

**MINUTES OF THE 104th MEETING OF THE
SOUTH EAST ENGLAND DEVELOPMENT AGENCY**

HELD ON 18 JUNE 2009

SEEDA HQ, GUILDFORD

Present:

Peter Jones (Chair)
Zenna Atkins
Jeremy Birch
Pamela Charlwood

Dolores Byrne
Les Dawson
Bob Goldfield
Keith Mitchell
Alex Pratt

In attendance:

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

[REDACTED] (minutes)
[REDACTED] (GOSE)
[REDACTED] (item 9-15)
[REDACTED] (item 4)
[REDACTED] (item 5)
Michael Coughlin SEDFIG (item 6)
[REDACTED] (item 6)
[REDACTED] (item 8)

Item 1 Welcome and apologies for absence

- 1 Apologies were received from Jim Brathwaite, SEEDA Chairman; Keith Riley; Sue John; Phil Wood and Bill Wakeham. Congratulations were given to Professor Sir Bill Wakeham, who received a knighthood in the Queen's Birthday Honours list.

Item 2 Declarations of Interest

- 2 In respect of item 5, Barriers to Development in Property and Housing, Zenna Atkins as Chair of a Property & Development Company and item 14, Agency Report, Zenna Atkins as the Chairman of Ofsted reporting directly to Lord Mandelson.

Item 3 Minutes of the Last Meeting

- 3 The Board **APPROVED** the minutes as a correct record of proceedings.

Action Points

- 4 Alex Pratt updated the Board on his meeting with Lloyds HBOS which took place on 22 May 2009, with an engagement from local MPs and reported that it is generally felt that more information needs to be made available.
- 5 Keith Mitchell informed the Board that the meeting scheduled for 9 June 2009 with The Rt Hon Lord Andrew Adonis, the Secretary of State for Transport regarding issues surrounding Junction 9 of the M40 was postponed and that he is in touch with the Secretary of State's office to reschedule.

Items for Discussion

Item 4 Developing the New Regional Strategy

- 6 Paul Lovejoy introduced the item and summarised for Board Members the background to the new Partnership arrangements with Local Authorities to jointly produce and implement the Regional Strategy. The key structures to be established in the South East are: Partnership Board, Strategy Board and three Delivery Boards, which cover Transport, Housing and Regeneration, and Economic Development and Skills. The first meeting of the Partnership Board will take place on the 24 July 2009 while the Strategy Board will meet on the 17 September 2009. The meetings will be held in public which will bring a series of changes for SEEDA Board Members and involve new ways of working and doing business.
- 7 Several Board Members registered the scale of change implied by these new arrangements. Peter Jones expressed his confidence in the Board Members ability to cope, absorb new information and take on the responsibilities.
- 8 [REDACTED] said that the new partnerships will enable SEEDA to be flexible in any political context. The Board Members discussed the skills and behaviours that will need to be developed, and support required to obtain these. Board Members need to be clear about their roles to fulfil them effectively. The importance of expressing views as SEEDA representatives rather than as individuals needs to be addressed and clear guidance given. Imtiaz Farookhi stated that Board Members' individual views and SEEDA's view are usually similar but processes, clearly established boundaries and parameters are needed in order to be able to engage in the meetings fully.
- 9 [REDACTED] encouraged Board Members to attend a workshop session held on 9 July 2009 for all SEEDA Board and Local Authority Leaders Board Members, which will provide an opportunity to make a strong start on relationship building and on developing the vision which will be needed to agree an effective Regional Strategy and the key challenges facing the region.

Action: *Item 4 – Developing the New Regional Strategy*

Paul Lovejoy to advise on the possibility of Board Members deputising for the Partnership Board, Strategy Board and three Delivery Boards.

Action: *Item 4 – Developing the New Regional Strategy*

Paul Lovejoy to ensure that the briefings for and the feedback from Partnership Board, Strategy Board and three Delivery Boards are included as regular agenda items for future Board meetings.

