

OEP's response to SEEDA's Partnership Proposition Paper

The Oxfordshire Economic Partnership (OEP) welcomes the opportunity to comment on the draft Sub Regional Partnership Arrangements Proposition paper prepared by SEEDA.

The comments below were prepared following discussions at the Executive Group of the OEP plus those at the OEP's partnership Special Interest Group. The response has been discussed and agreed by the OEP Board.

In summary the conclusion of the OEP was that local partnerships' strengths lie in their ability to engage with local stakeholders and their willingness to engage with and take ownership of, the local agenda and sense of place. For some issues, delivery at a local level is sub-optimal and these need to be addressed over a wider geography, in which case local partnerships should work together or SEEDA should take the lead to deliver a regional service but supported locally. Situations need to be created where everyone wins and where it is not seen as competition but a co-dependence of geography.

OEP recognises that currently there is too much complexity and we share SEEDA's view on the need to simplify. We believe the simplification should be based on Oxfordshire, given its natural functional geography, and are already developing the way forward and how best to achieve this. Oxfordshire is well placed to help deliver on the economic development objectives set out in the Regional Economic Strategy.

Comments

During the discussions a number of comments were made about the proposition paper these are summarised below:

1. Definition of terms

To encourage a sensible discussion about the issues and not the interpretation of terms it would have been worthwhile being explicit about the terms being used for example sub-regional, local and to define these in the paper.

The reference to a proportion of Oxfordshire in the South East Plan and Regional Economic Strategy as Central Oxfordshire or as a "Diamond for growth and Investment" does not fit with our view of the economy. We believe that the term "diamond for growth and investment" should refer to all of Oxfordshire as we feel that it is inappropriate to carve the County up in this way.

2. Remit and breadth of review

The review of partnerships undertaken was only partial and it was unclear how or why it was decided which partnerships came under the review and which did not. For example LEADER+ partnerships were included in the review but Food Groups are not. LEADER+ networks / partnerships were developed under the guidance of the European Commission funders and thus are unlikely to be influenced by the outcomes of the review, whereas the Local Food Groups, which have much closer links to SEEDA were not included.

3. Clarity of Drivers and RES Implementation Plan

The proposition paper is not clear as to the reasoning behind the review and the need to change. Understanding of the drivers and clarity of the issues would help partners respond more effectively, understanding the need to change and how best to do so. In conversation with SEEDA personnel it is clear that the key driver is the effective delivery of the RES. Thus, the consultation on the Partnership review is intimately related to the RES Implementation plan and the fact that these are being carried out on different timescales is unfortunate.

4. Limited Timescales

The limited timetable for consultation of the proposition paper has created a level of considerable amount of time pressure.

5. Evolution of solution

Connected to the limited timescale, many of the partnerships are independent bodies and involve a large number of stakeholders. Decisions on changes in structure or format will require a considerable amount of time spent in discussion and engagement with partners. Thus any changes are likely to be evolutionary and develop over time. Is this method of change acceptable to SEEDA?

The Oxfordshire Economic Partnership welcomes the explicit recognition in the Proposition paper prepared by SEEDA that:

- The South East of England is a diverse region with different priorities and that region-wide policy is generally not appropriate, with different parts of the region requiring different solutions.
- There are too many projects and *ad hoc* funding streams without strategic thinking and that strategic investment programmes would be more effective.
- Business engagement is central to all aspects of economic development.
- Economic areas valued - this echoes the views in Oxfordshire that the County is, in effect, a City region

SEEDA's Questions

- **What partnership arrangements and structures are necessary to support the delivery of the RES in your area?**

We believe that we have a workable, inclusive structure that provides opportunities for action-biased relationships to exist within and beyond geographic boundaries. The value stream flows from the Oxfordshire Partnership through the OEP into special interest groups that bring together relevant participants in activities that should have a measurable impact.

The Oxfordshire Partnership (OxP) is the top-level strategic partnership in Oxfordshire, it has the commitment of elected representatives throughout the County and its Board seeks to be representative of all aspects of Oxfordshire from crime and security to health and well being, through skills and learning to economic development.

