Learning Partnership (and Learning for All) to become the learning arm of HpF – this will set the strategic context of learning within the overall strategy
- local authorities to identify where there is a gap in learning delivery in the market, and organising delivery on behalf of the HpF
- increase collaboration between HpF and other County partnerships by means of a small working group to examine and propose ways to achieve better strategic co-ordination
- bringing together learning organisations and partnerships as one regular forum,
- place an HpF Steering Group member on the Hertfordshire Learning Partnership, and vice-versa (NB Tim Hutchings Chief Executive of

Hertfordshire Chamber of Commerce and Industry now chairs the HLP and sits on HpF).

- harness and work more effectively with voluntary and community organisations to promote learning opportunities within existing resources - related to the recommended actions above.

**d) External Funding**

- develop a joint external funding policy with shared principles by: working towards “all bids” going through an agreed process
- hold bi-annual joint meetings to plan and co-ordinate training and support
- individual authorities to lead or sponsor bids, and
- Set up bidding task groups, each with a lead expert
- when financially possible, encourage the establishment of nominated District Council officers with external funding responsibilities, to allow greater collaboration.
- joint funding and management of information processes, by means of the Hertfordshire External Resources Network (HERN)
- encourage involvement of voluntary/community organisations within existing resources by:
  - rolling out “compacts”, and
  - co-ordinating policies and activity on supply and support for ICT

**e) Performance Indicators**

The Implementation Plan contains a set of Performance Indicators both quantitative and qualitative that have been drafted for the Review, by Joe Doak of the University of Reading. These were drawn up in the absence of current agreed national Economic Development Indicators. The Audit Commission have recently commenced to develop some draft ED indicators and the Hertfordshire ones will be checked against any eventual national indicators too ensure consistency.

**3.3.1** At the joint Member Review Group on the 26 April these recommendations were accepted. The Officers were asked to refine the implementation plan (see appendix 2) and send this to Hertfordshire local authorities with a report on the review for ratification.

**3.4** A full report on the review is being produced. Given the wider audience and participation of a number of organisations and individuals, including businesses, an “easy read” summary will also be produced.

**4. Timetable**

The remaining timetable for the review is as follows:

HCC MRG	21st May 2002
Leadership Group	27 <sup>th</sup> May 2002

Cabinet	17 June 2002
District Council Decision Making	June/ July 2002
Joint MRG	September 2002 for sign off