Item 5 Barriers to Development in Property and Housing

- 10 Lee Amor introduced the item and [REDACTED] gave a presentation describing the reasons behind the decline in house building, the importance of the housing development sector to the South East economy and challenges faced by the property and housing sectors. Research from CB Richard Ellis Ltd which had been commissioned by SEEDA to better understand the impact of the credit crisis on the region's property market, identified barriers to development going forward and made recommendations on action. SEEDA should continue to play a role in influencing strategy and policy development; ensuring investment is aligned to support regional priorities; influencing Government on property issues which impact business and influencing partners to ensure the region has delivery, sustainability and design skills. This can be done through South East Economic Delivery Council and the Regional Strategy Delivery Boards as well as national, regional and local relationships.
- 11 Lee Amor reported that many mixed messages were emerging from the property and housing sectors and an accurate future prognosis is difficult. The targets which were set in the past are unlikely to be achieved for several years. The Board discussed the fact that the house building industry is not perceived as innovative or progressive and suggested that SEEDA should be engaging in the building industry focusing on innovation in providing broadband and using new technology. The subject of skills for the construction industry would be discussed in more detail at the Delivery and Partnership Boards in the future. The South East Science, Engineering and Technology Advisory Council, which advises on how science and innovation can drive up regional business performance, might want to consider opportunities arising from the Digital Britain Report which was published on 16 June 2009.
- 12 Zenna Atkins referred to the "Principles for Social Housing Reform" paper written by [REDACTED] and [REDACTED] and "Homes for Tomorrow, New Directions for Housing Policy" paper published by Housing Futures Network and suggested that both would complement work commissioned

by SEEDA. SEEDA should have a strong voice about places which have great facilities and not concentrate on standard developments. Information and intelligence from the organisations in the region such as Tourism South East should be pulled together to achieve a better picture of the opportunities for developments in the region.

- 13 Pam Alexander concluded the discussion by saying that some parts of the sector still hope that, things will get back to “normal”. SEEDA will continue to engage in the property and housing sectors which are a significant part of the South East economy to drive innovation as well as support this key element of the regional strategies.
- 14 The Board **NOTED** the impact of the recession on the property industry and the implications for the region’s economy as well as the key findings and recommendations of CB Richard Ellis Ltd work on the property market.

Item 6 South East Diamonds for Investment and Growth

- 15 The Chairman introduced Cllr Andrew Finney, Leader of the Basingstoke and Deane Borough Council and Chair of South East Diamonds for Investment and Growth and Michael Coughlin, Reading Borough Council Chief Executive and Lead Chief Executive, South East Diamonds for Investment and Growth. They jointly gave a presentation updating the Board on the South East’s eight major urban areas working together to drive the region’s growth, delivering planned housing development and securing reduction in the region’s carbon footprint, as well as advancing the region’s potential to deliver a sustainable, low-carbon, competitive economy. The presentation concerned high level targets and Board Members were assured that South East Diamonds for Investment and Growth are aligned to Regional Economic Strategy and there are many short term targets and goals which need to be completed.
- 16 Cllr Finney spoke about the South East Diamonds for Investment and Growth partnership across the eight Diamond areas, serving as a forum for the exchange of best practice, research into the impacts and drivers of growth and a platform for lobbying and profile-raising for the Diamond areas. Partnership working within individual sub-regions and across the eight Diamonds will make a contribution to driving economic growth and sustainable prosperity in the region. Diamonds will become more independent and self supporting in the future. The Diamonds’ targets link in with Local Area Agreement targets and, amongst others, tackle the issues of areas of deprivation which represent an untapped potential.
- 17 A discussion followed during which Board endorsed the importance of investing in the Diamonds for the benefit of the whole South East region. Jeff Alexander explained how sectors and place-based approaches were complementary within the Diamonds where SEEDA is working together with local partners to identify high impact opportunities.

