
MINUTES OF THE 110th MEETING OF THE SOUTH EAST ENGLAND DEVELOPMENT AGENCY HELD ON 25 MARCH 2010, SEEDA HQ, GUILDFORD

Present:

Rob Douglas (Chair)	Jeremy Birch
Pamela Charwood	Alex Pratt
Dolores Byrne	Keith Riley
Richard Ascough	Andrew Finney
Julian Crampton	Keith Mitchell
Keith House	

In attendance:

Pam Alexander	Phil Bailey
Oona Muirhead	Chris Budleigh
Paul Lovejoy	Katie Lloyd
Susan Priest	Heather Bolton
Robert Crawford	

Guests:

Colin Byrne (GOSE)

Item 1 STANDING ITEMS

1.01 Apologies for absence and Declarations of Interest

1. Apologies were received from Les Dawson, Imtiaz Farookhi and Bob Goldfield.
2. The Chair informed the Board that the Minister for Regional Economic Development and Coordination, Rosie Winterton had now formally agreed to the appointment of Keith Riley as Deputy Chair to the Board.
3. The Chair, Julian Crampton and Jeremy Birch declared an interest in Item 2.07 (University Centre Hastings Phase 2). Richard Ascough declared an interest in Item 1.09 because of his interest in the Social Dialogue Forum

1.02 Minutes of previous meeting

4. The minutes of the meeting held on 27 January were agreed without amendment as a correct record of proceedings.

1.03 Matters Arising

5. The Board noted progress on Matters Arising.

1.04 Committee minutes - MPC minutes

6. Keith Riley noted that the Major Projects Committee had endorsed the Chief Executive's decision to provide investment to enable business critical infrastructure works at the Island Technology Park, Wippingham, subject to confirmation of SEEDA priorities and budget availability.
7. The Committee also noted that the University Centre Hasting Phase 2, Dartford Business Centre, Ropetackle Compulsory Purchase Order and Tourism South East were on the Board agenda. MPC had also noted a paper summarising the current SEEDA property portfolio.

1.05 Chairman's report (oral)

8. The Chair informed the Board that the action agreed at the Board Strategy Away Day to engage with the South East Local Authorities and update them on the Agency's role, in particular the economic development functions, had been taken forward. A meeting had been arranged between the SEEDA Chair and Chief Executive with Paul Carter and other Leaders on 30 March. Local Authorities were also considering a proposal to establish a small working group to look at various scenarios on future economic development activities and potential boundaries for that activity.
9. The Chair noted that there had been a good response to the Board recruitment exercise which was proceeding well.
10. The Chair fed back on his participation at the Council of Regional Ministers meeting on 23 February and at the subsequent event promoting RDA activity and achievements to the regional press. The Chair also noted that he had undertaken interviews with the Kent Messenger, Brighton Argus and the Daily Telegraph.
11. The Chair informed the Board that he had accepted an invitation from BIS to be a member of the new Space Leadership Council.

1.06 Chief Executive's Report

12. The Board agreed to start this item with a discussion on Budget 2010. The key points of the budget from an RDA perspective:-
 - Establishing UK Finance for Growth (UKFG), which will be responsible for overseeing the Government's stock of over £4 billion of SME finance products, including the already announced Growth Capital Fund (£200m worth so far). It will work in partnership with BIS, DECC and RDAs to co-ordinate public equity SME finance schemes.
 - a £270 million Modernisation Fund, which will be made available to universities in 2010-11 to deliver efficiencies over the next four years, and fund extra undergraduate places (e.g. 20,000 in 2010/11). Universities in the South East might benefit.
 - An Accelerated Development Zone (ADZ) pilot programme to support investment in infrastructure in cities and other centres of growth.

- Establishing a Green Investment Bank controlling £2bn of equity which will focus on investing in greener, cleaner energy and transport/infrastructure
- A regional growth fund will be established by the Regional Development Agencies (RDAs) to promote high-value investment in support of regional and national growth and industrial policy.
- Setting up a Small Business Credit Adjudicator with statutory powers to adjudicate when small businesses feel they are wrongly denied a bank loan.
- An enhanced role for Regional Ministers; and
- Simplification of the regional tier and efficiency savings from co-locating the RDAs, Homes and Communities Agency and Government Offices.

