

**MINUTES OF THE 100TH MEETING OF THE
SOUTH EAST ENGLAND DEVELOPMENT AGENCY**

HELD ON 28 JANUARY 2009

SEEDA HQ, GUILDFORD

Present:

Jim Brathwaite (Chair)
Zenna Atkins
Jeremy Birch
Pamela Charlwood
Imtiaz Farookhi
Bob Goldfield
Peter Jones

Sue John
Keith Mitchell
Alex Pratt
Keith Riley (Items 11-17)
Bill Wakeham
Phil Wood

In attendance:

Pam Alexander,
Paul Lovejoy
Robert Crawford
Oona Muirhead
Jeff Alexander
Lee Amor

Gosia Marshall (minutes)
Barbara Hammond (minutes)
Barbara Buczek
Ian Coates (GOSE)
Heather Bolton
Nigel Horton-Baker (Item 4)
Arno Schmickler (Item 5)
Julie Anderson (Items 6, 7, 11-17)
Diana Pogson (SEERA, Item 9)
Paul Carter (SEERA, Item 9)
Martin Tugwell (Item 10)
Detlef Golletz (Item 11)

Item 1 Welcome and apologies for absence

- 1 Apologies were received from Dolores Byrne, Les Dawson, Keith Riley (Item1-10) and Colin Byrne (GOSE).

Item 2 Declarations of Interest

- 2 In respect of item 11, Projects: Bob Goldfield as Port of Dover Chief Executive.
- 3 In respect of item 16, The Agency Report, Zenna Atkins as Trustee of 2012 Legacy Board; Board Member of the Royal Navy; Chair of OFSTED.

- 4 In respect of item 8, Sub Regional Partnership Arrangements: Alex Pratt as Chair of Buckinghamshire Economic and Learning Partnership.

Item 3 Minutes of the Last Meeting

- 5 Accepted as a true and accurate record of proceedings.

Items for Discussion

Item 4 Surrey and Berkshire Area Update

- 6 Jeff Alexander introduced the item and stated that the Surrey and Berkshire Area Team benefited from the appointment of Nigel Horton-Baker as the Area Director, particularly given his previous experience as Chief Executive of Surrey Economic Partnership.
- 7 Nigel Horton-Baker gave a presentation in addition to the paper circulated to the Board. The presentation provided an economic snapshot of Surrey and Berkshire; updated on the impact of the economic crisis; and highlighted action and priorities.
- 8 Jim Brathwaite spoke about the history of the development of Heathrow and the M4; the influence of Heathrow on the area; and the strong contribution that Heathrow makes to the prosperity of the surrounding area, the South East and the wider UK economy. Peter Jones asked the Board to consider alternative scenarios to further expansion at Heathrow. If another airport is instead chosen to be developed in the future, the profound impact and the implications this would have on South East need to be considered.

Action: Paul Lovejoy to bring a paper on Heathrow expansion to the March Board meeting.

- 9 Jeremy Birch spoke about the commuting figures and sustained job losses in the City which might affect all commuting areas in the South East. Areas such as Woking, Slough and Reading have an untapped potential. Nigel Horton-Baker assured the Board that local partners are putting a lot of emphasis on these areas. Jeff Alexander said that SEEDA is working with London Development Agency to identify people with certain skills in London and encourage them to get back to South East and retrain as skills shortage is a big issue in the area. Zenna Atkins noted that the paper did not include mapping of redundancies occurring the London workplaces but affecting South East residents.
- 10 Phil Wood spoke about The 2009 British Science Festival organised by the British Science Association in partnership with the University of Surrey, Guildford Borough Council and Surrey County Council and supported by the SEEDA, which will visit Surrey in September and its possible links with the

Science Week. The image of science needs to be changed and science needs to be made more attractive to young people. Nigel Horton-Baker confirmed that the local authorities are strongly engaged. Jim Brathwaite said that science competitions will be held in the region and there will be strong emphasis on getting young people interested.

