

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: LANARKSHIRE ECONOMIC FORUM WITH RESPONSE TO CONSULTATIONS/PROGRESS REPORT
From: DIRECTOR OF PLANNING & ENVIRONMENT		
Date: 25 January 2001	Ref: MMcC/EH/REP771	

1. Purpose

- 1.1 The purpose of this report is to provide the Committee with a progress report on the preliminary work undertaken to date on the formation of a Lanarkshire Economic Forum and further to seek homologation to responses on the guidelines which have been sent to COSLA and the Scottish Executive.

2. Background

- 2.1 Elected members are aware Lanarkshire has a good track of partnership working which is evident in the joint economic strategy, Changing Gear, and more recently in the development of community planning in both North and South Lanarkshire Council areas. Partnership working provides an opportunity for joint planning and more efficient delivery but it also requires capable management to ensure partnership structures and groups, avoid overload and overlap. In view of the growth of partnership working an audit of Lanarkshire's strategic and operational economic partnerships was undertaken last year.

This audit highlighted the need for a more cohesive approach to partnership working in a bid to reduce the number of meetings taking place and make more efficient an effective use of Officer and Elected Member time. In response to this audit a pan Lanarkshire inter-agency economic group was proposed. Discussions on this between Scottish Enterprise Lanarkshire and both North and South Lanarkshire Councils however went on hold pending the outcome of the Enterprise and Lifelong Learning Committee's (ELLC) report on the delivery of local economic development services. During 2000 a number of other reviews of economic development were also undertaken; the Review of Enterprise Networks, a review of the Scottish Tourist Board, together with the production of a National Framework for economic development. The ELL Committee proposal for local economic forums was supported by Henry McLeish (then Minister for ELL) as vehicles for eradicating, duplication and enhancing service delivery. The guidelines for the forums were issued on 6 December with responses invited to the Scottish Executive by the end of January 2001.

3. Preliminary Work

In July this year, the chairman and chief executive of SEL, the leaders of the councils, councillors and senior executives met to discuss Lanarkshire's ambitions for a local forum. Good partnership relations exist locally and there was strong agreement that the key local agencies in economic development are best able to identify Lanarkshire's specific opportunities and needs and interpret national policies to meet them. It was stated that Lanarkshire should aim to be a beacon of good

practice and the forum should be ambitious and bold in providing leadership for the areas economic growth.

Following on from that meeting, representatives from SEL, NLC and SLC have met on several occasions (in anticipation of the issue of the guidelines) to develop proposals for the local economic forum.

In line with the principle that the forum should be focussed and action orientated, the model proposed for Lanarkshire is based on a forum;

- providing leadership and a shared vision for Lanarkshire's economic growth
- steering a number of working groups to deliver specific tasks
- leading the process of wider participation and consultation
- providing linkages to the community planning process
- monitoring progress and reporting to the Scottish Executive

4. Operation of the Forum

The draft guidelines set out the minimum expectations for the operation of the forum however if the forum is also to be the main contributor to the economic dimension of Community Planning it is proposed that the Lanarkshire forum has a wider remit.

The Community Plans for both local authority areas incorporate the key aims of Changing Gear. The provides the basis of a shared vision for Lanarkshire's economy however, with the issue of the National Framework for Economic Development and the more specific Strategy for Enterprise due out soon, Changing Gear will need to be reviewed and updated.

A further requirement of the forum is to streamline partnerships. The audit of local economic development strategic and operational partnerships is currently being updated but it is worth noting that two key partnerships have recently evolved; the Local Learning Partnership and the Routes to Economic Inclusion Partnership.

Challenge funding has been made available, by the Scottish Executive, (match funded by SEL, NLC and SEL) to establish a Local Learning Partnership. This will formalise existing arrangements and provide a holistic approach to the delivery of lifelong learning services. An opportunity exists to integrate the Local Learning Partnership with the forum.