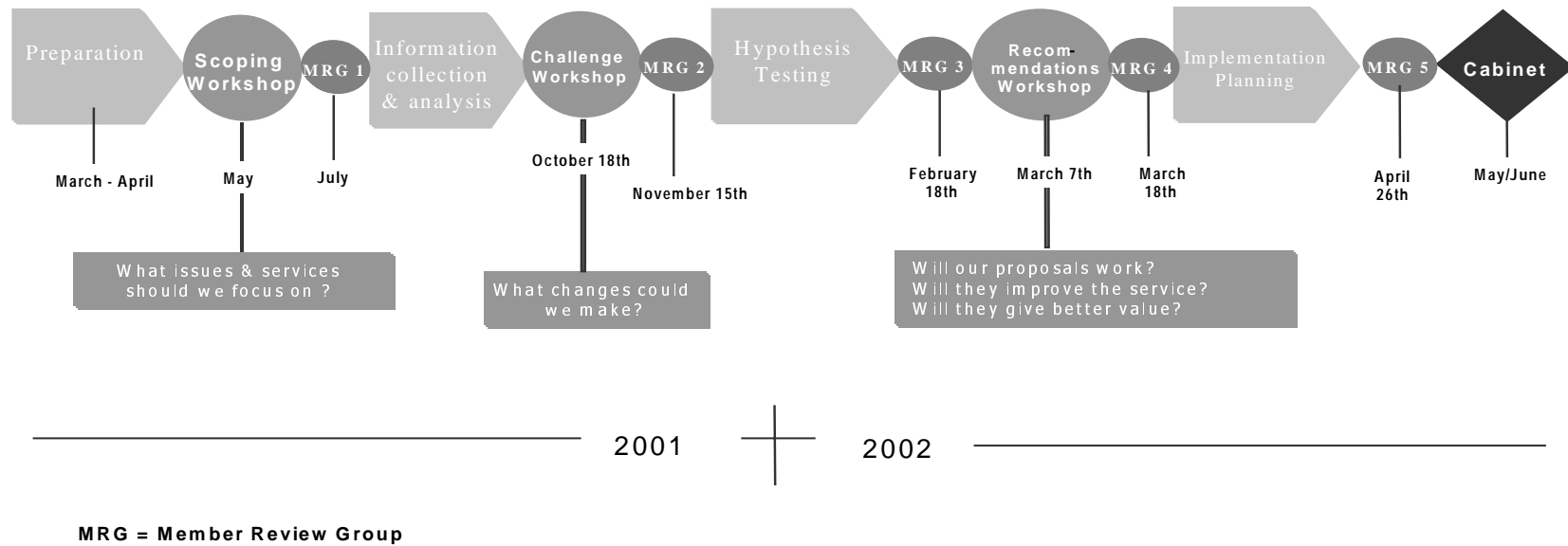
## **5. Financial Implications**

- 5.1** EEDA are proposing to provide each Local Economic Partnership (LEP) in the East of England (Including HpF), with £500,000 over the next two years to assist them in delivering the Regional Economic Development Strategy. This is subject to EEDA agreeing a Business Plan with each LEP. The HpF draft Business Plan has been reported to the Regeneration, Regions and Europe Panel and submitted to EEDA. EEDA are satisfied with it and a funding agreement will shortly be signed.
- 5.2** The majority of recommendations proposed in the BVR with funding implications will be supported by funds from the HpF Business Plan.
- 5.3** Other recommendations with financial implications for Hertfordshire County Council will be met from within existing budgets.

**APPENDIX 1**

**Best Value Review of Economic Development in Hertfordshire**

**Project Timeplan**



## APPENDIX 2.

### Best Value Economic Development Implementation Plan

#### 1. Partnership

Action	Lead Agency / Partnership	Timescale	Outcome	Cost
1. Establish HpF Co-ordinator post with admin support	HCC	3 months – by August 2003	Co-ordinator recruited	From EEDA <sup>1</sup> funding - <b>£70k</b>
2. Second from private or public sector	HCC	As above	As above	As above
3. Locate in HpF Partner organisation	HCC	As above	Partner fund and location established	Locations to be committed by host partner - <b>£5k</b>
4. Establish reporting line to HpF Chairman	HCC	As above	Reporting lines clear and widely understood	Within existing resources
5. Develop “shop window” HpF website	HpF <sup>II</sup> Co-ordinator	By December 2002	Initial website established and in use	From EEDA Funding - <b>£10k</b>
6. Set up task group to investigate and recommend, how to increase collaboration between strategic partnerships	Herts Together	<ul style="list-style-type: none"> <li>Report by December 2002-05-03</li> <li>Rationalisation during 2003</li> </ul>	Better strategic co-ordination resulting in efficiencies	Within existing resources

#### 2. Business

Action	Lead Agency / Partnership	Timescale	Outcome	Cost
1. Establish HpF Co-ordinator post	See Partnership implementation Plan			
2. Set up Task Group, develop more effective business sign posting	Business Link	<ul style="list-style-type: none"> <li>Report by December 2002</li> <li>Implement by June 2003</li> </ul>	<ul style="list-style-type: none"> <li>Report received and agreed</li> <li>Survey reveals better</li> </ul>	<ul style="list-style-type: none"> <li>Within existing resources</li> <li>Within existing</li> </ul>

