

Economy Team Bucks

Design and Transition

Black Radley



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Introduction

This Document

Bucks is successful.

We will help it become more successful by strengthening the coherence and sustainability of the *economic development system*. This is what we mean by Economy Team Bucks.

We are building a virtual team, a single coherent whole made up of people from employing entities including the incorporated LEP and BBF, working with key partners such as the universities, which has the capabilities necessary to deliver the economic development agenda of the new Buckinghamshire Council.

This document is in two parts.

- The first part sets out a draft operating manual for Economy Team Bucks: how it will work.
- The second part sets out how we will transition to the point where that model has been operationalised.

This is an early draft, for comment and improvement.

Background

BBF has a higher level of engagement with business than any other business support organisation benchmarked across the country. This is particularly impressive, given the challenges of engaging with the – critically important – micro-business economy.

BBF's high levels of engagement is based on successful delivery of support that is valued by the client. BBF has a particularly high level of engagement with women-run businesses; a growing category and, again, crucial to both future economic performance and to funder positioning. BBF is, as a consequence of the above, able to speak powerfully and with clarity concerning the needs of Buckinghamshire businesses. BBF is profitable and successful in the business support sector, which is by definition characterised by market failure.

LEP programme delivery is complex. BTVLEP performs well. It is marked “exceptional” in the government category of delivery and “good” in the categories of strategic vision and assurance. These ratings contribute to the success of future funding settlements. BTVLEP has been fundamental to the successful progress of the Oxford-Cambridge Arc; a good example of, amongst other things, cross-LEP cooperation, demonstrating the on-going need for flexibility across boundaries. The Growth Hub (delivered through BBF) is in the top five nationally. Relative to other LEPs, BTVLEP is lean and low cost. This means that a greater proportion of its money is spent on adding value for the local economy.

The close partnership working between Councils, BBF and BTVLEP has been made possible by the far-sightedness of senior Council members and officers. The Secretary of State for Housing Communities and Local Government has announced that all five councils in Buckinghamshire will be replaced with a single unitary council for Buckinghamshire. With the transition to the new Unitary, it is important to maintain the established momentum towards closer team working.

1 PART 1: Economy Team Bucks Operating Manual

1.1 Purpose and Focus

1.1.1 Objectives

Our role is economic development. Our purpose is the extraordinary growth of the Buckinghamshire economy, an inclusive growth that benefits all the people of the county. Extraordinary growth will come from pursuing the following objectives:

1. Continued performance improvement in the existing business base;
2. Rapid growth in key sectors as identified in the Strategic Economic Plan (SEP) and Draft Local Industrial Strategy (LIS).

Inclusive growth will be enabled by:

3. Greater business engagement;
4. Improved infrastructure (transport, digital);
5. Strong communities.

For Buckinghamshire, Economy Team Bucks will lead on objectives 1, 2 and 3 and support on items 4 and 5.

1.1.2 Metrics

Our performance metrics, which will shape all we do, are therefore:

1. Productivity;
2. GVA;
3. Business membership;
4. Infrastructure investment;
5. Jobs.

This combination of metrics recognises the need to balance economic and community imperatives, in order to achieve sustainable economic growth that is both extraordinary and inclusive.

1.2 Scope

1.2.1 Primary Activities

Economic Strategy Development including:

- Local Strategic Economic Plan (SEP);
- Local Industrial Strategy (LIS);
- links with wider region – Arc Vision, Heathrow Expansion;
- links to structural and place-based plans (skills strategy, cultural strategy, housing growth strategy, transport strategy, digital strategy, energy strategy), all of which will have / should have economic impact

Delivery Plan in support of the Economic Strategy, including

- Funds enveloping (using our strategy to generate funder interest);
- Contract development;
- Project appraisal, evaluation and monitoring;
- Hub & innovation space management.

Interventions at the level of individual businesses including:

- Business growth and performance;
- Productivity improvements
- Innovation
- Skills;
- New Product development
- Procurement opportunities
- Sector/theme boards;
- Inward investment;
- Project bidding for funds to support the above.

Complex Project Catalyst (for priority stakeholder-rich, higher risk, and/or innovative projects) including:

- Complex Project funds sourcing;
- Contract development and contract management;
- Stakeholder liaison;
- Special vehicles (e.g. Enterprise Zones, Development Vehicles).

1.2.2 Enabling Activities

The primary activities above are supported by four enabling activities:

- **Research and insight** (economy);
- **Government conversation** (economy);
- **Internal support functions** (HR, IT, Finance);
- **Business engagement** (CRM, communication and events).