It is therefore proposed that the initial remit of the forum covers the following four areas;

1. Deliver the actions specified in the draft guidelines to address the issue of overlap and duplication in the provision of business services.
2. Review and update Changing Gear to interpret, for the local level, the national Framework for Economic Development and Strategy for Enterprise.
3. Support the Local Learning Partnership and ensure any duplication of effort is identified and eliminated, gaps in delivery are identified and learning initiatives are co-ordinated.
4. Take forward the recommendations from the Review of Services to unemployed people, rationalise the partnership groups dealing with economic inclusion activities and where appropriate subsume their work into the Routes to Economic Inclusion Group.

These issues represent the initial tasks for the forum. Once the forum is established and begins to deliver the expected outcomes, the forum will be able to review progress and set its agenda for subsequent years, for example on matters related to physical infrastructure and transport. The Scottish Executive will also set the forum's task for year two and beyond.

5. **Forum Membership and Participation**

Discussions are ongoing with regards to membership of the Forum. However, the preferred option is a core membership supported by a wider membership inputting into the specific task working groups as identified overleaf. The guidelines proposed that the forum is initially chaired by the LEC Chairman with the option of a rotating chairmanship. Local enterprise companies have been asked to facilitate the setting up and servicing of the forums. Provision has been made in Scottish Enterprise Lanarkshire's budget for 2000/01 to accommodate this. For the forums to be truly effective wider membership will be required and it is suggested that this is achieved through the working groups.

6. **Consultation Process**

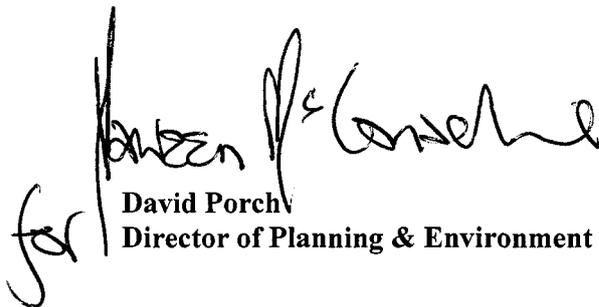
The Scottish Executive has sought the views of local authorities and LECs across Scotland with regards to the guidelines that were issued in December. The partners in Lanarkshire have decided that a joint response by North and South Lanarkshire Councils and Scottish Enterprise Lanarkshire would be submitted to the Scottish Executive. A copy of that draft response is attached as Appendix 1 to this report. Further, COSLA sought the views of all local authorities in Scotland with regards to the guidelines and the joint response was submitted to COSLA on behalf of North and South Lanarkshire Councils. Subsequent discussions between representatives of COSLA and the Councils have resulted in COSLA amending their initial response on the document and a copy of COSLA's draft response to the draft national guidelines is attached at Appendix 2 to this report.

7. **Conclusion**

The partners in Lanarkshire are eager to progress the tasks identified for the Economic Forum and to that end an event has been organised for February which will communicate to interested parties the vision the partners have for the role and remit of the Forum. Organisation of this event is currently underway.

8. **Recommendation**

The Committee is asked to note the contents of this report and homologate the draft response sent to the Scottish Executive on behalf of North and South Lanarkshire Councils and Scottish Enterprise Lanarkshire.


for **David Porch**
Director of Planning & Environment

25 January 2001

For further information contact Maureen McConachie, Economic Development Manager, Telephone 01236 616266.

ENTERPRISE RESOURCES
EXECUTIVE DIRECTOR WILLIAM KIRK
Economic Development & Estates Services

Our Ref: RD/RMM
Your Ref:
If calling please ask for: Bob Darracott
Date: 19 January 2001

Scottish Executive
Meridian Court
5 Cadogan Street
GLASGOW G2 6AT

FAO: Ian Mitchell
Enterprise & Lifelong Learning Department

Dear Sir,

Local Economic Forums – Draft National Guidelines, Consultations

We refer to the above document which was circulated last December for comment. As has been stated previously, there is an effective and well-established economic development partnership in Lanarkshire. The key partners have therefore considered the consultation paper in detail and now forward the following comments.