- 11 The Board **NOTED** the long standing economic strengths of Surrey and Berkshire; the implications of the economic down turn in the sub region; the response to managing the economic downturn and the focus and priorities to ensure Surrey and Berkshire are prepared and able to lead the economic upturn.

Item 5 Europe Report Follow Up

- 12 Paul Lovejoy introduced the item highlighting the positive leads to emerge from the visit to Brussels made by the Chairman and several Board Members during December. The paper is set in the context of the ongoing work to be done. An additional action to organise a workshop style conference should be added to the paper.
- 13 Imtiaz Farookhi stated that the paper did not reflect the need to prioritise and maximise the funding from Europe. Bill Wakeham stated that the paper did not mention the Lisbon agenda which had been widely discussed at the December Board Meeting. Peter Jones mentioned the funding from lottery not being available due the impact of the Olympics. SEEDA needs to help partners turn to EU sources to fill the gap left by lottery funds. Zenna Atkins asked for an update on the Europe INNOVA call, pointing out the tight deadline of 12 February 2009. Arno Schmickler reported that whilst SEEDA has been discussing with partner organisations both in the South East and in other European regions, no potential projects have been identified yet that would be ready to submit in time and that would deliver against South East priorities. Jim Brathwaite suggested exploring potential projects related to environmental technologies.

<p>Action: Jeff Alexander to identify potential bidders for the February INNOVA call.</p>
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- 14 The Board **AGREED** the actions contained in the paragraphs 6-8 of the report, which arose from the Board visit to Brussels and Board Meeting in December 2008.

Item 6 Economic Conditions and SEEDA's Response

- 15 Jeff Alexander introduced the item and spoke about the increasing impact of the recession and updated the Board on redundancies across the South East region.

- 16 There have been some developments since the paper was submitted to the Board, which included more reported redundancies and indication from the new labour market statistics that women's employment has fallen. Women are often not featured on statistics due to the fact that they tend to go back to economic inactivity.
- 17 Jim Brathwaite spoke about Lord Drayson, the Minister of Innovation, who is very keen to help and get involved. Phil Wood suggested that SEEDA needs to refocus during the recession. More information is needed regarding job losses in the South East area. SEEDA should make changes in distributing its funds in the current circumstances. The Board Members discussed the redundancy issues in different areas of the South East. Keith Mitchell stated that the media are reporting the figures for redundancies only, and not taking into the account the new jobs created. Peter Jones said there is a £1m fund to promote recession help, which will mainly help voluntary sectors. He also updated Board Members on steps to create a new local authority – owned bank, which would be a new, non toxic, safe, well funded financial institution, very much needed in the current economic situation in the UK. Bob Goldfield said that there is a large amount of global money that is available to invest in good, solid infrastructure projects such as Dover. In Bob Goldfield's opinion, the 2 – 3 year prognosis is good.
- 18 Zenna Atkins spoke about a successful Department for Innovation, Universities and Skills (DIUS) Family Awayday, during which 4 scenarios of the future of the economy in the UK were presented. This might prove to be useful to the business sector as a planning tool. Imtiaz Farookhi noted that private house builders are suffering during the recession. The Board was updated on the Milton Keynes area redundancies situation. The Board discussed the issue of private school closures in the South East area. Keith Mitchell said that shutting down private schools will force children and teachers into state schooling, which might improve the standards of education. Keith Mitchell also suggested that there might be an opportunity to retrain many women who were made redundant in the retail sector, to social care provision.

Item 7 Business Planning and Investment Mapping

- 19 Paul Lovejoy introduced the item and Julie Anderson presented it to the Board. She spoke about the need to re-plan the Corporate Plan and re-shape SEEDA. The financial envelope will be significantly smaller than when the Corporate Plan was agreed. The Corporate Plan will not be completely re-built but the Corporate plan priorities will be developed further and translated into actions. Julie Anderson asked the Board to take account of the reduced budget and the need to focus in the current economic climate.
- 20 Jim Brathwaite said that he hoped the Board had noticed that the Executive Directors are reacting to changes in the current situation. Jim Brathwaite advised that SEEDA needs to be flexible as the situation and circumstances change.