Note that there are a number of distinct themes concerning how funds are brought to the area and to the team. These could be seen as enabling activities, though they have been set out amongst the other headings. They include: **funds enveloping** (helping funders to prioritise a Bucks agenda, including managing the allocation process); Complex Project **funds sourcing** (building a workable business model and winning the resources needed); and project **funds bidding** (principally for activity at the level of the firm).

1.3 Interfaces and Out of Scope

1.3.1 Interfaces across Team Bucks

Economy Team Bucks is the private sector-led part of Team Bucks, focusing on the economy. The public sector leads on a much broader set of (interdependent) imperatives as part of this partnership.

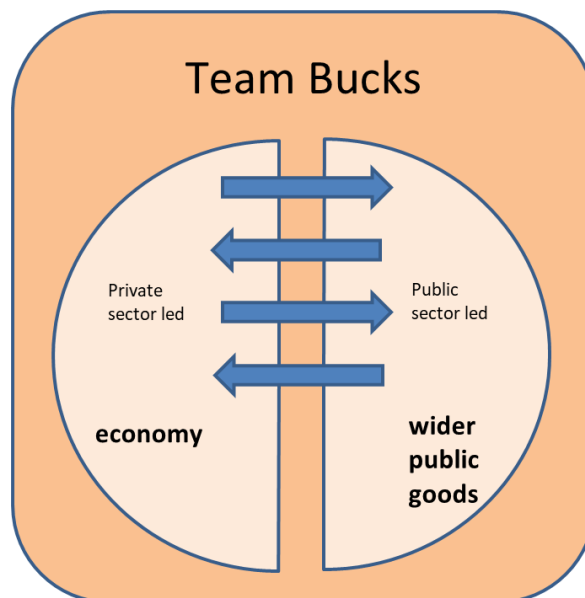


Figure 1: The wider Team Bucks model

The partner interfaces will be set out in a Memorandum of Understanding. Amongst other things, this will say the following.

- The Council ensures Bucks consistency across all socio-economic themes. Economy Team Bucks orchestrates all themes from an economic perspective.
- The Council leads on energy strategy, transport strategy, housing strategy, cultural strategy, regeneration strategy, physical infrastructure. Economy Team Bucks have a role to play in ensuring each aligns with economic strategy, and as a catalyst for complex, stakeholder rich development projects.
- Economy Team Bucks leads on economic development, economic strategy, and all work at the level of the firm. Economy Team Bucks leads on vocational and business-related skills development. Economy Team Bucks leads on digital infrastructure.

1.3.2 Out of Scope

Economy Team Bucks does not cover all the functions of its partners.

BBF/Ngage has project delivery interests / business engagement capability outside of Bucks.

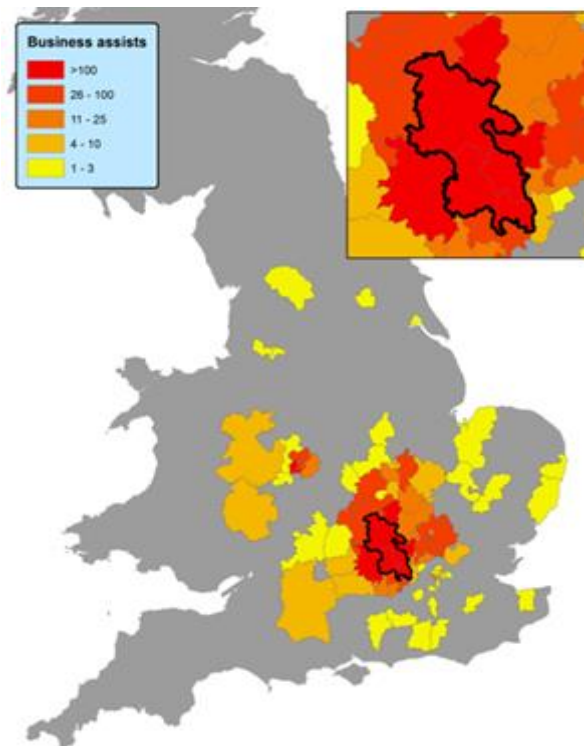


Figure 2: BBF Business Coverage

The LEP must connect Bucks with themes of mutual interest in the wider region, not least by working with neighbouring LEPs, Government Departments and national agencies such as Homes England, Network Rail and Highways England as well as Universities and other education providers together with specialist business networks.

The Council has a wide range of statutory functions and responsibilities beyond economic development. Crucially, it is the seat of local democracy, is accountable to local people, and must at all times lead on political issues.