			signposting arrangements	resources
<u>Action</u>	<b>Lead Agency / Partnership</b>	<b>Timescale</b>	<b>Outcome</b>	<b>Cost</b>
3. Ask Task group to recommend local purchasing arrangements / Policy	Lead District Council	<ul style="list-style-type: none"> <li>Report by November 2003</li> <li>Implement by June</li> </ul>	<ul style="list-style-type: none"> <li>Report received and agreed</li> <li>Increased local trading</li> </ul>	Within existing resources
4. Improve links with Business Link to E-government agenda- (see action no 2 above and partnerships action no 5)	Business Link / HpF Co-ordinator All Local Authorities	<ul style="list-style-type: none"> <li>Report by December 2002</li> <li>Implement by June 2003</li> </ul>	<ul style="list-style-type: none"> <li>Report received</li> <li>Survey reveals business better linked int HpF</li> </ul>	From EEDA funding and existing resources
5. Assess Business Support systems and implement the best across HpF	Business Link	<ul style="list-style-type: none"> <li>By December 2002-05-03 Implementation plan agreed by March 2003</li> </ul>	<ul style="list-style-type: none"> <li>Report received</li> <li>Development underway by May 2003</li> </ul>	From existing resources
6. Establish intelligent “client handling” system throughout HpF	Lead District Council	Dependent on resources	System in place	Dependent on actions 2, 3, 4, & 5
7. Establish nominated business co-ordination officer in each local authority	All local authorities	Dependent on resources, but aim for April 2003	Officers in place by April 2003, or plans in place by then	From existing resources
8. Create single branding throughout HpF	HCC	<ul style="list-style-type: none"> <li>“Demo” by July 2003</li> <li>Implementation by December 2003</li> </ul>	Branding recognised as Hertfordshire	From EEDA funding and existing resources <b>- £10k</b>
9. Establish a Business Board with HpF	HCCI	By December 2002	<ul style="list-style-type: none"> <li>Board in place</li> <li>Increased communication between public and private sector organisations</li> </ul>	From existing resources

### 3. Life Long learning

Action	Lead Agency / Partnership	Timescale	Outcome	Cost
1. HpF Partners to review related strategies / plans to promote learning opportunities	HLP <sup>iii</sup>	By December 2002	Strategies / plans promote learning opportunities	Within existing resources
2. HLP to become the learning “arm” of HpF	HLP	By October 2002	Strategic context of learning within overall strategy set	Within existing resources
2. Local Authorities to work with local learning fora to identify gaps in learning provision and find ways to meet needs	HLP / All local authorities	<ul style="list-style-type: none"> <li>December 2002 for gap analysis &amp; plans</li> <li>Development of services dependent on funding</li> </ul>	<ul style="list-style-type: none"> <li>Delivery plans in place</li> <li>Service “on stream” dependent on funding</li> </ul>	From current budgets and external funding ie: <ul style="list-style-type: none"> <li>- Local Initiatives Fund</li> <li>- Adult &amp; Community Learning Plan</li> <li>- HLP Resources</li> <li>- EEDA – HpF funding - <b>£80k</b></li> </ul>
4. Bring together learning organisations and partnerships as one regular forum	HLP	From October 2002	Increased collaboration and co-ordination	Within existing resources using HLP resources
5. Place HpF steering group member on HLP and vice-verse	HLP	<b>Already done</b>	Increased collaboration and co-ordination	Within existing resources
6. Harness energy and work more effectively with voluntary and community organisations	HLP	<ul style="list-style-type: none"> <li>Produce plan by October 2002</li> <li>Implement during 2003</li> </ul>	Increased learning opportunities	Within existing resources

#### 4. External Funding

Action	Lead Agency / Partnership	Timescale	Outcome	Cost
1. Develop joint external funding policy working towards bids going through agreed process	HERN <sup>iv</sup>	<ul style="list-style-type: none"> <li>Draft policy by December 2002</li> <li>Agree by March 2003</li> <li>Evaluate pilots during 2003</li> </ul>	Increase in successful bids	Within existing resources
2. Hold bi-annually joint meetings to plan and co-ordinate training and support	HERN	1 <sup>st</sup> meeting by November 2002	Draft plan in place for implementation from April 2003	Within existing resources
3. Individual authorities to lead or sponsor bids (linked to action 1 above)	Lead councils	See Action 1 above	Increase in successful bids	Within existing resources
4. Set up bidding task group groups, each with lead expert (linked to actions 1 & 3 above)	HERN	By October 2002	Increase in successful bids	Within existing resources
5. Establish nominated external funding officers in all District Councils (linked to action 1)	District Councils	Dependent on resources	Increased collaboration and increase in successful bids	Within anticipated available resources.
6. Joint funding and management of information process by means of HERN	HERN	By April 2004	Efficiency savings and increased community participation	Within existing resources. Possibility of E.government funding - <b>£20k</b> HCC
7. Encourage involvement of community / voluntary organisation by: <ul style="list-style-type: none"> <li>Rolling out Compact</li> <li>Co-ordinating policies and activity on supply and support for ICT</li> </ul>	<ul style="list-style-type: none"> <li>All councils</li> <li>HCC</li> </ul>	<ul style="list-style-type: none"> <li>By April 2003</li> <li>Policy and plan by October 2002</li> <li>Implementation from January 2003</li> </ul>	<ul style="list-style-type: none"> <li>Clear local and county arrangements</li> <li>Better supply and support a ICT for said organisations</li> </ul>	<ul style="list-style-type: none"> <li>Within existing resources -</li> <li>Within existing recourses - <b>£15k</b></li> </ul>