13. Discussion focussed on the implications of the enhanced role for Regional Ministers (which could form part of the discussions with the Leaders on 30 March) and how that might work in practice e.g. driving public sector reform in the region. The Board welcomed the decision that Civil Servant posts to be relocated from London and the South East will now be relocated from London only, recognising that most public services in the South East provided locally oriented services and that regeneration and growth areas in the South East had lower costs and a case for receiving civil service relocations no less than did other regions.

14. The Chief Executive drew Member's attentions to the 'Going for Growth' reports on the role of Universities in raising the UK's competitiveness. The Board formally thanked Julian Crampton for his substantial help in pulling together both the national and regional reports.

15. The Chief Executive welcomed the announcement on 23 March of the creation of the UK Space Agency and noted that it was hoped that the Agency would eventually be located at Harwell thereby building up the centre of excellence in space. The announcement was accompanied by news of a new £40m International Space Innovation Centre (ISIC) at Harwell supported by £12m from BIS' Strategic Investment Fund, providing a central hub for British space activity.

16. The Chief Executive noted that Members would be provided with advice and guidance on the role and conduct of Board Members during the General Election campaign and that a PQ was shortly to be published setting out Member's expenses.

ACTION

Oona Muirhead to provide relevant guidance on the role and conduct of Board Members during the General Election campaign.

1.07 Colin Byrne - Government Office for the South East Report (oral)

17. Colin Byrne indicated that he had made his proposed remarks during the discussion on the Budget.

1.08 Operational statements (Financial and Operational Review and Risk Register)

18. The Board noted the latest spend position and the action taken to ensure that the Agency properly spends its budget for 2009/10.

19. The Board noted that suppliers were paid within 8 days of invoice which complies well with the Government's 10 day target and that the target was going to be reduced to 5 days.

1.09 Regional Partnership Meetings

a) South East England Strategy Board (30 March)

20. The paper was noted.

b) South East England Partnership Board (9 February)

21. The paper was noted.

c) Economic Development and Skills Board (EDSB) (2 February)

22. Alex Pratt expressed that the work of the EDSB reflected the contribution of three advisory groups which relate to the Board's agenda:

- Business Development Advisory Group – this group has a strategic oversight of publicly funded business support and provides advice on the range of business critical infrastructure needs in the South East.
- South East Science Engineering and Technology Advisory Council – which advises the SEEDA Board on the development and implementation of a strategy and investment plan for supporting innovation in the region; and
- Skills Working Group, which is being established by Oona Muirhead, and will play a key role in the development of the Regional Skills Strategy. A potential Chair has been identified.

23. Richard Ascough raised the issue of the future role and funding of the Social Dialogue Forum (SDF), an advisory committee to the SEEDA Board on employment-related issues. It was recognised that the SDF undertaken constructive work. However the previous arrangements should now be brought into the new regional structure and the workplace productivity and skills issues could be taken on by the new arrangements put in place under the EDSB. The Board had agreed that future funding should be directed at projects that met the Agency's priorities.

24. The Board agreed that a small working group be established what information the EDSB needs to undertake its remit in relation to the issues covered by the Social Dialogue Forum; how it might in future commission this information; and whether there

any gaps likely in the provision of this information. Meanwhile Richard Ascough would make his paper available to Members who requested a copy.

ACTION

Oona Muirhead to convene group consisting of Pamela Charlwood, Alex Pratt and Richard Ascough to consider input to the EDSB on workforce issues.

d) Housing and Regeneration Board (9 March)

25. Members noted that whilst housing completions were close to target, low starts and time lags meant that the position was likely to worsen considerably over the next few years.

e) Transport Board (12 March)

26. Members noted that difficult choices may be needed in the future when considering prioritisation of schemes.

27. Discussion on these items concluded by agreement that the Board should be informed of the targets and milestones for the Regional Strategy work.

ACTION

Paul Lovejoy to provide the next Board meeting (13 May) with the proposed approach to taking forward the Regional Strategy.

Item 2 ITEMS FOR DECISION

2.01 Business Planning 2010/11

28. The Board's attention was drawn to the level of commitments that could be considered 'legal', 'near legal', and 'pipeline' and agreed the proposals for reducing SEEDA's programme investment in order to bring commitments in line with the reduced single pot budget. Members recognised that cuts in any of the programmes would be challenging to partners and asked for further details so that they might engage, at a high level, with those partners affected by budget reductions. Members also felt it would be useful to set out the other funding streams that were available to the Agency (e.g. from Europe). It was also agreed that SEEDA's 'Solutions for Business' products and Business Link programmes would be considered at the Board meeting on 22 July.