1.4 Processes

The headline process model of Economy Team Bucks is set out in figure 1. The team transforms businesses with potential into successful high growth businesses and encourages entrepreneurs to start and grow. It identifies and relieves infrastructural and enabling constraints to economic growth.

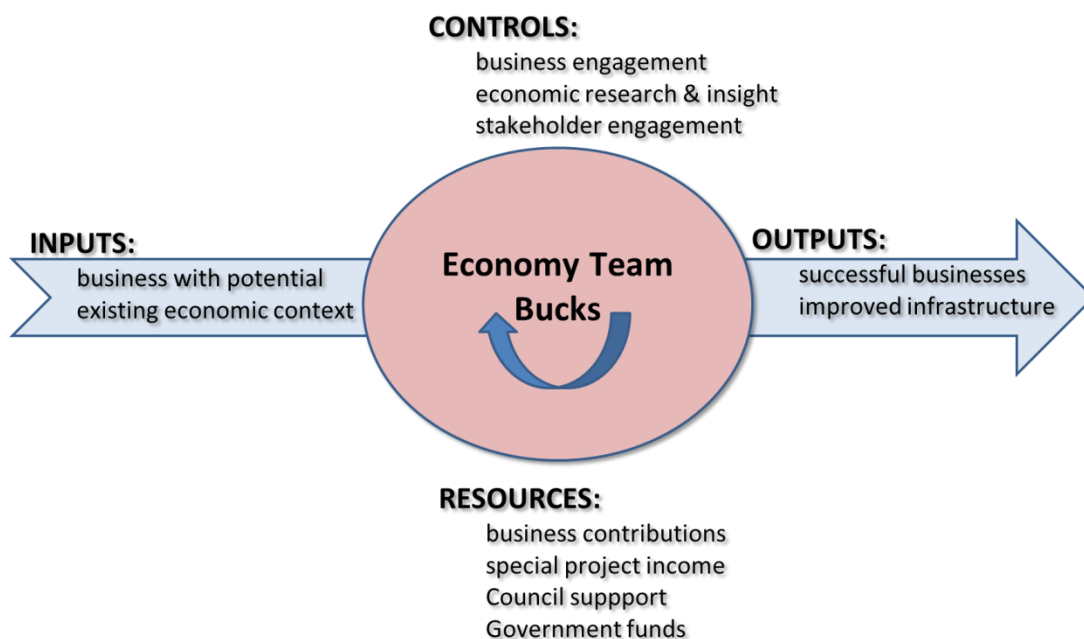


Figure 3: Economy Team Bucks core process map

Economy Team Bucks is able to do this because its strength of relationship with businesses, and with other stakeholders – and because of the quality of its wider research and insight.

The approach is resourced through a combination of business contributions, special project income, Council support and central government funding.

An important support process is therefore funds sourcing. This is set out in figure 2. Part of the team’s work is to help funders translate their priorities into funded specifications, consistent with the economic strategy for place. Where alternative suppliers exist, Economy Team Bucks may take on the delivery planning task for the funder, or it may bid as a supplier (particularly in relation to business support services). Where alternative suppliers do not exist, Economy Team Bucks may act as

designer and catalyst for a Special Project approach, typically involving a range of partners. Economy Team Bucks may also bid for funds that have been specified through another route.

