

**MINUTES OF THE 99<sup>TH</sup> MEETING OF THE  
SOUTH EAST ENGLAND DEVELOPMENT AGENCY**

**HELD ON 11 DECEMBER 2008**

**SEEDA HQ, GUILDFORD**

**Present:**

Jim Brathwaite (Chair)  
Rob Anderson  
Dolores Byrne  
Pamela Charlwood  
Poul Christensen  
Imtiaz Farookhi  
Keith House

Sue John  
Peter Jones  
John Peel  
Alex Pratt  
Keith Riley  
Bill Wakeham  
Phil Wood

***In attendance:***

Pam Alexander  
Lee Amor  
Robert Crawford  
Oona Muirhead

Barbara Hammond (minutes)  
Barbara Buczek  
Arno Schmickler (Item 4)  
Julie Anderson (Items 5 and 10)  
Martin Tugwell (Item 6)  
Ivan Perkovic (Item 9)  
Colin Byrne  
Isabella Szredzki

**Item 1                      Welcome and apologies for absence**

- 1 Apologies were received from Bob Goldfield and Paul Lovejoy.

**Item 2                      Declarations of Interest**

- 2 In respect of item 11, Projects: John Peel as Chair of West Sussex Economic, Skills and Enterprise Committee.
- 3 In respect of item 13, Agency Report: Dolores Byrne on the ASTRAEA project.

**Item 3                      Minutes of the last meeting**

- 4 Pam Alexander with the Board's agreement corrected the action noted for item 7a which should be changed from 'revert to the Board' to 'revert to Major Projects Committee'. She also asked that drafting should be added to the beginning of paragraphs 35 and 41 to record the Major Projects Committee recommendations for items 7a and 7b.

- 5 Peter Jones asked for paragraph 50 to be revised to '\$2-3 trillion has been taken off the capital of the world banking system'
- 6 **Matters Arising**  
Jim Brathwaite confirmed his re-appointment as SEEDA Chair for a further year until 11<sup>th</sup> December 2009 in order to ensure continuity in the current economic climate. He also confirmed that the appointment for a new Chair would start in the New Year.
- 7 Pamela Charlwood welcomed Jim Brathwaite's re-appointment but raised concerns about the Government's handling of the process so far. Phil Wood emphasised the need to handle candidates carefully, both past and prospective. Colin Byrne assured the Board that Jonathan Shaw had made these concerns known in central Government. Pam Alexander confirmed that the situation has been discussed with the original candidates and asked that GOSE should try to get a commitment from Government to timely process this time since candidates would certainly query this.
- 8 **South Hampshire**  
A meeting is now set to discuss action on the access road to the employment zone at Eastleigh.
9. **London 2012**  
London 2012 activity is now focused on an action-oriented, 'triple gold' approach.
10. **Major Projects and Programmes**  
Pam Alexander has now approved the proposal for the 'Leadership and Management Specialist Advice Service' following a positive value for money appraisal.
11. **Operations**  
A national front chapter for PWC's Impact Evaluation Framework report has been agreed which sets out the positive messages coming out of the report.
12. **Agency Report**  
Oona Muirhead has met with Job Centre plus, the Learning and Skills Council and GOSE to discuss how to rationalise skills delivery at the regional level. She and Paul Lovejoy will include the outcomes of these discussion in the January Board paper on 'Sub-regional Partnership Arrangements'. Pamela Charlwood and Alex Pratt are supporting and championing this work.

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**Action: Paul Lovejoy and Oona Muirhead** to address rationalising sub-regional structures including mergers between Employment and Skills Boards and Economic Partnerships. To revert to Board In January as part of the paper on Sub-regional Partnership Arrangements

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**13. MKOB Area Update**

Pam Alexander reported that SEEDA has submitted a business case to the LloydsTSB Chief Executive on the benefits of an Aylesbury location following the Lloyds TSB merger with HBOS. She and Jim Brathwaite have asked for a meeting on the basis of that work.

**14. Environment Agency**

Oona Muirhead is still pursuing the point about consistent guidance on flood defence.

**15. Regional Funding Advice**

Pamela Charlwood said that it would be valuable to reflect on how the RES Partners' Conference would be used to gain guidance on Regional Funding Advice given that it meets the day after the Board will be asked to agree the advice.

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**Action:** please see action recorded under item 9 of the main agenda.