The OxP is developing a vision for the County that will bring together partners. OxP has a number of groups and partnerships which take specific responsibility for aspects of the vision one of which is the Oxfordshire Economic Partnership another being the Oxfordshire Learning and Skills Partnership.

The activities of the Economic Partnership are aligned with that of the Oxfordshire Partnership. The Economic Development Strategy for Oxfordshire is aligned with the Oxfordshire Partnership and the Regional Economic Strategy at a strategic level.

The Oxfordshire Economic Partnership is addressing implementation through:

- Directly influencing and supporting SEEDA's initiatives where the OEP adds value to the process.
- Forming special interest groups (SIGs) to give a local / sub-regional focus on key issues, to look at the strategic impact and quantify this.
- Working closely with the Local Area Agreement process. Potentially with a clearer and stronger role of the OEP executive in aligning the RES with the economic development LAA

- Sharing knowledge and developing dialogue with relevant partners be these geographical or peer neighbours within or outside region.
- Strengthening direct engagement with business. We are in the process of refining the most effective way to engage businesses' individual needs, rather than expecting business to deliver our needs. This process must be customer driven and will look at the whole supply chain from schools to global businesses. Providing a route map of how we can support business as the wealth creators and engine of economy, and major influencers of place and community.
- The OEP also supports the work of the district local strategic partnerships and encourages these partnerships to align their activities with the activities of the Economic Partnership and the Oxfordshire Partnership.
- Engaging and involving partners within Oxfordshire's economy in the process of developing the model for delivery of economic development within the County. Engagement of those who have contributed and developed the partnerships specifically mentioned in the review process is especially important.

You should note that Oxfordshire Economic Partnership recently revised its strategic framework. Some of the detail is provided below:

Purpose:

The OEP is a network of networks that promotes economic development for Oxfordshire as a key part of the national economy.

Mission:

To grow the economy as fast as possible, without compromising the environment, to achieve sustainable, thriving communities.

Vision:

Thriving Oxfordshire – sustainable, balanced communities.

Method:

OEP creates a purposeful dialogue with its stakeholders to promote economic development for Oxfordshire as a key part of the national economy, with a view to encouraging and enabling actions that grow the economy as fast as possible without compromising the environment.

We've defined a set of strategic priorities around four key focus areas:

1. Promoting and marketing Oxfordshire in the international environment
2. Nurturing and growing enterprise
3. Developing skills and widening participation in learning
4. Overcoming issues of infrastructure

A portfolio of special interest groups (SIGs) has been established and aligned against these focus areas. To date, the following special interest groups have met:

1. Partnership
2. Tourism
3. Education and Skills
4. Support for Start Up Businesses

Other special interest groups include the following topics:

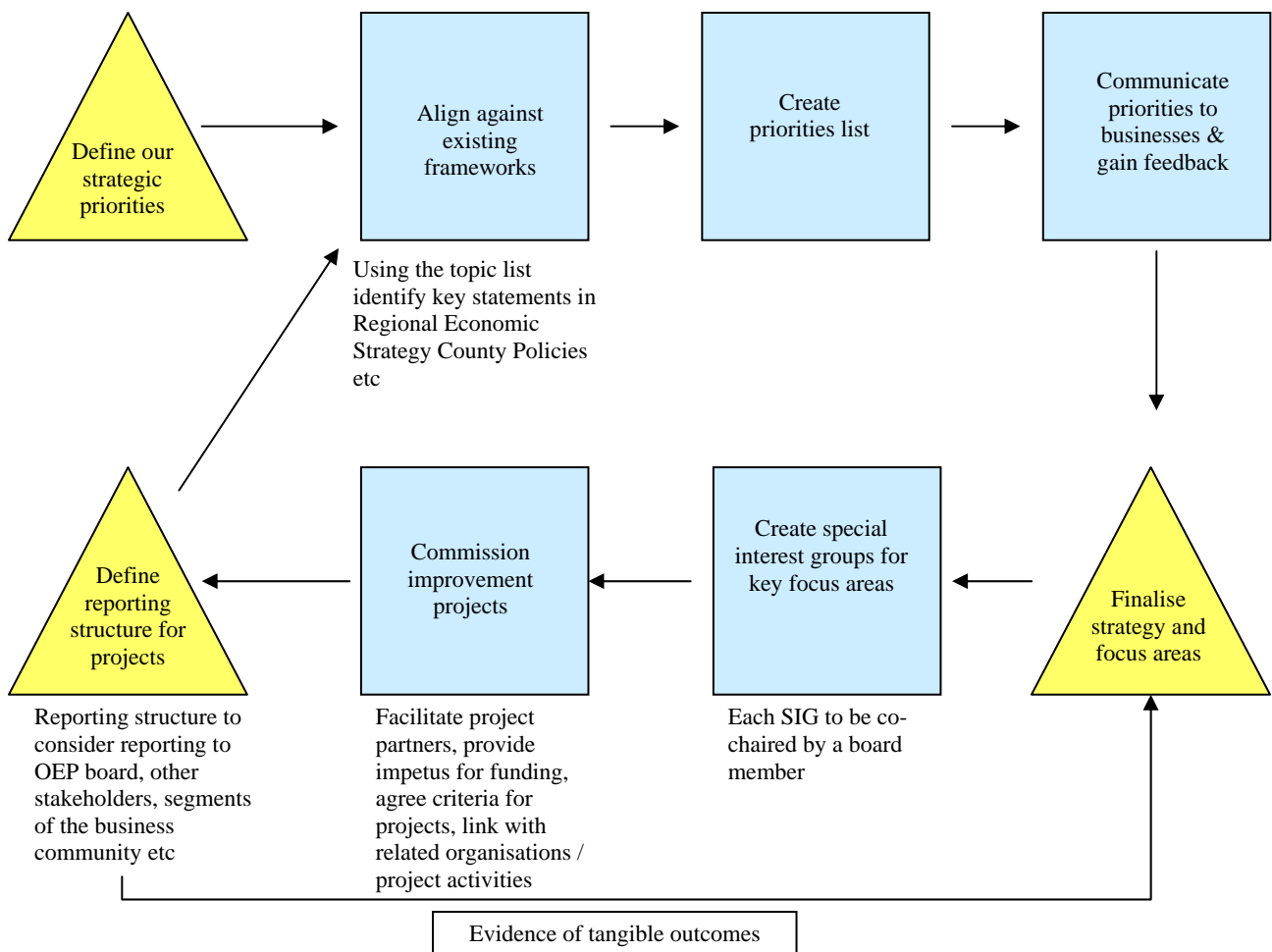
1. Engaging business
2. Transport
3. Promoting and marketing Oxfordshire
4. Urban retail and market towns

Special interest groups involve a range of partners with specific interests or expertise in the topic. Membership is not constrained to OEP board members, although a board member should be a participant in every SIG.

The development of the SIG structure also offers greater opportunities work knowledge sharing and cross boundary working with other Economic Partnerships.