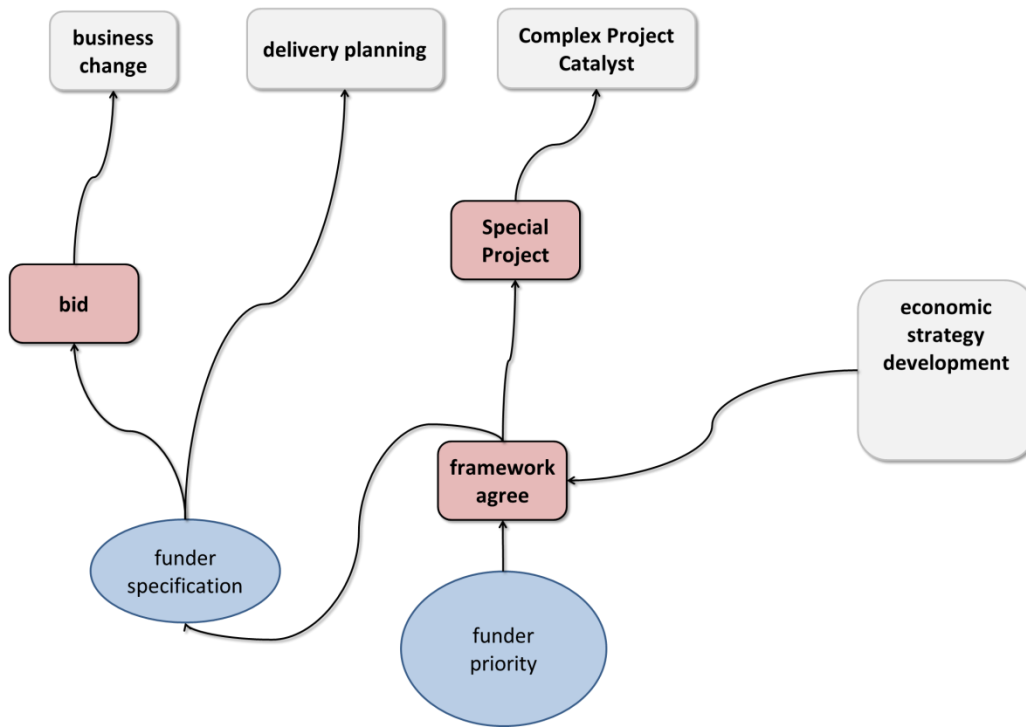


Figure 4: Funds Sourcing process

This process mapping is set out in more detail in Appendix 1.

1.5 Controls

Economy Team Bucks will achieve its **purpose** (extraordinary, inclusive growth) by pursuing its **processes** (transforming business, delivering transformation) in line with its headline **metrics** (jobs, GVA, membership, infrastructure, productivity). This work will be controlled by the following.

1.5.1 Business Engagement

The success to date of Team Bucks is based on its high level of engagement with, and leadership by, the private sector. This is principally demonstrated by the numbers of businesses served and supported by the team. It is also a function of the quality of private sector involvement on the key governance forums overseeing Economic Team Bucks, that is the BBF and LEP boards.

The LEP board will comprise senior public and private sector players. It is the forum at which the Economy Team Bucks plan will be finalised, having received the support of partners.

The LEP board is the forum in which progress is assessed and challenges identified and resolved. The LEP will comply with its comprehensive Assurance Framework.

1.5.2 Research & Insight

Economy Team Bucks combines (1) the commercial intelligence that comes from the business base with (2) a wide range of research and analysis to create (3) a continually developing evidence base. Out of this is generated (4) a deep and grounded set of evolving insights into the needs and opportunities for the Bucks economy.

1.5.3 Stakeholder Engagement

Economy Team Bucks is the private sector-led part of the close partnership that is Team Bucks. In order to deliver systemic economic improvement, it has an ability to engage with the agendas and priorities of a range of different key stakeholders, including business, local government, national government, and the higher education sector.

1.5.4 Business Plan

This document sets the foundation for a future Economy Team Bucks business plan. The plan will set out the priorities, processes, resources and controls for the coming period. It will be a short and summary document, underpinned by and consistent

with the more detailed plans of the Economy Team Bucks partners and endorsement from sub-boards and appropriate partner structures.

1.5.5 Contracts

Economy Team Bucks will enter into a variety of funded delivery contracts to support its mission of extraordinary economic growth. Each contract will have its own specification and compliance requirements, which will act as controls over the associated activity.

1.6 Resources and Support

The core work of Economy Team Bucks will be resourced and supported as follows.

1.6.1 Business Contributions

The team's work is supported by business income from business membership/sponsorship of BBF and business rates within the Enterprise Zones.

In any business membership organisation, membership is net loss making. The business model for Economy Team Bucks relies on special project revenues such as business rates from the Enterprise Zones.

1.6.2 Special Project Income

Economy Team Bucks will take on the project management of strategically important economic development projects where the levels of complexity, risk and stakeholder relationship management are high. This will generate project management income. This is likely to make a small new contribution.

1.6.3 Government Funds

Economy Team Bucks will deliver the government's place-based local economic agenda. This will cover its cost.

1.6.4 Support Functions

Economy Team Bucks is a virtual team. Buckinghamshire Council will provide Local Growth Fund Accountable Body support for Economy Team Bucks for LGF. BBF is also an Accountable Body and acts in this capacity for other funds.

These arrangements will be set out in a Memorandum of Understanding between the three legal entities (Council, LEP and BBF).

BBF will retain its own HR, Finance, administration, and ICT functions. The LEP will commission BBF's support functions to ensure commonality of systems where appropriate. In support of Economy Team Bucks, BBF will continue to own and maintain the CRM system.

1.7 People

1.7.1 Competences

The core competences of Economy Team Bucks people are those that enable it to deliver its core and support processes. These are therefore:

- Business engagement;
- Business support;
- Economic analysis;
- Economic strategy;
- Partnership working;
- Complex project management;
- Funding (funds enveloping, delivery planning, project bidding).