- 18 The Diamonds are predominantly led by the public sector and ways of bringing private business into their work should be explored. Dolores Byrne spoke about Farnborough being an international brand with a great level of recognition which does not appear to be exploited in the area itself.
- 19 The Board **NOTED** the update provided by the South East Diamonds for Investment and Growth. Pam Alexander thanked Cllr Andrew Finney and Michael Coughlin for their presentation and their personal commitment, involvement and input over the last 3 years.

Item 7 Economic Conditions and SEEDA's Response

- 20 Paul Lovejoy presented a paper which pointed to signs that the rate of deterioration in business conditions in the South East has further slowed in May, suggesting that the downturn in the UK and South East economies appears to be bottoming out. Jeff Alexander reported a very successful year for inward investment as the South East is being used by companies as a base for expanding into Europe. Dolores Byrne described serious concerns within Higher Education sectors regarding funding cuts which could result in a reduced intake of students, and the concerns of the Small and Medium Enterprises who anticipate that the economic upturn will not happen until the year after next. Alex Pratt asked for a more visual 'dashboard' representation of economic conditions and trends to be developed.
- 21 The Board **NOTED** the report on the economic situation, and information on a range of practical initiatives currently being taken either by, or with the involvement of, SEEDA.

Action: *Item 7 – Economic Conditions and SEEDA's Response*

Paul Lovejoy to develop the concept of a dashboard and present a first draft for comment at the July Board meeting.

Item 8 Pathway to Zero Waste – update

- 22 Oona Muirhead introduced the item and noted with regret that the Chairman was not able to be present, as the issues of waste reduction were of a particular interest to him and he had made a great contribution towards the development of the programme.
- 23 SEEDA has a role in developing the economic opportunities from improved resource management, and encouraging and facilitating the development of regional and sub-regional recovery and processing infrastructure. The objective is to join the national, regional and sub-regional delivery partners together around a common objective and to get the public and private sectors working together to establish a culture of resource efficiency in the region, sustained through strong demand and effective market mechanisms for trading in surplus and waste material, and supported by adequate

infrastructure and logistics. SEEDA is providing the regional leadership for the initiative, which is seen by government as a national pilot, with the knowledge gained being transferred to other parts of the UK and Europe.

- 24 Zenna Atkins strongly endorsed the Pathway to Zero Waste programme and the Board discussed the ways of communicating this success story to a wider audience. Dolores Byrne said that the programme offers opportunities to target waste and save money, which is of a particular importance currently. Les Dawson gave the example of water companies which draw 10% of their power from waste.
- 25 The Board **NOTED** the Pathway to Zero Waste Programme which focussed on tackling construction and food waste, and waste wood; that the region did meet the 2008 Corporate Plan target; and that the Corporate Plan targets are consistent with the commitment by Pathway to Zero Waste to halve construction waste to landfill by 2011, but will require a significant increase in performance in later years to achieve a 90% reduction by 2020.

Fit for the Future discussion – Chief Executive and Board Members only

- 26 The Chief Executive informed the Board Members of the proposed timetable and possible changes to the Executive team as the Fit for the Future consultations begin. The Board endorsed her proposals.
- 27 Following discussion by Board Members, Executives rejoined the meeting.

Item 9 Corporate Re - Plan

- 28 Paul Lovejoy introduced the paper and [REDACTED] updated the Board on the latest figures relating to the corporate re-plan. The Board were encouraged to provide their input and suggest changes.
- 29 An up-dated version of Annex 1 of the Corporate Plan was circulated. This will change as outcome and output targets are re-calculated. There was discussion about the ease, or otherwise, with which absolute, as opposed to percentage, targets were to be achieved. There would be a full review of SEEDA's targets mid-year and new targets proposed. [REDACTED] also circulated an up-dated table showing achievement of Core Outputs for the year 2008 - 09.
- 30 The Board discussed the figures presented by [REDACTED]. The Board requested that all papers should be distributed well in advance in order for the Board Members to be able to read and prepare for the discussion. A number of practical proposals were also made regarding the development and presentation of targets.
- 31 Oona Muirhead emphasised that [REDACTED] work would be developed as a key tool to allow SEEDA to understand how to look both at sector and place together.