Action: Paul Lovejoy and Julie Anderson to cover the points made on Business Planning and Investment Mapping and refocusing economic strategy in preparation for the Board at February Awayday.

- 21 Pam Alexander said that SEEDA is clearly focusing on being globally competitive and productivity is the main issue driving this. There are too many projects within the Corporate Plan. SEEDA needs to refocus and create a balance between dealing with immediate issues and a long term strategy.
- 22 Pamela Charlwood expressed a strong support for the thorough and professional approach that had been set out. She made a link to the vulnerability of the partner organisations. Alex Pratt asked the Board to focus on productivity capacity, not just job figures. Imtiaz Farookhi said that the Awayday needs to address the way SEEDA works to be flexible, agile and opportunistic. Imtiaz Farookhi said that the restructured sub regional capacity was working well.

Item 8 Sub Regional Partnership Arrangements

- 23 Paul Lovejoy introduced the item and explained that the purpose of the Sub Regional partnerships is to bring together business and the public sector in agreeing and aligning priorities and investment at local and sub regional level. The focus of 13 partnership arrangements, part funded by SEEDA, was to forge strong and meaningful links between regional and local priorities where these align; recognise the central and growing role of local authorities in place-shaping and engage businesses effectively in shaping prosperous, sustainable communities.
- 24 The Board discussed the problems around economic development and the fact that businesses are focused on short term planning. Alex Pratt supported the continuation of sub regional partnership arrangements. Peter Jones suggested that he was not in favour of the partnerships as there are other practical alternatives. Sue John said that Sub Regional Partnerships are valued by businesses. Bob Goldfield spoke about Kent and supported Peter Jones' view as in his opinion one size does not fit all. Zenna Atkins mentioned that the paper presented to the Board did not cover whether the Sub Regional Partnerships represent value for money. Imtiaz Farookhi said that Milton Keynes partnership works well. Partnerships bring in the business community.
- 25 Jim Brathwaite concluded the discussion by stating that where the partnerships work well, they are well received. Jim Brathwaite asked the executive directors to provide evidence of value for money in time for the next review of Sub Regional Partnership Arrangements in January 2010.

- 26 The Board voted to approve continued funding. 9 Board Members voted in favour, 2 against and 1 abstained: The paper was carried and the Board **NOTED** the progress in implementing revised sub regional partnership arrangements following its decision in March 2008 to fund these arrangements, and **APPROVED** continued funding of existing arrangements for the next two financial years, at levels agreed in SEEDA's Corporate Plan 2008-11, subject to receipt of a further progress report in January 2010. Where no agreed agreement is currently in place, SEEDA's Chief Executive is to be satisfied of value for money and conformity with SEEDA's objectives for these arrangements before proceeding with any new arrangement as and when they are brought forward.

Item 9 South East England Regional Assembly

- 27 The Board welcomed Paul Carter, Chairman of South East England Regional Assembly and Diana Pogson, South East England Regional Assembly's Interim Finance and Administration Director.
- 28 Paul Carter supported the paper on the Sub National Review, the idea of working together and of a single regional strategy.
- 29 Jim Brathwaite spoke about his meeting with Harvey McGrath, Chair of the London Development Agency and Richard Ellis, Chair of East of England Development Agency (EEDA), where the issue of cooperation on the South East agenda was raised.
- 30 The issue of the involvement of stakeholders was raised and discussed. Paul Carter spoke about a possible collective meeting if it would be acceptable to stakeholders. The Board Members agreed with this suggestion and confirmed that a joint meeting would be useful.

Action: Paul Lovejoy to organise a joint meeting with Stakeholders and Local Authorities regarding SNR implementation.

