

CHIEF EXECUTIVE'S REPORT

Purpose

To update the Board on key policy and programme developments at national and regional level and organisational matters including the Fit for the Future programme and the Independent Supplementary Review (ISR).

National perspective

1. RDA Lead Roles

Discussions continue with colleagues in BIS on demand-led skills provision to ensure that RDA-led regional skills strategies will direct the Skills Funding Agency (SFA) future contracts. In the meantime RDAs are producing regional skills priorities for 2010/11 to provide the mechanism to achieve traction over the SFA's contracts with providers. RDA Chairs will be discussing this with Ministers on 28 January. SEEDA's development of its regional priorities statement derives from the RES, updated by input from EDSB and SESETAC, and drawing on SEEDA's sectoral work to identify key priorities in relation to growth sectors, major physical or inward investments driving skills need, and gaps in meeting business demand.

6 posts have been agreed for each RDA to take on this new strategic role and the secondment of Learning and Skills Council (LSC) staff to the RDAs has resulted in some 30 out of 54 posts being filled. A second trawl is now in hand; in parallel SEEDA is pressing BIS for agreement to recruit externally. SEEDA has appointed 4 secondees from the LSC to date.

2. "Going for Growth"

On 7th January, Government published the UK Growth Strategy titled "Going for Growth", which describes how the Government implemented the agenda set out in New Industry New Jobs in 2009. It signposts how it will now build on those foundations in seven key areas; supporting enterprise and entrepreneurial activity; fostering knowledge creation and its innovative application; helping people develop the skills and capabilities to reach their personal and economic potential; investing in the infrastructure required to support a low carbon modern economy; ensuring open and competitive markets allowing business to grow; building on our industrial strengths in sectors where we have expertise and investing to foster new comparative advantage; and understanding and employing the right strategic role for government in markets enabling us to capitalise on new opportunities.

As part of the strategy announcement, Lord Mandelson has asked RDAs for a short analysis of how universities, supported by their RDAs, can drive economic growth in each region. SEEDA will be co-ordinating this report on behalf of the RDAs and Julian Crampton is leading the universities input. Keith Riley and I are attending a Regional Economic Council meeting on 21 January to discuss how this broad agenda will be taken forward in each region and will report orally on that event.

3. Review of Business Support

BIS have announced plans to undertake a Business Support Review. The Pre-Budget Report noted the Government's intention to make efficiencies of £600m from greater use of online systems (part of Transformational Government) and streamlining contact with the public. BIS are seeking savings of approximately £900m by 2012/13.

The immediate challenge is to identify £35m of savings from current business support programmes. BIS has therefore put in place this review to look across its whole portfolio of Solutions for Business support products and Business Link. The focus on Business Link has a broader fit with the BIS service improvement programme which is looking at how the Department targets business support to achieve greater impact across all channels. The output from the review will feed into BIS discussions with HM Treasury on CSR 2011-2014, after the election.

The Review is working to short deadlines with an Options Analysis expected at the end of March. SEEDA has already been asked to provide base line data. SEEDA will be meeting the BIS review team throughout January and February. This is on top of the proposed reduction in BL brokerage (see Lead Roles section). In the meantime, SEEDA outlined the Review to the new Business Development Advisory Group, chaired by Alex Pratt. Members were invited to input and it is now proposed to hold a regional workshop to discuss further.

Regional perspective

4. Key economic developments

The South East economy continues to show signs of recovery. According to the most recent Purchasing Managers' Index (PMI), there was a strong increase in business activity in the South East in December. This was driven by a further expansion of new business, which rose at the fastest rate for 2 years. Survey evidence suggests that business confidence also continued to pick up at the end of 2009. More firms now expect an improvement in output, new domestic and export orders and turnover in the coming 12 months than expect deterioration. Prospects for employment appear cautiously optimistic, with 18% of SMEs in the South East Business Monitor planning to take on staff in the next year and only 3% expecting lay-offs. Redundancies fell from 2,400 in November to 1,300 in December, while the claimant count was down slightly in November. Nevertheless, significant closures and redundancies continue to be tackled internally by our fortnightly SEBR meetings and individual Task forces.

5. Regional Select Committee

The Chairman gave evidence to the Regional Select Committee in late November on his priorities for SEEDA, supported by Paul Lovejoy and myself.

Organisational matters

6. Fit for the Future

Many experienced staff have now left SEEDA and others are leaving before the end of the financial year. The new structure is coming into place with functions transferring as fast as can suitably be managed. Several new Directors have now joined SEEDA and the new Finance Director, Chris Budleigh, will join the Board meeting for item 1.08. The Board away day in February will be an opportunity to consider some of the implications of our new agenda for SEEDA's governance e.g. the shape and role of the Major Projects Committee and Board Members' championing of RES themes.

7. Independent Supplementary Review (ISR) of RDAs

The Independent Supplementary Review (ISR) process has begun for SEEDA with an initial meeting with NAO representatives in December to set the policy and political context for their work. NAO will conduct their review during week commencing 22nd February; Board Members (Rob Douglas, Keith Mitchell, Pam Charlwood and Keith Riley) will be interviewed as part of this process along with a number of our stakeholders. The draft report is expected in early March, with the final report being published in mid May after consideration of a "consistency panel". The review will follow three lines of enquiry: prioritisation, implementation of improvement plans and performance management processes, but from the experience of other RDAs it will range more widely, particularly in discussions with stakeholders.

8. Agency Report

The activity report for December will be available on the SEEDA website before the Board meeting.

Author

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