1.7.2 Structure

The above competences will be managed through a virtual team structure, as set out in Figure 5.

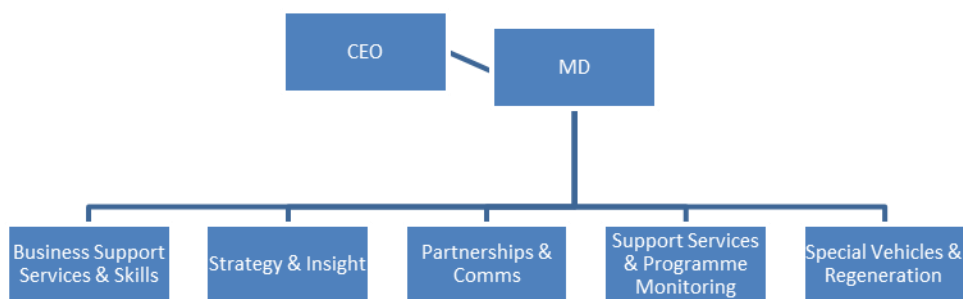


Figure 5: Economy Team Bucks Indicative Functional Structure

The Economy Team Bucks staffing structure will be designed according to three fundamental principles:

- **Mission-driven** (all functions are there for the purpose of extraordinary economic growth);
- **Collaborative** (supporting the team, where the team is Economy Team Bucks);
- **Lean** (flat structures, simple processes, clarity of role and purpose).

The functional structure is set out in figure 5. A detailed structure will be developed as shown the transition plan.

1.7.3 Systems Plan

Economy Team Bucks is not a legal entity, it is a collaboration of partners with complementary competencies. This gives it the ability to flex and respond to changing circumstance. As a relational system it depends on the connections and information flow between people. To be sustainable it needs:

- **Hearts and minds:** internal communication mechanisms, full team engagement, clarity of accountability, distributed leadership;
- **Cross-functional working:** a programme of skills development (e.g. in conflict mediation), cross-functional solution building, secondments between organisations (including third party deliverers);
- **Autonomy/guidrails:** a robust requirement for compliance with a small number of core process elements that cut across all functions; shared CRM.
- **Administrative alignment:** aligned accounting years and staggered AGMs;
- **Interfaces defined:** Memorandums of Understanding in place between legal entities.

Crucially, team members need to feel that they are part of Economy Team Bucks. They need to know what it means to represent the interests of the wider team, as well as the interests of their own function or employing organisation.

1.8 Business Model

The business plan will set out a set of numbers for the next 3 years. The fundamental question to be answered here is - **can the model work?**

1.8.1 Sustainability

Following on from the process analysis, the core components/functions of Economy Team Bucks are:

- business support;
- economic strategy;
- delivery planning;
- complex project delivery;
- business engagement;
- economic research;
- government conversation;
- support functions;
- overheads.

Business engagement, overhead and support functions are significant costs. Most of the other functions are able to cover their own costs and little more. The Economy Team Bucks model is sustainable if: (1) we build on the success BBF has had in business support delivery (which is anyway consistent with the mission); (2) we make margin from complex project delivery (e.g. Enterprise Zones); (3) central government continues to fund the strategic-level activity; and (4) the Council maintains its commitment to this partnership approach to economic development.

1.8.2 Tax Efficiency

We need to optimise for VAT.

1.9 Risk Management

1.9.1 Risks

As set out above, our purpose (extraordinary growth) will be achieved by pursuing the following objectives:

1. Continued business performance/productivity improvement;
2. Rapid growth in key sectors;
3. Business engagement;
4. Improved infrastructure (transport, digital, energy and utilities);
5. Strong and ambitious communities.

The risks are as follows.

Objectives	Risk	Mitigation
existing business base growth	1. UK economic decline 2. Productivity fall	export development / development of local network / leadership programmes
	3. Skills constraints	skills programme - utilising and retaining all available talent
	4. Business support funds	Bucks case to govt
key sectors rapid growth	5. wrong sectors	insight team
	6. business isolation	sector/theme boards – improved inter-regional links especially across the Arc inward investment & regional promotion
	7. pace of change	innovation projects & management and leadership training
business engagement	8. business dissatisfaction	invest in engagement, tailoring of services to current needs
	9. deprioritised	Maintain board understanding of engagement criticality
improved infrastructure	10. poor alignment with structural plan	Council & Government relations
strong & ambitious communities	11. poor alignment with structural plan	Council & Government relations
	12. loss of Entrepreneurial spirit	Ambassador and Role model programmes, start-up and scale-up initiatives - inspiration and education revolution.