Taking the questions you pose in your covering letter in turn, we would comment as follows:

1. *Is the approach proposed for the Forums realistic and achievable?*

We would support the primary focus of the Forums as identified in the Minister's introduction, ie. that they should concentrate on providing a "*greater clarity about how local economic development strategies are developed and implemented ... a simpler more cohesive structure is needed.*" We agree that Forums should be empowered (and supported) to achieve real and sustainable change to local networks and service delivery. In the first instance, the Forums require to agree local priorities and strategic direction (with reference to the National Economic Framework). Thereafter, the Forums must achieve a co-ordination/rationalisation of service delivery ensuring that customer demand and local needs are efficiently served.

We therefore welcome the principles which underpin the Local Economic Forum concept and, given the successful track record of partnership and co-operation in Lanarkshire over the years, feel that the approach outlined in the Consultation document is broadly realistic and achievable.

We, of course, have a few specific comments to make on the details which are referred to below.

2. *Is the proposed Forum representation and involvement appropriate to achieve rapid progress and achieve outcome-based solutions?*

The core of the Forum should be tightly drawn. We would argue that the core should consist of the LEC, Local Authority(s), private and further education sector representatives with flexibility given to include other agencies, etc as required. For example, in some areas (such as Lanarkshire) there is scepticism about what benefit a Tourist Board representative would bring to the Core Forum. Careful consideration is also needed of the role local colleges and training providers will perform – given their programme delivery/sub-contracting roles. We would suggest that each Forum produces a guidance note for each board member stressing their wider, corporate role in order to guard against any nominated representative acting out of self-interest.

Much will depend upon the successful establishment of a formal working group arrangement to support the Forum and encourage a wider input. Many of the partners mentioned in the consultation paper are better suited to contribute through such a sub-structure. In Lanarkshire, for example, we have established a ‘shadow’ Forum consisting of Scottish Enterprise Lanarkshire, North Lanarkshire Council and South Lanarkshire Council which, in turn, proposes to manage 4 working groups (with multi-agency membership) designed to progress the following:

- i) to review and update the Lanarkshire Economic Strategy – Changing Gear – interpreting national policy and achieving a Lanarkshire Economic Forum consensus on a specific Action Plan;
- ii) review the provision of services to businesses (by all relevant agencies) with a view to rationalising and improving service delivery to all companies in Lanarkshire;
- iii) to further develop and support the Lanarkshire Learning Partnership with a view to improved co-ordination of services; and
- iv) to take forward the work of a recent study into Services for the Unemployed in Lanarkshire, rationalising and co-ordinating the work of various agencies under a Routes to Economic Inclusion Group.

In addition, the key partners are currently investigating ways of co-ordinating our budget planning activities with particular reference to forthcoming expenditure on capital projects.

We therefore feel that each local area should be afforded the opportunity to form a Core Forum grouping from simply 4 sectors – the LEC, Local Authority, private and further education – with other agencies involved if agreed by the Core. To encourage a wider input,

Forums should establish a working group sub-structure designed to implement its agreed action plan.

We agree with the concept of a rotating Chairmanship and accept that, in the first instance, this will be a LEC representative.

3. *Should organisations be represented at Executive or non-Executive level?*

The decision should be left to the organisations involved. In some instances, the executive is best placed to contribute in others - Board/Council Members are appropriate. A degree of flexibility would be useful here – for example, at certain times the Forum may benefit from specific input from an executive with particular skills or knowledge. In Lanarkshire, we would anticipate that, as regards the LEC and Local Authorities, that the formal representative will come from the Board/Council, supported by one executive (with no voting rights – should this issue ever arise).

4. *Are the tasks proposed for the Forum appropriate?*

The proposed tasks seem appropriate for the Forum and the relative priority attached to services to businesses is recognised. We are, however, concerned that the preparation of a Local Economic Strategy is not specifically referred to. We feel that it is fundamental to establish agreement amongst the partners to a local strategy and action plan before real progress can be achieved in other areas.

