

Essex Local Area Agreement ECONOMY Thematic Partnership Annual Report 2008/09

Summary of overall progress

The Economy theme of the LAA was led by the Greater Essex Prosperity Forum (GEPF) during 2008/09. Indicators and targets were based upon the Greater Essex Economic Framework, which underwent a consultation in November 2007. This had been agreed by a range of partners so formed an excellent basis. Additionally, a number of workshops were held with district LSPs and Economic Development Officers to ensure engagement at a local level. Target leads were from a range of relevant partner organisations (LSC, Business Link, ExDRA, Invest Essex) which strengthened the partnership approach. During 2008 (following a regional review of sub-regional partnerships), it was decided that the GEPF should disband. Further information about new structures will be given in the Partnership Development section.

The GEPF was responsible for the following national and local indicators:

NI 166 (Earnings)

NI 151 (Employment rate – previously Tendring only, extended to Essex wide)

NI 163 -165 (Adult skills levels 2, 3 and 4)

NI 171 (New Business Registrations)

Local indicator 8.1 (Number of jobs saved and created as a result of foreign direct investment)

Local indicator 8.2 (Helping companies to trade internationally)

Clearly, the economic indicators took on a renewed importance in light of the downturn, which also represents a major risk to performance. As a result of this, the Partnership reviewed their relevance. Most notably, Essex County Council recommended to the GEPF that the Employment rate target was extended to cover the whole of Essex (previously Tendring only). This was agreed by the GEPF Board and will be led / funded by the Economic Participation programme. The PRG funding allocated for a project manager in Tendring remained in place. Even in light of the downturn, performance has been good with much activity taking place. Highlights include the following:

- **A new skills team** has been set up by Essex County Council as of April 2009, to contribute to the Skills priorities. Areas of focus will include apprenticeship development, facilitating links between schools and industry, implementing the Skills pledge within Essex County Council and developing Vocational facilities in Essex. PRG funding has been secured for these priorities also.
- Essex County Council developed a **business support brochure** *'Where can I go for help with my business?'* in collaboration with partners. This was developed in response to the 2008 Essex Business Survey, which highlighted the fact that companies were not aware of the range of support on offer. This was adapted to ensure help was relevant in light of the downturn. 12,000 copies were disseminated in March/ April 2009 alongside support such as the Bank of Essex and Credit Unions. This support has been extremely well received by the business community and partners alike.
- An extensive **employer survey** was conducted in Tendring district, on issues ranging from skills to location. This will form the basis for the support provided by

the new Project Manager based there and helped to identify exactly what the employment needs and opportunities in the district are (funded by PRG).

- The **Essex Manufacturing Innovation and Growth Programme** has been organised in collaboration with the Institute for Manufacturing to give specific support to this important sector.
- **Inward investment** activity has increased and as a result, the number of successes have continued to grow (the target has been increased). Activity has included overseas trade fairs, publications and UK events. Clearly the retention element of this work has increased in importance in the downturn. In addition to this, international trade work has increased further to a working group being set up with members from Essex County Council, Chamber of Commerce, Business Link and UK Trade International. Along with the Essex Manufacturing Innovation and Growth Programme (as above), these both impact on the earnings target.
- **Continuing priorities aligned** with LSP agendas through PRG funded actions, including support from Braintree, Castlepoint, Chelmsford, Harlow and Maldon for NI 164. NI 171 will be assisted by focused activities from Braintree, Colchester, Tendring and Uttlesford, whilst the local indicator for international trade (8.2) benefits from a programme to showcase and encourage external investment by Chelmsford Borough Council.

Partnership development

The GEPF was very effective at evidence gathering, achieving consensus, reporting, performance management and decision making. LAA target leads reported to the GEPF board at every meeting (quarterly), at which any issues were also raised. This offered a very useful forum for discussion. The Board was also able to agree decisions/ changes on a remote basis. The extension of the employment rate target was agreed in such a way. The Economic Framework, produced on behalf of the GEPF clearly gave it an excellent foundation to base work on. Some Economic Framework 'Task and Finish groups' had been set up for each of the five framework priorities, which lended themselves well to the LAA structure.

The Chairman, Sir Ian McAllister also represented the partnership at various meetings and Louise Aitken (Essex CC) and Lynn Ballard (ExDRA) represented the partnership at meetings, provided performance data at Essex and district level and liaised directly with Go-East. The strong links to the Essex Business Consortium was a clear asset in gaining business support and feedback with regard to the LAA.