2 PART 2: Transition Plan

This section takes the headings from Part 1 and sets out the actions that are required to complete them.

2.1 Purpose and Focus

Objectives and Metrics need to be:

- Discussed with stakeholders **(IB, PB)**;
- Finalised with partners **(RH, PB)**.

2.2 Scope

The Economy Team Bucks primary and enabling activity list needs to be:

- Discussed with stakeholders **(IB, PB)**;
- Finalised with partners **(RH, PB)**.

2.3 Out of Scope

Memorandums of Understanding (covering e.g. interfaces and Accountable Body support) are needed between Council, BBF and LEP.

- Develop MoUs **(IB, PB)**;
- Agree MoUs **(RH, PB)**.

2.4 Processes

The core process map needs to be:

- Discuss with staff **(IB, PB)**;
- Agreed by BBF and LEP boards **(RH, PB)**;
- Further detailed, as the basis for organisational design and costing **(RH, PB)**.

2.5 Controls

The LEP Assurance Framework will need to be:

- Reworked to accommodate the new Economy Team Bucks context **(IB)**;
- Agreed by LEP board and government **(RH)**.

The Economy Team Bucks System Plan will need to be:

- Developed with and through staff involvement **(RH, PB)**;

- Agreed by BCC and shadow Bucks Council, BBF and LEP **(RH, PB)**.

2.6 Support Functions

The approach to Economy Team Bucks special vehicles (E.g. Enterprise Zones) will need to be:

- Scoped **(IB)**;
- Agreed with Council **(RH, PB)**.

2.7 People

Economy Team Bucks will continue to be successful only if the people within the team are motivated, supported and competent. The aim would be to simplify arrangement and provide transparency by bringing staff into the employment of either BTVLEP or BBF and for the two companies to set the framework for joint staff work/allocation.

There is already a good cross-organisational spirit. We can build on this by working with the team to develop thinking on:

- Aligning organisational processes with core Economy Team Bucks processes (e.g. how each function plays its part in strengthening business engagement);
- Boundary setting (which functions sit where, which responsibilities are best left shared/fuzzy);
- Identity development (what it means to be both a member of Economy Team Bucks and a member of e.g. the incorporated LEP);
- How inevitable differences between organisational terms and conditions will be mediated over time;
- How information flows (particularly feedback loops) will be maintained and strengthened across the whole system.

(IB, PB work on how to take team approach to these).

The one Economy Team Bucks approach is to be reinforced at all team meetings, agendas structured and activities shaped to ensure knowledge is shared across team members.

The new incorporated LEP is likely to employ some members of Economy Team Bucks. An effective staffing structure must be developed (in line with the wider

Economy Team Bucks design), terms and conditions structures must be adopted, and TUPE processes must be followed.

A resourcing plan, accountability framework, and staffing structure for Economy Team Bucks will need to be:

- Drafted **(IB, PB & Fiorella Mugari)**;
- Agreed **(PB, RH)**.

Transfer of affected staff under TUPE will need to be:

- Consulted **(PB/RH)**;
- Implemented **(PB/RH)**.

Over time, Economy Team Bucks may wish to:

- harmonise Terms and Conditions **(RH, PB)**.

2.1 Business Model

This design and transition document will need to be:

- Translated into an outline Economy Team Bucks business plan **(PB/IB/RH)**;
- Agreed by partners **(RH, PB)**;
- Translated into LEP (and other partner) business plans **(RH, PB)**.

The organisational arrangements and interfaces will need to be:

- Optimised from a VAT perspective **(PB)**.

2.2 Risk Management

The incorporated LEP must be clear about its risks and how it will manage them. Its risk and governance system must comply with government's assurance requirements.

A risk register will need to be:

- drafted **(IB)**;
- signed off by LEP board **(RH)**.

A risk management process will need to be:

- drafted **(IB)**;

- signed off by LEP board (**RH**).

2.3 Legals

The newly incorporated LEP must be clear what assets and liabilities it is taking on.

Key amongst these is the contracts/novations point. The unincorporated LEP's work is done as a result of a range of agreements between other incorporated bodies.