The timetable/programme of work specified in the Consultation is achievable though, again, some recognition should be given to the need for the preparation of the local strategy and action plan.

5. *How do we best engage with the wider Business Community?*

It is difficult to answer this. We have created several models in Lanarkshire designed to engage the private sector – with mixed results. The problem being that the Business Community is not homogeneous, seldom holds a common view, is often self-interested (often quite rightly) and generally has difficulty in participating on policy and implementation forums which it expects the public sector to manage. Despite the problems, however, their involvement is crucial to the Forums and innovative ways should be found to excite their interest.

In Lanarkshire, the LEC and Local Authorities have worked hard to assist the development of several local business forums and Chambers of Commerce. In the first instance, we will invite these organisations to nominate representatives. Longer-term, it may be possible to establish a wider business group/'user panel' associated with the Forum – to provide specific input on an issue-by-issue basis.

6. *Can the Community Planning interface be made to work?*

Yes. It seems relatively straightforward in areas where the Forum contains only one Local Authority. In other areas, clearly there will be a requirement for the Forum to nominate appropriate contact officers and agree a reporting mechanism between the Forum and the various Community Plan Partnerships. We are not aware in Lanarkshire of any likely difficulty in the Community Plan Partnerships ceding responsibility for Economic Development and Lifelong Learning activities to the Forum.

The establishment of a close link between the Community Plan(s) and the Forum benefits the process by enabling a wider debate about economic development issues with other 'fringe' partners who may not be accommodated on the Economic Forum itself, ie. Scottish Homes, the Police, Health Boards, etc.

7. *Are the processes of monitoring and evaluating the performance of the Forums appropriate?*

We welcome the recognition within the consultation paper that a high degree of discretion and self-monitoring at the local level will be required.

Measuring the difference the Lanarkshire Forum will make to economic development activity is, however, the real challenge. This is the same issue addressed within community planning, which is to identify the positive difference as a result of partnership activity (as opposed to the outcomes achieved by the agencies working alone). As is suggested in the guidance, advice from Audit Scotland would need to be sought at appropriate stages. Clearly, a wide range of indicators are currently applied by local partners which can be drawn upon to support progress statements in the future. However, the partners would advocate the creation of a standard performance monitoring framework at a national level which would overcome the difficulties experienced in trying to benchmark economic development services as part of Best Value reviews. A community planning/LA21 monitoring framework is currently under development and efforts should be made to link these two and integrate them into the performance monitoring framework for the Local Economic Forums.

8. *Should Local Learning Partnerships and Local Rural Partnerships be integrated with the Forums?*

Yes. Indeed the Forum, in carrying out its initial assessments into "what works", may wish to identify other local partnerships capable of integration.

The shadow Forum grouping in Lanarkshire are intending to hold a half-day seminar for partner organisations and business groups on 22 February (probably in Hamilton) and would like to invite representatives of your Department to attend. For further details, please contact Bob Darracott on (01698) 455126.

We have attempted to answer your specific questions and now look forward to receipt of the finalised guidelines and the formal establishment and operation of the Forums.

Yours faithfully,

_____ **David Ennis**, Chair, Scottish Enterprise Lanarkshire

_____ **Jim McCabe**, Leader, North Lanarkshire Council

_____ **Eddie McAvoy**, Leader, South Lanarkshire Council

LOCAL ECONOMIC FORUMS

COSLA'S RESPONSE TO THE DRAFT NATIONAL GUIDELINES

(Draft)

1. Introduction:

- 1.1. COSLA supports the development of Local Economic Forums (LEFs) as a means of enhancing the development of effective delivery partnerships and ensuring an integrated approach to economic development services at the local level. Promoting true Partnership working – i.e. joined up delivery of services - should be at the heart of the Forums.
- 1.2. A key issue which this response addresses is the relationship between LEFs and Community Planning, and how the two processes can work effectively together - the guidelines do not make clear a number of issues relating to the Community Planning interface and COSLA suggests a clearer framework which we hope will be incorporated in the final guidelines.