- 32 The Board **ENDORSED** the draft Corporate Plan Refresh document submitted to ministers for approval.

Action: *Item 9 - Corporate Re - Plan*

Paul Lovejoy to bring a final version of the document to the July Board Meeting.

Item 10 Financial and Operational Review – Full End Year Report

- 33 Robert Crawford reported on the welcome reduction in SEEDA's accruals and informed the Board that the level of retrospective purchase orders continues to decrease and has reduced to 5% in March.
- 34 The Board **NOTED** the Financial and Operational Review – Full Year 2008 - 09.

Item 11 Corporate Scorecard

- 35 [REDACTED] presented the Core Outputs Performance Table 2008/09 which provided a summary of actual achievement against the agreed targets for the core outputs required by the Department for Business, Innovation and Skills and identified in the Corporate Plan. The Board were updated on the Corporate Scorecard which reported on key aspects of SEEDA's operation and business for the full year 2008/09. The table and the scorecard had been updated to the changing priorities during the year and all the targets had been either achieved or exceeded which demonstrated the agency's strong performance.
- 36 The Board **NOTED** the table showing performance against the core outputs for last year and the highlight summary from the corporate scorecard report for the year ending March 2009.

Item 12 Projects

- 37 The Board **NOTED** the list of projects.
- 38 The Board **NOTED** the minutes of the Major Projects Committee which were confirmed as a correct record of the meeting.

Item 13 Chairman's Report

- 39 The Board was informed that the SEEDA Chairman attended the fifth meeting of the South East Economic Delivery Council on 2 June 2009, chaired by Jonathan Shaw, Regional Minister for the South East. The

meeting focussed on the successful multi-agency response to redundancies led by the Regional Employment & Skills Task Force. An update on the new South East Financial Services Forum chaired by Pam Alexander had also been received.

- 40 The Chairman's report also reported on his visit to Libya to identify the types of companies, services and products that are most needed to fill capability and capacity gaps in the Libyan market.
- 41 An update was provided on the Chairman's meeting with Paul Carter, Kent County Council Leader and representatives of the Clydesdale Bank, on 15 May 2009 in Tunbridge Wells. The meeting discussed general bank models whereby local authorities could assist the local economy. It was emphasised that this was at a very early stage.
- 42 Pam Alexander reported on the Design and Innovation Dinner which took place on the 15 June, jointly hosted by SEEDA and the Design Council. The event provided an important opportunity for the Design Council and SEEDA to brief South East businesses, Higher Education establishments and partner organisations on the design and innovation activities being delivered in the South East.
- 43 The Board **NOTED** the Chairman's report.

Item 14 Agency Report

- 44 The Chief Executive informed the Board that the Freedom of Information requests have doubled in volume recently, compared to the same quarter last year. SEEDA would put all relevant information onto its website in order to be transparent.
- 45 Pam Alexander reported to the Board the changes to the Government's organisation and structure. A new single integrated Department for Business, Innovation and Skills whose key role will be to build Britain's capabilities to compete in the global economy was created by merging BERR and DIUS. Lord Mandelson became First Secretary of State, Secretary of State for Business, Innovation and Skills and Lord President of the Council; Pat McFadden became Minister of State (Business); Rosie Winterton became Minister of State (Regional Economic Development and Co-ordination) shared with Department for Communities and Local Government; John Healey became Minister of State (Housing) and John Denham became Secretary of State for Communities and Local Government. These changes could impact on SEEDA's lead roles.
- 46 Pam Alexander spoke about her meeting with John Armit, Chair of the Olympic Delivery Authority, prior to the Olympic Delivery Authority Stakeholder Conference and Exhibition, to promote the values to businesses of using CompeteFor, the RDA-funded website for the publication of Games-related contract opportunities. The Conference and Exhibition attracted over 500 South East businesses, and the audience

was encouraged to continue to use CompeteFor and apply for 2012-related contract opportunities.