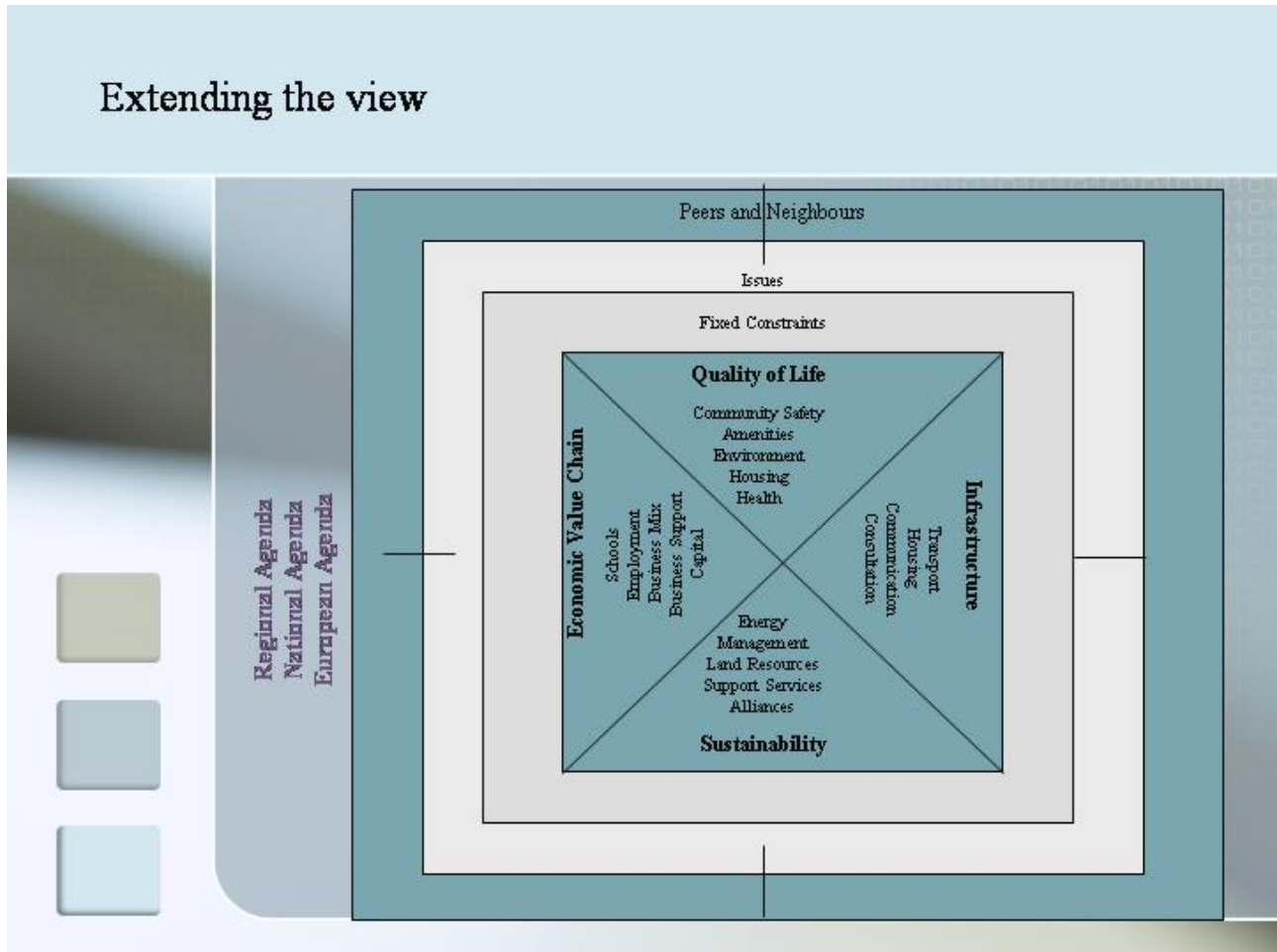
The OEP is not a funding provider. Our goal in establishing the SIGs is to identify priority areas for intervention and improvement that support our mission (*To grow the economy as fast as possible, without compromising the environment, to achieve sustainable, thriving communities*) and to bring together the relevant partners to define and deliver that intervention, seeking funding from a range of sources as appropriate.

OEP has identified the following process for driving measurable improvement outcomes from the SIGs:



We've also explored using a model for organising our thinking in terms of relationships with partnerships that have an indirect bearing on the economy, but that influence conditions that can be seen to impact aspects of economic development.

The following model indicates the taxonomy that we have used to represent the complexity of these relationships:



The benefit of the model is that it forces us to consider a range of factors that do not naturally fall under the remit of economic development. An appropriate use of this model, for instance, could be in developing clarity regarding Oxfordshire's role in an innovation-based O2C Arc (Oxford to Cambridge) and "golden triangle" (with Cambridge and London) and how this contributes to the competitiveness of the Greater South East.

- **What activities in the draft RES Implementation Plan do you believe should be focused on this new arrangement?**

With specific reference to question two regarding activities in the draft RES Implementation Plan, we would make the following observations within the context of the document:

The RES Implementation Plan states:

Principles and Key Actions

1. 20% of businesses are likely to bring us 80% of the returns. This means a much tighter focus on those people and organisations who can deliver the highest productivity growth. The key actions are:

Internationalising the Investor Development Programme – SEEDA and UK Trade and Investment will work together to develop closer links with parent companies of foreign-owned South East companies and assist foreign owned companies recently established in the South East with high growth potential.