As noted above, during 2008 there was a review of Sub Regional Economic Partnerships (SREPs) by the East of England Development Agency (EEDA). Following this, it was decided that the GEPF should disband, especially since there are other partnerships representing parts of Essex (i.e. Thames Gateway). The GEPF formally ended in April 2009 and approved the creation of the Essex Economic Board, which will form the new LAA economy thematic partnership. At the same time as the GEPF disbanding, ExDRA has also been transferred back in to Essex County Council. As part of this, there may be some minor target lead changes although all the roles previously performed by ExDRA will continue. Fiona Bodle (Essex County Council's Senior Enterprise and Economy Manager) will represent this new partnership on the LAA Performance Group. It is intended that the performance reporting, representation at meetings and target lead meetings will all continue within the new structure.

Impact of economic situation/revised priorities

As outlined above, the downturn clearly impacts on the economy theme, arguably more so than any other theme. The extension of the employment rate target was in direct response to the downturn and will allow us to monitor this at a district level and therefore to pinpoint and address any local issues. It has also been recommended that benefit claims are monitored alongside the employment rate to give a more comprehensive picture. The GEPF welcomed the opportunity to revisit the earnings and business start-up priorities, in view of the fact that these targets will be harder to reach, given the downturn. Clearly, we will need to continue to monitor all the economy priorities in light of the downturn and consider whether any new priorities should be added in future.

Delivery planning and cross-partner challenge

As part of bidding for the PRG process, target leads have developed individual action plans which have been incorporated into a thematic work plan. As part of this, equality impact assessments and risk assessments were also undertaken and sustainability was covered. The plans were discussed and developed extensively with the GEPF itself as well as the LSPs, district EDO network and other thematic partnerships through a range of workshops and individual meetings. The district element of partnership working has been particularly important in terms of setting local targets but also fairly onerous for target leads. This has inevitably meant that it's taken longer than the previous LAA to develop district targets but arguably this has made the LAA more relevant at local level. Wherever available, districts have also been kept informed of developing Action Plans and targets. For the economy theme, it has often been more appropriate to engage with the EDO network as well as LSP leads.

The partnership also effectively managed the refresh process to take into account the downturn and current funding opportunities, as described above and also effectively records and reports performance to and from the GEPF board.

Use of resources

The Economy theme / GEPF was awarded £565,511 PRG funding in total. This was divided as:

NI 163, NI 164, NI 165 (Skills) - £260,000

NI 151 (Employment Rate) - £90,000

NI 166 (Earnings), 8.1 (foreign investment), 8.2 (inward investment) - £215,511

The group / GEPF board considered funding carefully and proposals for bids were discussed at board meetings regularly. It was decided that it would be appropriate to pool the funding for earnings, foreign investment and international trade, given their clear links. Funding for skills will be led by the new Essex County Council Skills team to ensure join up. The employment rate funding has been awarded for Tendring specifically and we were pleased that extending this priority to cover the whole of Essex will enable to use of Economic Participation funding. Original bids were larger and included NI 171 (new business registrations). Subsequently, leads were informed that the Essex Management Board had decided that LSPs and Thematic Partnerships should now keep PRG Grant bids within their indicative allocations. As a consequence, there are a number of projects which remain in a 'reserve' list.

Sharing and using information about performance

Information is reported into PB Views and the LAA Scorecard system. These are also used to provide information to target leads and the GEPF Board. Where data is annual and has a time lag, it has been important to provide commentary on action plan progress and provide any alternative data. Target leads have also been encouraged to provide data where available (i.e. LSC / Business Link).

Information about performance has been reported regularly to the GEPF board, who discussed any issues and offered solutions. The PRG bids were presented to the board and discussed in terms of their effectiveness.

Improved outcomes

With regard to targets, we exceeded the first year targets for international trade (8.2) and inward investment (8.1). Due to time lags and regularity of data, it is not yet possible to assess the other targets although for all, action plans are well underway and proving successful. The LAA has provided a useful structure for engaging with partners and LSPs. Essex already co-ordinated the district Economic Development Officers network but the LAA undoubtedly gave a useful focus for workshop sessions as well as a forum in which we could update district colleagues on the LAA. The PRG funding has also allowed us to commence projects (i.e. employment survey in Tendring / Essex Manufacturing Innovation and Growth Programme) which will make a real difference in the areas concerned. The funding element has been very beneficial in terms of being able to develop tangible projects and get project managers in post.

The LAA Economy target leads meetings are very beneficial in terms of sharing best practice, receiving updates, liaising with regional counterparts (EEDA and Go-East) and giving updates on LAA process requirements. This has also been a forum in which target leads can raise any issues/ concerns and receive updates from the central LAA team at Essex County Council.