2. Community Planning and the Development of Economic Strategies:

- 2.1. It is COSLA's strongly held view that the Forums must work within the Community Planning framework if both processes are to be effective. Community planning is the recognised core building block for developing an integrated strategic plan covering all services and involving all relevant bodies and the community. The local economic dimension must be integrated into the overall community plan if it is to be relevant and effective. The draft national guidelines on local economic forums states as one of its key messages that 'Forums can be major contributors to the economic dimension of Community Planning'. This should not be interpreted as meaning that LEFs have as a core function delivering the economic dimension of the community plan, but rather they should influence how it is developed by the relevant players (Council, LEC, etc). This will ensure that what is put in place locally (at Council level) is both joined up and addresses (among other more local issues) core Executive targets/criteria expressed through the FEDS process and strategic 'regional' issues.
- 2.2. COSLA is strongly of the view it should be a matter for local decision whether the economic element of the community plan should be prepared at LEF level or community planning area level. The LEF guidelines should be sufficiently flexible to allow this. In some cases the Forums may be asked to take a direct role in developing the economic element of the community plan. In other cases developing the economic strategy will remain with the Community Planning Partners at Council level - including especially the appropriate LEC. Councils and LECs in many parts of the country have already developed joint economic frameworks at the council area level (e.g. East Dunbartonshire). Conversely, in other areas (e.g. Lanarkshire), the constituent Councils are working jointly with the relevant LECs to develop a joint economic strategy that covers multiple Council areas and will form the basis of the economic element of each Council's Community Plan. Clearly if the local decision is to maintain separation it is important that there is two way consultation between the LEF and the Community Planning processes. The response to question 4.3 below highlights that the key to an effective relationship lies in the nature of the representation on the LEF and this should be a matter of commitment rather than prescription.
- 2.3. COSLA agrees that the core LEF function should be to provide strategic 'regional' vision and ensure 'joined up working'. LEFs activity should be to focus on a series of specific issues, resolving their related conflicts and problems. Success by the LEF in delivering focussed outcomes will contribute significantly to effective community planning
- 2.4. Elements of the draft guidelines confuse the key roles of the LEF in relation to the community planning process. The final draft of the guidelines should clarify this relationship along the lines outlined in paragraph 2.1 above, and include cross reference to the Green Paper on Community

Planning (see 4.6.3. below).

3. Best Value:

- 3.1. We would anticipate delivery of services under control of Forum Partners to fit into the Best Value regime, bearing in mind that Best Value refers to both better quality and value for money. Best Value assessments should be the driver for developing joint service delivery. The Best Value approach requires councils and their partners to reassess and improve how they are doing things, to avoid duplication and to ensure a customer focussed perspective. Councils are carrying out Best Value reviews across all their services, and these reviews will identify if and where there is duplication with other service providers. It will ensure councils will be outcome focussed. There will be an assessment through this process of the need for different delivery systems or the need for them to be linked up, as appropriate. The guidelines should promote the development of joint reviews of economic development services delivered by all the key members of the Forums.

4. COSLA's Response to the Questions Raised in the Consultation Paper:

- 4.1. *Is the approach proposed for the Forums realistic and achievable?*

Yes, providing the confusion about the interface with Community Planning can be resolved. It is important that the Forums build on the good partnership approaches to local economic development practice that already exists in many parts of Scotland.

- 4.2. *Is the proposed Forum representation and involvement appropriate to achieve rapid progress we seek to achieve outcome based solutions?*

While we recognise the need for a small focussed body, COSLA supports the strongly held view of the Local Government Community that each Council should have a minimum of two representatives on the LEF to ensure effective and fair representation.

- 4.3. *Should organisations be represented on Forums at executive or non-executive level?*

The Forums themselves should be advisory not executive bodies (unless all the partners agree otherwise for particular purposes).