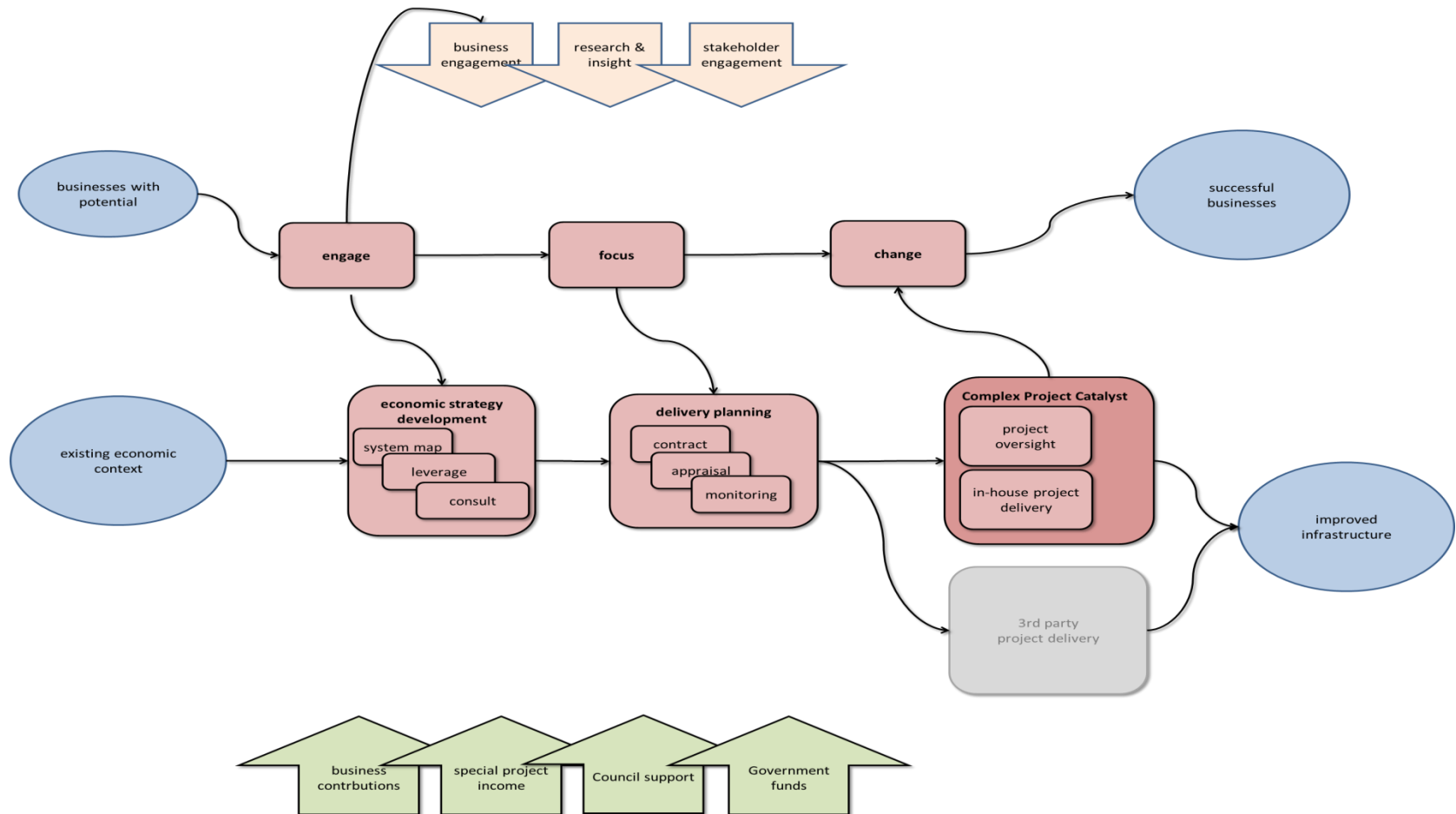
Many (but not all) of these should be taken over by the incorporated LEP. This process will itself be complicated by the necessary novating of contracts between existing Councils (principally BCC) and the new Unitary.

(IB/Fiorella Mugari to lead)