- 31 Paul Carter spoke about the South East Council group who had their first executive meeting last week. He was confident that the Regional Assembly is being replaced in a positive way.
- 32 Pam Alexander spoke about the independent technical unit which will provide support to the new governance arrangements will involve spatial planning staff from the former Assembly and economists from SEEDA.

- 33 Pamela Charlwood and Alex Pratt raised the question of having two Boards and asked for the clarification of a difference between the Partnership and Strategy Board. Martin Tugwell said that the Strategy Board will be a forum for debate. Bringing issues to this Board would allow focus on delivery. Pam Alexander explained that the Strategy Board will be involved in more detailed work and the meetings will take place more frequently providing mostly finished proposals to the Board.
- 34 The Board **AGREED** with the Chair of the Regional Assembly on the key elements of the implementation of the Government's Sub-National Review of economic development in the South East.

Item 10 Regional Funding Advice

- 35 Martin Tugwell gave a presentation on Regional Funding Advice which provides an opportunity to set out SEEDA's regional investment priorities, including transport, economic development and housing development.
- 36 Alex Pratt asked about how to mitigate the possible negative economic impact of growth areas on the edge of the green belt. Martin Tugwell replied stating that there is a forum to bring the RES and the Spatial Strategy together, which can consider the impact on locations of growth and congestion. New growth points, such as Whitehill/Bordon, will be identified.
- 37 The Board considered the recommendations of the Regional Transport and Regional Housing Boards and **AGREED** the key issues and priorities from an economic development perspective which were to be presented to the RES Partners Conference (29 January), and the RFA Regional Steering Group (11 February), prior to being submitted to the Government by the end of February.

Item 11 Major Projects and Programmes

Item 11a Tourism South East

- 38 The Board was invited to confirm funding of £2.1m for Tourism South East's 2009/2010 programme. Jeff Alexander presented the item and explained that the Board had already approved the funding for 3 years but the funding is to be confirmed yearly. He said that Tourism South East has a new chair. Imtiaz Farookhi said that the situation when both Chief Executive and Chair are changing at the same time needs to be monitored. Keith Riley reported the recommendations of the Major Projects Committee that the funding should be approved.
- 39 The Board **CONFIRMED** funding of £2.1m for Tourism South East's 2009/2010 programme.

Item 11b Connect 2 Compete (C2C)

- 40 Lee Amor presented the paper and explained that said that SEEDA is the lead partner of the C2C programme. Zenna Atkins asked about the risk in case the programme is not delivered. Detlef Golletz assured that the risk is not on SEEDA. Jim Brathwaite and Phil Wood spoke about Shoreham being a successful and profitable port. Keith Riley reported the recommendations of the Major Projects Committee that the funding should be approved.
- 41 The Board **AGREED** that SEEDA takes on the obligations of Lead Partner of the C2C project, which means SEEDA manages a total of €5.2m for all partners.
- 42 The Board **NOTED** that the SEEDA led Connect to Compete (C2C) project was approved by the European Commission in November 2008, leveraging €4.8m ERDF into North West European partners, of which €2.1m is for the South East Region.
- 43 The Board **NOTED** that two of SEEDA's own development projects, i.e. SMART and Shoreham (both already approved), are the ERDF recipients of €300K and €170K and that two additional port access projects in Portsmouth and in Dover will be proposed as potential ERDF recipients of €656K and €524K.
- 44 The Board **NOTED** that SEEDA is the recipient of partner's cash contributions of €259K to manage the project and that SEEDA makes its own project cash contribution of €155K for administration costs. This delivers the ERDF leverage of €2.1 into the South East.

Item 12 Financial and Operational Review

- 45 Robert Crawford gave an overview of the Financial and Operational Review and explained that we are currently on track to spend all our Programme funds for 2008-09.
- 46 The retrospective purchase orders issue was discussed. Managers have been asked to provide an explanation for raising each requisition after the goods and services were ordered and to identify what steps could have been taken to raise the order at the proper time.
- 47 The Board **NOTED** the Financial and Operational Report for December 2008.