Sector Consortia – the six business-led sector consortia (South East Media Network, Marine South East, South East Health Technologies, EnviroBusiness South East, South East Centre for the Built Environment and Farnborough Aerospace Consortium) will work with businesses to improve these sectors' competitiveness within the region, the UK and internationally.

Internationalising Innovating Companies – UK Trade & Investment and SEEDA will focus trade and investment activity on supporting innovative R&D companies to identify and develop international business and partnership opportunities.

Our comment is:

Perhaps overly simplistic, the view that there are three key levers for commercial growth seems relevant here. The levers are:

- 1. Attracting high performing foreign companies to establish significant operations within the geography (e.g.: not simply a sales office)*
- 2. Assisting sizable high performing companies to expand in their chosen markets. (Recognising that "assisting" is not a politically astute term, it can refer to removing barriers to growth that fall within the boundaries of local authority intervention)*
- 3. Acting as a catalyst to gain substantive funding for growth opportunities in high potential existing businesses.*

While in agreement with SEEDA's thesis that 20% of businesses are likely to bring 80% returns, the three actions outlined seem relatively unfocused. Albeit the descriptions are necessarily brief, one struggles with determining the action that will take place and the change that is planned as a result of that action.

What seems remarkably absent from this discussion is the direct engagement with the individual companies that comprise the 20% high potential class. There seems to be an enthusiasm for broad brush approaches utilising intermediate facilities like consortia. This is laudable and equitable, but probably will continue to fail to get the job done.

Generally, companies are remarkably isolated in their view of the world. They develop individual strategies and business plans, they understand their markets and they manage their constraints based on the ability and understanding of their senior managers. It is difficult to imagine them taking seriously the prospect of national consortia as a method for delivering a key growth strategy unless it was firmly focused on delivering a specific benefit (e.g.: infrastructure provision in a developing economy).

Locally there is a role for engagement with individual companies with high growth potential. Local partnerships with shared destiny relationships and local networks can provide a level of structured engagement to gather intelligence, foster an understanding of true growth potential and identify the most relevant constraints to growth that can be acted upon through public sector intervention.

How we would support the RES:

In Oxfordshire we could achieve this through a set of simple yet focused actions:

- 1. Establish criteria for assessing high potential organisations*
- 2. Engage individual businesses in a dialogue to reveal essential, yet commercially sensitive, information*
 - a. Aspirations for growth*
 - b. Key markets*
 - c. Constraints*
- 3. Where a grouping can be achieved, define a plan to assist businesses indirectly through a social action (e.g.: local customer handling skills initiative provided free to business)*
- 4. Where requirements are highly individualised, engage SEEDA to act as hub for identifying specific potential contacts, leverage points etc that may exist in the region. In other words, when we understand what is needed locally, use the scale and breadth of the region to facilitate meeting the need.*

2. It is businesses that achieve productivity targets, not government agencies. This means businesses must drive the agenda. The key actions are:

Science and Innovation Campuses – SESETAC will work with SEEDA and other funding bodies to identify and develop major new shared facilities where businesses and universities can work together, carrying out internationally leading research and development on challenges common to a range of businesses, to create early market leads.

Training Pools – Sector Skills Council and SEEDA will develop funded support for employer-led partnerships to address technician-level skills gaps identified by groups of businesses.

The Manufacturing Advisory Service and Enhanced MAS – will work with businesses and their supply chains to focus on lean production techniques to remove waste.

Our comment is:

Similarly, these are broad brush approaches to addressing specific, individualised issues. Productivity improvements take place within organisational boundaries and are either facilitated or constrained by the organisation's culture, processes and capability.

How we would support the RES:

Within Oxfordshire it may be best to reduce the number of existing initiatives and focus on understanding the productivity inhibitors that impact individual organisations. Working with an organisation like Saïd Business School and/or the Oxfordshire Economic Observatory may enable us to quantify the two or three individual factors that would improve productivity in the medium term and according to business size. By determining these factors, facilities to address "quick wins" could be put in place. Our preference would be to align existing projects or partnership activity; however, we recognise that there is scope to design specific new initiatives if required.