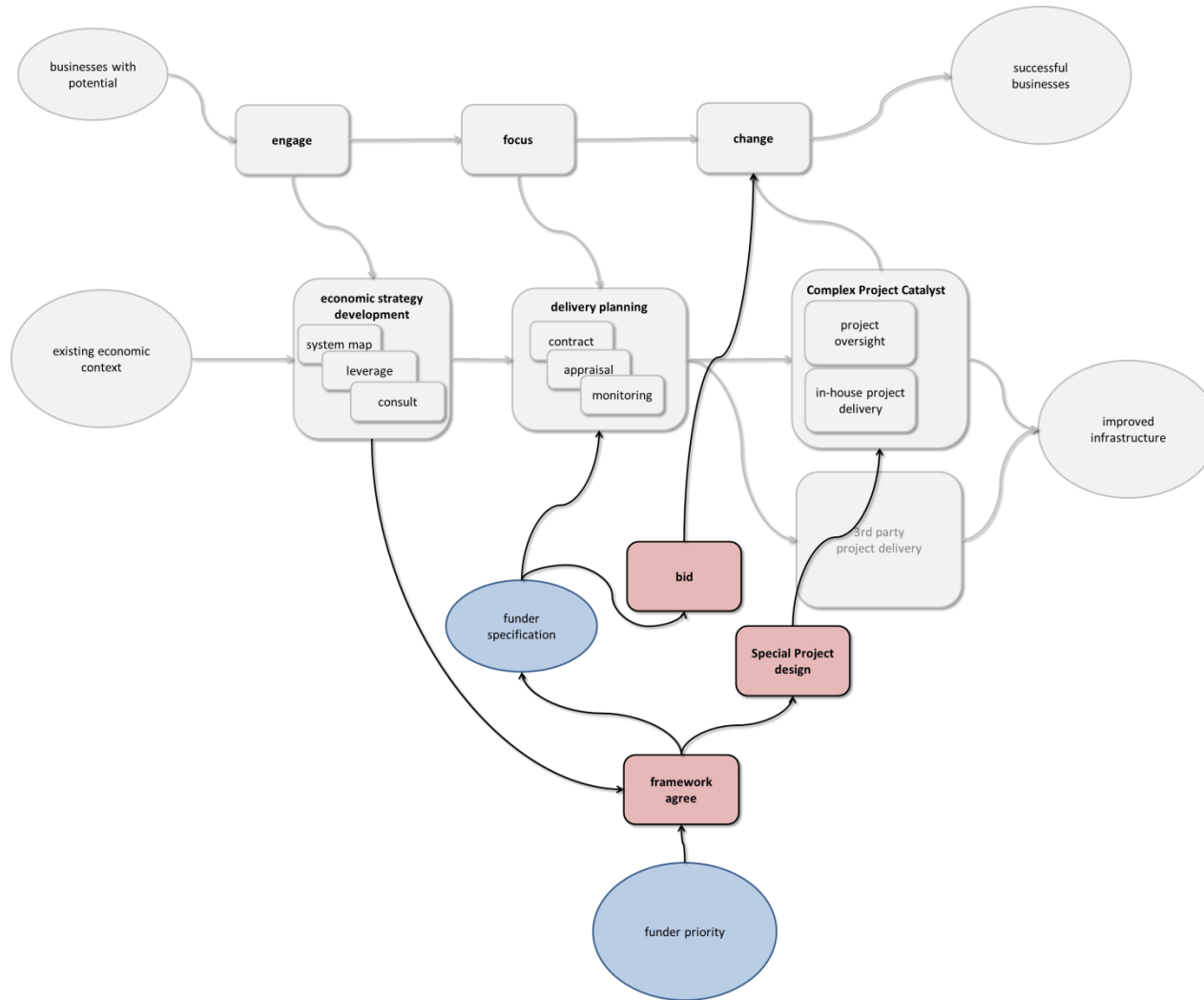
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Appendix 1: Process Maps

Core Processes



Core Processes & Funding Process



Appendix 2: Schedule

Category	Item	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
1. Purpose and Focus	Objectives and metrics	discuss with stakeholders											
		finalise											
2. Scope	Activity list	discuss with stakeholders											
		finalise											
3. Interfaces/Out of Scope	Not in scope activity list	develop MoUs											
		agree MoUs			X								
4. Processes	Process map	discuss with staff											
		agree with boards											
		build detail											
5. Controls	Assurance framework	scope											
		agree											
	System plan	scope											
		agree											
6. Resources & Support	Special Vehicles	scope											
		agree											
7. People	Process alignment	scope											
		agree											
	Boundary setting	scope											
		agree											
	Identity development	scope											
		agree											
	Accountability framework	scope											
		agree											
	Terms & Conditions narrative	scope											
		agree											
	Communications	scope											
		agree											
	Structure	scope											
		agree											
TUPE	consult												
	implement												
Terms & Conditions	scope												
	agree												
8. Business Model	Team Bucks business plan	scope											
		agree					X						
	Partner business plans	scope											
		agree											
	Tax optimisation	scope											
		agree											
9. Risk Management	Risk register												
	Risk management												
10. Legals	due diligence (assets, liabilities, IP, staff, property...)												
	Contracts/novation												
	LEP full trading											X	

X indicates key milestones