29. **The Board AGREED** the funding and prioritisation proposals set out in the paper.

ACTION

Oona Muirhead to provide details of funding from non Single Pot sources.

Susan Priest to bring paper on Solutions for Business programmes and Business Link to the July Board meeting.

2.02 Innovation Strategy

30. Members agreed the broad thrust and direction set out in the paper. Recognising that it was not yet an operational plan, they felt it need further refinement and additional work. In particular the Strategy needed to be accompanied by a communications plan that would enable partners and stakeholders to more easily identify with the Strategy. This might be done by focussing less on the justification and developing an action plan.

31. **The Board AGREED** the six key recommendations for delivery as set out in paragraph 3.3, including endorsement for the forthcoming review of SEEDA's current innovation programmes. However they agreed that a summary version and an action plan needed to be developed.

ACTION

Robert Crawford to develop a communications plan for the Strategy, to include a 'summary' version (by 19 May); and

Robert Crawford to bring forward an action plan (by 19 May).

2.03 Tourism South East

32. Members supported the proposal to provide funding for 2010/11 to the Tourism South East and it was noted that Major Projects Committee had supported the proposal. Members felt that the evaluation demonstrated that the funding did provide a good return on investment.

2.04 Risk Register

33. It was explained that the Corporate Risk Register had been improved to better reflect managing risk. Members welcomed the new mode and suggested that additional approaches such as a numeric 5x5 approach be considered and that there should be a better linkage between cause and effect. It was agreed that the Risk Register should be taken to the Audit Committee, together with an Assurance Framework.

34. **The Board AGREED** the five risks set out in the corporate risk register and the format of the register; **The Board AGREED** that the risk annex should be amended to show that the residual likelihood of risk 1 which was previously shown as 'M' is now 'H' and **NOTED** that the risk register will henceforth be provided at each Board meeting as part of the Operational and Finance report.

ACTION

Oona Muirhead to present Risk Register and an Assurance Framework to the 25 June meeting of the Audit Committee

Oona Muirhead to amend annex to risk register paper.

2.07 University Centre Hastings Phase 2

35. Julian Crampton left the room for discussion on this item and it was agreed that the Chairman should chair the discussion but not offer any views, given his role on HEFCE.
36. The project is regarded as the highest priority scheme in the redevelopment of Hastings town centre as a central business and education district under the approved Master Plan for Priory Quarter. It was noted that this expansion was a key element in the possible relocation of a key investor into the City Centre. The proposal has the support of SEEDA's key stakeholders including the local authorities, the Task Force Steering Group, HEFCE, University of Brighton and private sector investors. Members were reassured that UCH had a good record in students finding local jobs; that the additional student numbers had been awarded to the University and that the investment would make UCH viable and sustainable. The Board noted that the commitment to proceed with expenditure on UCH Phase 2 would be conditional on HBRL concluding the Agreement to Lease for the completed UCH Phase 2 development and the extension of the lease of the existing University Centre Hastings.
37. **The Board AGREED** to invest into the expansion of University Centre Hastings into a phase two site in Hastings town centre, noting that this was in addition to the previous approval for project development work and that funding would be conditional on HBRL concluding the Agreement to Lease for the completed UCH Phase 2 development and the extension of the lease of the existing University Centre Hastings. The Board agreement was also conditional on the funding being available.

Item 3 ITEMS TO NOTE

3.01 Communications update

38. Heather Bolton noted the continuing positive media coverage of SEEDA's work which included the announcement of SEEDA's investment in GKN's Environmental Lightweight Fan and support in the Brighton Argus. SEEDA's website was being improved, becoming easier to navigate and containing better quality, topical, content. Susan Priest provided an update on Business Link. It was noted that the Agency was likely to be entering a period of election Purdah shortly.

3.02 Project and Programme Update

39. The Board noted the update provided by Oona Muirhead.

3.03 Board Forward Look Plan

40. The Board Forward Look was noted.

3.04 AOB

41. There were no items.

Author

Phil Bailey, Board Secretary, 01483 484227, philbailey@seeda.co.uk

Signed off-by

Pam Alexander, Chief Executive, 15 March 2010