5. Performance Indicators

Action	Lead Agency / Partnership	Timescale	Outcome	Cost
Adopt countywide baseline as follows: 1. Creating the knowledge economy • Growth of investment knowledge based businesses • Growth of jobs in knowledge based business	Business Link	Quarterly	"real time" information readily available	Within existing resources
2. Enhance business competitiveness • GDP per house (work place based) • Business formations per 10,000 adults • Percentage of new business surviving for 3 years	Business Link	Annually	Information readily available	Within existing resources
3. Environmentally responsible business • Number of businesses registered under ISO 14001 or EMAS <sup>v</sup> • Find other measure for businesses not registering	Business Link  HEF <sup>vi</sup>	Annually  By October 2002	Information readily available  Measure prepared and accepted	Within existing resources  Dependent on measure adopted
4. Developing an ethos of lifelong learning and skills development  • Percentage of population of working age, without qualification • Proportion of people aged 16-60 participating in learning in last 3 years • Percentage of employers in Hertfordshire with Investors in People accreditation	LSC <sup>vii</sup>	Annually	Information readily available	Within existing resources
5. Developing employability, flexibility	LSC	Annually	Information readily available	Within existing

<ul style="list-style-type: none"> <li>and higher level skills</li> <li>Achievement towards National and Local learning targets</li> <li>Percentage of workforce confident in IT skills</li> </ul>				resources
6. Integrating Economic and Environmental Goals <ul style="list-style-type: none"> <li>Percentage of new business space provided on key employment sites</li> <li>Level of car use (for journeys to work)</li> </ul>	HCC	Annually	Information readily available	Within existing resources
7. Integrating Social Inclusion and Equal Opportunities <ul style="list-style-type: none"> <li>Percentage of HPF members from and / or representing ethnic minority communities</li> <li>Employment rates of disadvantaged groups – people with disabilities, lone parents, ethnic minorities and the over 50's – and the difference between their employment rates and the overall rate</li> <li>Income per head</li> </ul>	HPF Co-ordinator	Annually	Increased participation	Within existing resources
	Job Centre plus	Quarterly	Information readily available	Within existing resources
	County research group	Annually	Information readily available	Within existing resources
8. Strengthening Hertfordshire's Partnerships <ul style="list-style-type: none"> <li>360 evaluation survey</li> <li>Examples of successful initiatives implemented through HPF in last year</li> </ul>	HPF Co-ordinator	Annually	Strengthen partnerships	From EEDA funding [see Partnerships (1)]
		Report Annually		As above
9. Conduct two yearly reviews of	Herts Together	1 <sup>st</sup> review in May 2003	Better strategic co-ordination	Within existing

partnership working in the County (mini best value reviews)				resources
10. Use Quality of Life indicators	HEF	Annually	Information readily available	Within existing resources (Hertfordshire Environmental Forum)
11. Post all indicators on Observatory	Observatory (County Research Group)	Post as information becomes available	Means by which information is readily available	From EEDA funding Observatory budget of <b>£50k</b> from EEDA

### Glossary of Terms

<sup>i</sup> East of England Development Agency

<sup>ii</sup> Hertfordshire Prosperity Forum

<sup>iii</sup> Hertfordshire Learning Partnership

<sup>iv</sup> Hertfordshire External Resources Network

<sup>v</sup> Eco Management & Audit Systems

<sup>vi</sup> Hertfordshire Environment Forum

<sup>vii</sup> Learning Skills Council