Key issues/risks to delivery

As noted above, the development of the LAA at district level has been time consuming albeit valuable. Agreeing targets at a district level can be complex, particularly where the Essex wide target needs specific district performance to succeed. In terms of resource also, clearly different LSPs chose to prioritise different areas so PRG may not have been allocated where there is underperformance. In terms of setting district targets, a certain level of thematic support has been necessary and will continue to be so for monitoring performance.

LAA2 has definitely been more resource intensive than LAA1. This has partly been due to the action planning/ PRG bidding process and partly due to the need to develop targets and priorities at a district level. Target leads have therefore had to liaise with 12 districts as well as partners at an Essex level. Undoubtedly this has made the LAA more relevant but at some stages, it has also been quite complex and time consuming. The effort and time of the target leads should therefore be acknowledged. Support provided by Lynn Ballard and Louise Aitken was also cited by the target leads as being essential. Similar resource going forward will definitely be necessary.

Additionally, at present the funding that supports skills delivery is under review and as a consequence could impact on the overall target acquisition. This will need to be

monitored. The Learning and Skills Council is progressing through its Machinery of Government process which will result in successor organisations taking over various responsibilities, in shadow from September 2009, if not sooner.

Clearly the biggest risk for the economic theme is the current economic downturn, which could affect all the economy targets. Whilst skills performance may go up if people choose to retrain in the light of the downturn, it is also possible that a shortage of apprenticeship places may occur as companies may cut backs and that training is not considered a priority. Furthermore, the new board represents some risk in delivery/ partnership working although this is minimal given that structures are in place.

Next steps

The development of the new Essex Economic Board is key to the economy thematic partnership. The Board will provide strategic direction for performance against the Local Area Agreement and ensure that the LAA Economy Target Leads provide regular reports and updates on progress to the Board. It is also the intention that EEB will lead on future iterations of the Local Area Agreement. In respect of performance management under the auspices of the Local Area Agreement, The Board will:

1. Agree priorities for Target Leads;
2. Target information where needed for wider dissemination;
3. Commission update reports on key work areas; and
4. Hold organisations to account in delivering against objectives.

The development of the EDO network will continue, to ensure the relevance of the LAA at district level and offering appropriate training with regards to the LAA to district colleagues. To embed the representation of the EDOs in the LAA process, the new Chair of the EDO network will be invited to future meetings.

Support will be given by the group to ECC as a whole, where information is needed in terms of economic indicators and links to the wider LAA and CAA process, such as the impending Economic Assessment and Joint Strategic Needs Assessment. In addition, the group will continue to support and promote major ECC projects that have an impact on the LAA targets such as 'Banking on Essex' and the new Skills Unit within ECC.

Furthermore, as a result of the partnership changes outlined above and ExDRA transferring back to Essex County Council, there will be some target lead changes as follows

NI 151 Employment rate: Previously led by Louise Aitken on an interim basis, **Dianne Hardy** (Economic Participation Senior Manager, Essex County Council) will be the target lead for this priority, which now covers the whole of Essex

NI 163 -165 (Adult skills levels 2, 3 and 4): Matthew Fletcher (LSC) will continue to lead

NI 166 (Earnings): Previously led by Peter Cook, the new target lead will be **Fiona Bodle (interim)**

NI 171 (New Business Registrations): Keith Hughes (Business Link) will continue to lead. Business Link data has been provided for the County to act as

management information for the target. Sub sets of the data have also been made available to District colleagues. These will be updated quarterly.

Local indicator 8.1 (Number of jobs saved and created as a result of foreign direct investment): **David Adlington (Invest Essex)** will continue to lead

Local indicator 8.2 (Helping companies to trade internationally): Previously led by Peter Cook, the new target lead will be **Peter Manning (Essex County Council)**

A number of specific actions/next steps have been identified by the economy thematic partnership, which include the following:

- NI 151: Project Manager Post appointment underway to act as single point of contact for employment issues in Tendring. As part of extending this priority to cover the whole of Essex, it will be linked to the EEDA funded Economic Participation Programme (EP) and led by the programme Manager.
- NI 163 – 165: Promotion. Actions include:
- The provision of industry relevant vocational education that responds to both current and future skills requirements, including
 - support for Essex schools in introducing the new diplomas
 - increasing significantly the numbers of apprenticeships (including adult apprenticeships) in Essex
 - the provision of vocational facilities across Essex
- Making Train 2 Gain, and Sector Skills Councils' funding, work effectively in the county so as to make in-roads into up-skilling the large numbers currently in employment and who do not have level 2 qualifications
- Achieving a cultural shift in attitudes towards learning and employment, and in aspirations, particularly in key geographies in the county

The initial work programme, led by ECC's Skills Team, should comprise the following:

- The development of an in-house *Apprenticeship Training Agency* approach that opens up, particularly to young people, a significant number of new apprenticeships in parts of the economy (including the public sector) un-served or under-represented by the existing apprenticeship offer.
- A more consistent and effective use of the public sector's collective procurement power in order to influence the adoption of the Skills Pledge and recruitment of apprentices within our supply chain
- The development of a coordinated network of vocational facilities across Essex that offer a range of vocational education and training that serves the full interests of both our young people and the County's economy.
- An ECC-wide programme to up-skill staff to at least NVQ level 2 and probably NVQ level 3, in collaboration with the LSC, and the encouragement of this across the public sector in Essex.
- Increasing the effectiveness of a plethora of public sector schemes that seek to up-skill the wider Essex workforce (e.g. Train 2 Gain, Sector Skills Councils)

- NI 166: Developing EMIG, which is a partnership project between the Institute for Manufacturing and Essex County Council, created as one of the ten initiatives in response to the economic downturn. EMIG aims to help existing small and medium sized manufacturing firms to develop and grow their business in a financially sustainable manner. Over the next 3 years, the programme will target 150 manufacturing companies. The LAA PRG funding will support the development of these activities over years 1 and 2. The project launched at the beginning of March with a focus on Braintree District, where 12 companies were signed up to the programme. Continuing to focus on areas renowned for their manufacturing base the project has since been promoted in Harlow and will then target Basildon. Plans are also underway promote EMIG at events within the county and develop the PR campaign.
- NI 171: P.R.G. funded activity around this target is at LSP level. Consequently the majority of Target Lead activity will be concentrated there. This will follow on from the meetings already carried out to discuss project implementation with each of the lead officers (economic development) in the relevant Districts: Tendring: Colchester: Braintree: Uttlesford, as reported back to the Target Leads group. Next step activity planned as follows:-
 - September 09: follow up meetings with District officers. To assess activity to date on planned interventions.
 - As requested: to contribute to LSP's, their sub-groups, and District meetings, where the economic targets are discussed.
 - Continue feedback to the Target Leads group: and from here to the emerging Essex Economic Board.
 - Seek more robust feedback from LSP's on activities that impact on this target via County Council partnership officers.
 - Promote an amended (scalable) version of the County level action plan, as proposed through GEPF; possible direct intervention on this target.

However, concern has been expressed as follows:

- Approved projects being implemented, but some actions are not clearly directed to the targets.
 - Given the above: direct impact on this target is likely to be marginal.
 - Data is not being collected in any systematic way across the projects.
 - It seems difficult / impossible to get a list of target companies: Library services are prepared to help, but registration data is not available.
 - We cannot see a way to target "unregistered businesses" for the projects to focus on.
- LI 8.1: Invest Essex will continue its work to promote a strong awareness of Essex as an outstanding inward investment destination, developing a strong pipeline of investment enquiries, leading to investment and employment opportunities.

Whilst, PRG funding will enable Invest Essex to expand its marketing programme to UK and international audiences, with additional focus on development of relationships in specific geographies in line with the ECC-led international strategy (eg India, China). Consequently we would expect to increase the number of inward investment enquiries, with a consequent additional contribution to Essex's challenging overall economic growth targets.

- LI 8.2: The international trade team will be increasing the number of Essex companies exporting to China and India. This will be achieved through trade missions, export support, and one to one support for companies. The team will also work closely with partners such as UKTI, the Chamber of Commerce and Business Link. In April 2009, a Skills and International trade team was created at Essex CC, specifically to focus on this area of work. The international trade team is currently dealing directly with over 50 Essex companies (ongoing 2-way dialogue) supporting them with their export objectives in both China and India.

At present the LAA target for international trade does not enjoy joint ownership. Therefore it will not drive partner behaviour until partners have signed up and committed to delivering actions to support the targets (and to accepting joint responsibility for non-achievement). A key next step, therefore, is to seek joint ownership.

Annex:

Performance assessment for each indicator

Indicator	On track to meet final year target	Off trajectory but expected to meet final year target	At risk of missing final year target – with issues/obstacles to delivery and mitigating actions	Unable to assess
NI 151 Employment rate			Currently performance ok (although time-lag) but clearly at risk given downturn	
NI 166 (Earnings):			Data for 2008 shows an increase although this is much lower than the target and the national and regional levels.	
NI 163 -165 (Adult skills levels 2, 3 and 4):				The direction of travel is good but data is historical and a significant increase is needed to meet the targets
NI 171 (New Business Registrations):				Up to date data not yet available and targets stretching
LI 8.1. Number of jobs saved and created as a result of foreign direct investment	First year target exceeded although clearly at risk in light of downturn			
LI 8.2 (Helping companies to trade internationally),	First year target exceeded although clearly at risk in light of downturn			