What is important is that the representatives to the forums from all bodies are people of influence in their respective organisations so that there can be a reasonable expectation that the input they bring to the LEF reflects the considered views of their organisations and that the recommendations and guidance that they sign up to in their LEF role will be acted upon as appropriate within their respective organisations.

As noted at para 4.2, COSLA is strongly of the view that each Councils should have a minimum of two representatives on the Board and we believe that this level of representation will make it more likely that the 'reasonable expectation' referred to above can be achieved. Clearly it should be left to individual Councils to decide whether their representation is at member or officer level or both.

- 4.4. *Are the tasks proposed for the local economic forums appropriate?*

The tasks of acting as 'trouble shooters' to promote streamlining and focus delivery and of providing 'regional' strategic guidance/direction are appropriate. LEFs should not become vehicles for the development of economic strategies at a local level except where the respective Community Planning Partnerships have jointly signed up to this approach. This is only likely to happen in a limited number of cases as discussed in 2.2 above.

- 4.5. *How do we best engage the wider business community in the work of the Forums bearing in mind the time considerations?*

Developing ways of securing meaningful and representative involvement from private business has proved difficult in the past. In many areas the Chambers of Commerce have a broad

representation and will be able to arrange appropriate representation on the forum. They will also be in a position to establish broader consultative arrangements with the business community, although this consultation should go wider than Chamber members.

4.6. *How can the community planning interface be best made to work?*

4.6.1. This is discussed in more detail in section 2 above.

4.6.2. In areas where Community Planning Areas and LEF areas are co-terminus (Fife, Glasgow, Scottish Borders, Dumfries and Galloway, and the Islands Council) the work of the Forums should be fully integrated within the Community Planning process. Moreover the setting up of separate partnership structures for economic development would be an example of "partnership overload and overlap". For all other areas where the LEC boundaries encompass more than one Community Planning Partnership it should be emphasised that the Forum's actions would focus on identifying what economic development issues require a wider ('regional') strategic overview and so complement the actions within the Community Planning Partnerships, which would focus more on the development of local economic strategy and local delivery. As discussed in 2.2 above, in some areas it will be appropriate to take a regional perspective across most economic development activity. In others the scope of regional issues may be limited, with detailed Economic Strategies being developed at the local Community Planning area level, reflecting local economic diversity.

4.6.3. There should be reference in the guidelines to the recently launched Green Paper on Community Planning (*'A Power of Community Planning, Community Planning, Political Restrictions on council employees' - A Consultation Paper*), which makes specific mention of the future role of LECs and raises some key questions about whether or not a duty of Community Planning should apply not only to local government but other public bodies such as LECs.

4.7. *Are the processes for monitoring and evaluating the performance of local economic forums appropriate?*

4.7.1. The guidelines suggest that it will be up to the Forums themselves to ensure proper performance monitoring with the involvement of Audit Scotland, as a task for Year 2 and beyond. There is little detail given. This is an issue which should be addressed in more detail in the future, aiming to ensure that performance management systems are equally robust across all of the forums.

4.7.2. The performance monitoring framework should be determined by the tasks the Forums set for themselves. Forums will need a means of evaluating task oriented actions. The Central Support Unit will have a role to play here, evaluating and disseminating best practice. COSLA will be keen to participate meaningfully in the work of the Central Support Unit.

4.8. *The streamlining of partnerships – specifically should Local Learning Partnerships and Local Rural Partnerships be integrated with local economic forums?*

There should be no forced marriages. As discussed above, in the context of community planning, it should be a matter for local decision if it is appropriate to bring existing partnerships/functions together. The LEF can contribute to the work of both Partnerships by providing 'regional' strategic guidance and through their specific issues 'troubleshooting' role. It is also important to ensure that the LEFs remain focussed otherwise there is a very real risk that they will become 'talking shops'. Similarly amalgamation would run the risk of significantly reducing the focus and diluting the effectiveness of these other two partnerships.

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16th January 2001