- 47 The Women's Enterprise Task Force is coming to the end of its three year remit in November 2009. A final report which sets out the key issues in women's enterprise in the UK and recommendations for how these can best be addressed in the future is being prepared for submission to BIS in the near future.

Fit for the Future – Feedback from SEEDA Change Management Steering Group

- 48 Robert Crawford updated the Board on the Voluntary Early Release Scheme which has been taken up by 48 members of staff. The Voluntary Early Release Scheme has to adhere to the conditions of the Civil Service Compensation Scheme. Decisions and announcements will be made to staff before the end of June. A risk analysis on the impact of reshaping SEEDA has been conducted. Work is being done on the risk register which will be completed in due course. The impact of the changes on staff morale, productivity and reduction in innovative thinking has been discussed.
- 49 Pamela Charlwood stated that the Audit Committee should consider the need for parallel risk registers, one for business as usual and another one taking into the account the management change.
- 50 Pam Alexander reported to the Board on the All Staff Briefing which took place on 22 May 2009. The meeting proved to be successful with excellent participation and constructive dialogue. Staff had also been informed about changes to the way in which the agency would do its work, including changes to internal controls, putting checks and balances in place to ensure that best decisions are made. The general feeling amongst the staff was positive and it was felt that more information had been given than was expected.
- 51 At a recent Programme Board workshop, the proposed new structure was reviewed with Board Members. A new, much simpler pay and grading system was also discussed which would reduce the number of pay grades substantially. This would be consulted upon in parallel with the Fit for the Future consultation process..
- 52 The Board **NOTED** the Agency Activity Report for May and June which represented a cross section of reports from within SEEDA organised according to the themes of SEEDA's Corporate Plan 2008-11.

Item 15 AOB

- 53 There was no other business.

SEEDA BOARD MEETING

SUMMARY OF ACTIONS

18 JUNE 2009 MEETING

Action: *Item 4 – Developing the New Regional Strategy*

Paul Lovejoy to advise on the possibility of Board Members deputising for the Partnership Board, Strategy Board and three Delivery Boards.

This has now been agreed.

Action: *Item 4 – Developing the New Regional Strategy*

Paul Lovejoy to ensure that the briefings for and the feedback from Partnership Board, Strategy Board and three Delivery Boards are included as regular agenda items for future Board meetings.

In progress.

Action: *Item 7 – Economic Conditions and SEEDA's Response*

Paul Lovejoy to develop the concept of a dashboard and present a first draft for comment at the July Board meeting.

Included in July Board papers, item 10.

Action: *Item 9 – Corporate Re- Plan*

Paul Lovejoy to bring a final version of the document to the July Board Meeting.

Included in July Board papers, item 8.

14 MAY 2009 MEETING

Action: *Item 4 – Oxfordshire Area Update*

Paul Lovejoy to ensure that the issues surrounding Junction 9 of the M40 are pursued.

Paul Lovejoy to ensure that this issue is included in the next report back from Regional Transport Board at September Board meeting.

Action: Item 5 – Programme for Green Economy

██████████ to ensure that SEEDA's input into London Array is promoted to the media.

Restrictions on publicity until the June local elections prevented SEEDA from actively promoting this while the London array was a topical media issue. We continue to explore potential to promote our input, however, since June the story has been overshadowed by coverage of the Vestas closure consultation.

Action: Item 9 – Major Projects and Programmes

Lee Amor to develop the business case for Property Regeneration Partnerships and bring it back to Major Project Committee and SEEDA Board.

A special MPC meeting dedicated to Property Regeneration Partnerships is proposed for September and the Property Regeneration Partnerships paper will be discussed during the November Board Meeting.

Action: Item 11 – Audit Committee Minutes

██████████ to bring proposals on governance of Special Purpose Entities to the Audit Committee and to the following Board Meeting.

Phil Wood is meeting with the individuals responsible for Audit in each of SEEDA's SPVs to discuss governance.