3. Global exposure drives up productivity more than anything else. This means an international outlook across all actions. The key actions are:

Global Innovation Opportunities – sector consortia and knowledge and innovation networks will deliver a regional programme to targeted major global business opportunities.

International Partnering – UK Trade & Investment will develop a programme to support businesses within the region to develop international partnering opportunities.

Leadership for Global Competitiveness – SEEDA will work with Higher Education Institutions to develop Leadership Academies to provide targeted advice to businesses to develop the leadership skills necessary to become globally competitive.

Global Gateways – Regional strategies and delivery agencies will prioritise efficient and reliable surface access to the global transport gateways and enable their sustainable growth.

Our comment is:

*Actually, we believe that the premise that **Global exposure drives up productivity more than anything else** is incorrect. Productivity is driven by reduction of non-value adding activity. Global partnering may create the demand for increased productivity and may provide routes for addressing the development of new markets and reducing cost. This isn't to say that the initiatives in this section are unwelcome. Breaking down national, spatial and temporal boundaries is vital for UK businesses with an agenda for global reach.*

How we would support the RES:

Providing a sub regional infrastructure that is appealing to global business, particularly where a sub region can foster a "unique selling proposition" like access to a "knowledge network" in a particular field of research or development creates an opportunity for bringing the globe (or at least a focused part of it) into the back garden.

Locally, OEP would seek to identify the target company types or regions from which we would seek to attract companies to locate operations in Oxfordshire for foreign investment and business development. Our approach in marketing Oxfordshire has been described as using a rifle rather than a shotgun. A focused structure like the proposed "golden triangle" between Oxford, Cambridge and London provides us with an embryonic marketing opportunity to work in conjunction with other Economic Partnerships.

4. Integration of resources is required if the region's businesses are to meet these stretching targets. This means a strategy which partners truly share and an integrated approach to working with businesses including positioning Business Link as the prime access channel for business support'. The key actions are:

Greater South East – the three RDAs are collaborating across London, the East of England and South East England to develop and jointly deliver activities around early stage investment, cluster and supply chain development, and inward investment and trade, innovation knowledge transfer and skills.

South East Innovation Action Plan – SESETAC members will encourage businesses (through sector consortia and other business representative organisations) and private sector research organisations to focus on priority technologies and companies for knowledge transfer, innovation and skills for innovation.

Business Support Simplification – business support organisations (SEEDA, Business Links, LSCs) across the region are working together to provide a streamlined and simplified support programme, including a regional client management system, that is easier for businesses to access.

5. Innovation and knowledge are critical in the global economy. This means that they need to be embedded in all aspects of the region's economy. The key actions are:

Open Innovation – SEEDA will work with businesses, Higher Education Institutions and Public sector research establishments to promote open innovation to strengthen the 'knowledge supply chain' and develop corporate venturing and partnering in the region.

Innovation Networks – Economic Partnerships will facilitate the formation of innovation networks across the region – connecting people with a shared interest in innovation.

Business to Business Collaboration and Knowledge Exchange – The Innovation Advisory Service will work with other public sector partners to leverage the resources of the top 500 businesses in the South East to identify innovation opportunities in their wider supply chains and skills base, and encourage knowledge exchange between large knowledge based businesses and smaller South East businesses.

Our comment is:

Items 4 and 5 seem to be in the wrong order. Collaboration and knowledge sharing are fundamental elements to inspiring innovation and providing best practice route maps from which innovative ideas and practices can grow. Most business people will agree that adaptive innovation is far easier to achieve than the 'eureka moment' of a radical new idea.

How we would support the RES:

Once again, engaging individual businesses in participating in focused, collaborative networks would be a strong input to forming "cluster" knowledge sharing networks. OEP would take a strong role in facilitating this process within Oxfordshire, and could assist in any cross boundary clusters that might emerge.

