

## From “arms length” to “up close and personal”

My three largest commissions since January have each entailed very significant involvement with relatively young “arms length” development companies. The concept of specialist bodies - largely public sector funded but private sector led - are a very common feature of the development landscape of our cities, towns and sub-regions. URCs, UDCs, LDVs, LLPs, EDCs, CDCs are amongst the acronyms that describe a very mixed bag of organisations with varying powers, resources, influence and reputation for the “place-shaping” agenda.

I have been involved in Cornwall in the establishment of the new Cornwall Development Company – probably the largest of its type in the country, boasting around 100 staff and a budget which could well mount to over £10mpa. In Plymouth I have been interim Chief Executive of the City Development Company – one of the first of the new Economic Development Companies to be set up in major cities. Whilst, as the first Chair of Luton Gateway, we are completing the pattern of six “LDVs” that strive to deliver the homes and jobs growth in the major centres of the Milton Keynes South Midlands (MKSM).

Some of the reasons for establishing arms-length development companies include:-

- To raise profile and reputation in areas whose market positioning is weak
- To attract resources and build capacity for development in difficult, complex places
- To mobilise and engage the local private and third sectors in addressing coherently an area's problems and potential in collaboration with the public sector
- To redress poor local authority or other public sector weaknesses in planning and managing change
- To provide an “independent, impartial space” where public/private deliberations and disputes about a place's future can be conducted and resolved purposefully

But, to me, perhaps my overriding advice on the rationale for establishing one of these companies is NOT rooted in addressing failure (whether market or public sector); rather it is about realising potential. Whilst every organisation – public and private – might embrace place-shaping as hugely desirable and important, their reality (including the local authorities) is of multiple purposes and accountabilities. Successful places need a focused, dedicated organisation whose “day job” is about realising that success, and managing the changes to bring it about.

If my above conclusion is correct - every major place needs its own economic development company - then what are the ingredients of success, and what are the pitfalls to try and avoid? My experience to date has pulled out many learning points, and I am particularly interested in colleagues' feedback on the four I am highlighting below:-

- Firstly, spend a lot of time working with key partners – especially those represented on the company board – reaching agreement on the big changes that we are trying to achieve; and what the company is actually for (i.e. what value it adds) in that process. Is it a planner, delivery manager, developer, facilitator, promoter or a mix of these and other purposes? Firming up this precise brief and fleshing out differences of opinion between partners at the start-up stage will save a lot of “territorial” conflict and dispute later on in the development process
- Secondly, the local authority/business relationship is absolutely crucial in the company's success. Without local authority “ownership” and positive support, the company has neither the democratic legitimacy, nor the statutory powers, influence and resources to deliver change effectively. However, significant business buy-in to

the company brings new perspectives, dynamism, and resources in the broadest sense to the company, and can deliver a genuinely collective, collaborative place-shaping endeavour. The counterfactual – an indifferent or a cynical and disengaged private sector – is the antithesis of successful places. Nurturing public/private relationships requires give and take to build trust by both sectors – hence the company's role in almost all models as a relatively neutral space where these understandings can be reached.

- Thirdly, whatever the company is tasked with doing, root decision-taking in evidence and a deep understanding of the area and what we are trying to achieve; and then deliver competently. Board members need to build organisational capacity to deliver both an acute intelligence and an implementation competence; and they need to be realistic and smart about what can and cannot be delivered with the powers and resources at their disposal.
- Finally, communicate, communicate, communicate.....The new development company raises expectations that can, on occasion, be both overoptimistic and naïve. Building and retaining the support necessary to deliver change effectively requires constant engagement with all relevant partners and stakeholders to manage expectations; and to get their buy-in or at least understanding of the difficult decisions that need to be taken.

So... knowing our role; building a deep understanding of the area; a strong local authority/business relationship; organisational competence; and engaging well with partners and stakeholders...these are some of the ingredients of success to which I hope I can contribute in Cornwall, Plymouth, Luton, and, in the future, other places. Whichever acronym is chosen – URC, CDC, LDV – development and managing change requires focused leadership and management. Despite the description, this is not “arms-length” at all – it is absolutely central to the achievement of successful places over the coming period.

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