Impact Evaluation Framework Publication

- 48 Julie Anderson presented the Impact Evaluation paper and the Communication Plan.

- 49 Heather Bolton explained that she was finalising the Communications Plan in anticipation of BERR's announcement. Pam Alexander spoke about the possible interpretation of the report and Zenna Atkins advised not to lose the good news message. Jim Brathwaite asked that all MPs should get a briefing on how SEEDA is performing once the report is finally published. The Communications team will be coordinating this.

Action: Heather Bolton and Julie Anderson to ensure that there is a timely set of positive external messages regarding the South East results in the National Impact Evaluation.

- 50 The Board **NOTED** that the planned date for publication of the National report on Impact evaluation and Regional Annexes is 3 February 2009 (subject to Ministerial confirmation).

Item 13 Projects

List of Projects

- 51 The Board **NOTED** the list of projects.

Major Project Committee Minutes

- 52 Keith Riley updated the Board on the Major Projects Committee (MPC) meeting of 28 January 2009 where Connect 2 Compete received strong support. Keith Riley mentioned that the Regional Infrastructure Fund was discussed. MPC has endorsed Marlowe Theatre and the business case which was presented. He spoke about the ERDF Sustainable Consumption and Production Match 2008 – 2011 programme which has not been brought to the Board as the ERDF funding has already been approved.
- 53 Major Project Committee Minutes were **CONFIRMED** as accurate.

Item 14 Audit Committee Minutes

- 54 The Board **NOTED** the Minutes of the Audit Committee Meeting on 11 November 2008.

Item 15 Chairman's Report

- 55 Jim Brathwaite had attended meetings with the banks to discuss their ability to fund businesses. Financial Services Authority are paying particular attention to capital structures and there are a number of caveats to government package. There is some good news regarding banks lending.
- 56 Jim Brathwaite updated the Board on his positive meeting with Lord Drayson, who is an influential and powerful voice and recognises the important role of the South East.
- 57 Imtiaz Farookhi asked Jim Brathwaite about the Regional Economic Council and the South East Economic Delivery Council. Jim Brathwaite replied that meetings are held on a regular basis and reports are presented to the National Economic Council which was attended by the Prime Minister last time.

Action: Paul Lovejoy to circulate minutes from SEEDC and NEC meetings to the Board.

- 58 Jim Brathwaite announced Keith Riley's appointment as a Senior Board Member. The Board has approved the Board Representation Matrix.

Item 16 Agency Report

- 59 Pam Alexander drew the Board's attention to the Innovation and Growth Teams.
- 60 Jeff Alexander stated that each Innovation and Growth team will come to MPC for approval.
- 61 Pam Alexander drew the Board's attention to paragraph 30 of the Agency Report and spoke about finance packages to help companies access funds as cash flow is critical to all businesses.
- 62 Pam Alexander informed the Board that SEEDA has formally assumed the lead role amongst Regional Development Agencies for Skills and also for relationships with two Government Departments – Department for Innovation, Universities & Skills (DIUS) and Department for Work & Pensions (DWP). It is valuable to have a bridge between the 2 departments in delivering innovation, productivity and opportunities.
- 63 SEEDA has commissioned, on behalf of the Diamonds Local Authorities, a no-nonsense guide to tackling ecological footprint. The guide is nearing completion, and will be rolled out across the Diamonds in a series of workshops involving the key personnel.

- 64 The Board **NOTED** the paper on Innovation and Growth Teams which supplements the information provided in the Agency Report.
- 65 The Board **NOTED** the Agency Report for December and January which represents a cross section of reports from within SEEDA organised according to the themes of SEEDA's Corporate Plan 2008-11.

Item 17 AOB:

- 66 There was no other business.