Following this process of engaging businesses in collaborative networking, the targeting of resources to support moving the performance bar in terms of both innovation and productivity would seem to follow in a logical sequence. OEP would again seek to bring together local partnerships that could be instrumental in removing barriers with a view to creating interventions that improve the current situation.

- **How can these arrangements best provide strong business leadership and representation?**

Strengthening direct engagement with business. We are in the process of refining the most effective way to engage businesses' individual needs, rather than expecting business to deliver our needs. This process must be customer driven and will look at the whole supply chain from schools to global businesses. Our goal is to engage relevant local businesses as actors in the process rather than as observers or passive beneficiaries. Our SIG structures provide the facility for achieving this.

- **How can these arrangements and structure be made more effective?**

Agreed local / sub-regional partnership arrangements need to be supported and SEEDA and other agencies need to demonstrate their commitment to these and work with them in a positive and supportive way. SEEDA's current restructuring demonstrates their commitment to delivering on the RES and this cross-organisational reform should support local working arrangements. The development of a protocol with SEEDA about the relationship with the Partnership and rules of engagement will help clarify and support the partnership arrangements both internally to SEEDA and locally to partners.

The relationship between OEP and SEEDA needs to be strong. Currently, through the Area Team we have good and valued representation in Oxfordshire. Although, the sense of creating such a large and diverse sub-region as MKOBB, containing 4 Economic Partnership areas could be

questioned as could the relationship between the Area Teams and the rest of the structure of SEEDA. It is hoped that the restructuring of SEEDA will not only reflect the key objectives of the RES but recognise the importance of how these will be developed and delivered locally.

The relationship between OEP and the senior officers and Board members of SEEDA is less well developed and improvement of this would help to increase understanding of the strengths and issues of Oxfordshire.

- **Which areas are in a position to work together beyond local (and, where appropriate, regional) boundaries, underpinned by enhanced support from SEEDA?**

We have specifically engaged with neighbouring partnerships to develop opportunities for sharing good practice and potential joint activities where relevant. We are already sharing knowledge and developing dialogue with relevant partners be these geographical or peer neighbours within or outside region. Examples would include the developing dialogue with Cambridge and the associated Oxford2Cambridge Arc or Golden Triangle, the opportunities afforded through joint working on the A34 transport corridor and the developing work for the Cotswold Joint Character Area, these are in addition to the activities aligned more closely to the delivery of the RES on contours and other appropriate neighbouring geographies.

- **Who else should be funding these arrangements alongside SEEDA?**

Partnership arrangements in Oxfordshire are funded through a combination of local and regional funding. SEEDA's contribution is important and the OEP welcomes the support that it offers both in terms of contribution to the core funding of OEP and delivery programmes in the County, as well as the human resources of the Area Team and Investor Development Managers. However, one of the strengths of the OEP is that it is supported financially and through an immense amount of *in kind* support by many local organisations and individuals. To continue accessing this, the OEP needs to deliver added-value to all its stakeholders and contributors. OEP must retain its credibility and continue to be an effective organisation which is fit form purpose and undertakes roles and functions that are relevant to the situation in Oxfordshire.

As we have already noted agreed local / sub-regional partnership arrangements need to be supported and SEEDA and other agencies need to demonstrate their commitment to these and work with them in a positive and supportive way. OEP needs to be adequately funded to undertake its strategic role, lobbying and promoting the important agendas in Oxfordshire on behalf of key stakeholders and not dependent on delivery of projects to fund its existence.

Currently local partners provide £52,500 per annum core funding in cash with a huge amount of *in kind* support. SEEDA provide £60,000 with a likely further £20,000.

The OEP is currently undergoing a process of review which includes the fundamental structure and working of the organisation thus it would be difficult to judge what "adequate" funding would be at this stage. However, it is evident from the work done to date, that the drive to engage with business more fully as well as delivering an enhanced engagement and leadership role and supporting the delivery of the Regional Economic Strategy, that increased capacity within the OEP will be required to cover appropriate staffing levels and core office and running costs. This is likely to be in the order of 2.5 or 3 times increase in total budget. It is proposed that local funding should be raised as well as SEEDA core funding to support the fully functioning arrangements SEEDA has outlined in its proposal.