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### **Items for Discussion**

**Item 4**

#### **Europe Progress Report**

16. Jim Brathwaite reported a very successful trip to Brussels which had identified a number of opportunities for collaboration. Danuta Huebner had asked for SEEDA help to improve the EU image in China and had responded very positively to our 'partner regions' idea. This would be particularly important in the current economic climate.
17. Pamela Charlwood reported a good scene-setting meeting with employment and skills officials but suggested that significant further work would be needed in order to move forward from information exchange to real outcomes. Sue John and Oona Muirhead endorsed this view.
18. Dolores Byrne and Bill Wakeham reported a disappointing set of meetings on innovation and enterprise mainly due to the level of officials who attended the meetings. The right level of engagement is critical if SEEDA is to influence the policy agenda or win funding for the region.
19. Jim Brathwaite and Lee Amor reported positive discussions with transport officials, particularly on transport corridors and the public private partnership best practice centre in Luxemburg. There is money to spend; for example, if the Lower Thames Crossing became a main EU project there would be funding to support it.
20. Keith Riley and Jeff Alexander reported good meetings on small business once the purpose was clearly understood by Commission officials. The South East needs to be proactive if we are to be front runners and engage consistently over the long term. There is much positive work on

SMEs going on in Brussels: a lot of the requirement for reporting is being cut out; on high-growth SMEs, support will remain throughout the life of an activity; pre-qualification for SMEs tendering for publicly procured contracts is being removed. There was real engagement from officials on renewables and environmental technologies. There is a funding call going out on women's enterprise for which the Commissioner will visit the South East.

21. Jeff Alexander gave his impression that the Global Regions side of our work was where much benefit might lie for SEEDA engagement in Europe, building on very positive meetings he and Jim Brathwaite had on China.
22. Points made by Board Members in discussion of these reports included:
  - The need to make work in Europe a much more integral part of what we do if we see serious benefit in engaging
  - Aligning ourselves strongly to a few focus areas and putting the right level and amount of resource into getting results out of them
  - The need to identify the key Directorates, officials and like-minded regions to work with
  - The need to influence at home to stop Government adding rules, for example on State Aid, that make it more difficult for UK businesses to compete for funding
23. Pam Alexander summed up the discussion by identifying four key priorities for action she had taken out of the discussion:
  1. Global Regions could be a key area of benefit for SEEDA focus
  2. The Commission shares with us a focus on Environmental Technologies
  3. We need to help our businesses to get through the bureaucracy
  4. We need to shape the Brussels office to be fit for purpose in getting SEEDA in to see the right people at the right time
24. Sue John reminded the Board that the paper and discussion gives the framework for the development of a full Action Plan. Jim Brathwaite asked that the Action Plan be brought to the Board at its meeting in January.

<p><b>Action: Paul Lovejoy</b> to bring a full action plan on Europe back to the Board in January.</p>
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## **Item 5 Corporate Plan – Investment Mapping**

25. Julie Anderson presented current work mapping Corporate Plan priorities and funding onto the geography of the region.

26. The Board strongly welcomed the work. Keith House asked how the work relates to the world now rather than that of six months ago. Pam Alexander said that the next meeting and the Awayday in February would look at what shift was required; this was the base material and any changes would need to be negotiated with partners via the Area Teams. Phil Wood asked that papers and presentations should be drafted with the new Board Members in mind to bring them up to speed quickly.

**Action: Robert Crawford** to bring a paper back to the Board for its Strategy Awayday building on the mapping exercise to inform investment priorities for the future. The paper also to address how SEEDA is re-shaping budgets to meet the needs of businesses in the present climate.

27. Jim Brathwaite asked whether it would be useful to see the material regularly. Imtiaz Farookhi was clear that it would be useful so that the Board could interrogate distribution by theme and by place. Dolores Byrne and Alex Pratt made the link back to the Europe item; if SEEDA's budget is reduced, there needs to be a parallel strategy for securing funding from Europe. Keith Riley asked for a more condensed format to be issued once a quarter.
28. Pam Alexander gave her view that this work was a good and necessary step forward but not sufficient. In order to map where the Agency needs to be in the future, it must include all funding not just Single Pot and it needs to map leverage as well as funding. She thanked the many people across SEEDA who had contributed to the work. The new structure of the Area Teams was particularly important in allowing enough resource at the right level to be devoted to this work.

## **Item 6 Government Office South East**

29. Colin Byrne reported on recent changes to Government funding plans through the Pre-Budget Report. Spend on housing and regeneration is being brought forward with most going to Local Authorities for the Decent Homes programme and major repairs. £100m will go to social rented housing and £100m to regeneration, presumably through the Homes and Communities Agency. £800m will go to schools, mainly primary schools. Higher and Further Education spend will be brought forward and there is to be a Department of Innovation, Universities and Skills announcement on this shortly. There are smaller pots available for energy efficiency amongst other things with different bidding processes for each pot.
30. A number of Board Members commented that they were only hearing of these plans through Press Releases and it was not clear how to access the funding. Pam Alexander said that it was mostly not new money, but money being brought forward. Funding in 2011-2012 would therefore be very difficult. Rob Anderson asked for flexibility for Local Authorities to acquire sites; Registered Social Landlords are not taking the opportunity.

31. Colin Byrne reported on the regional tallies for Growth Area funding which had come out the day previously. £93m of new money had been made available for 2009-10 and 2010-11. Each of the 12 areas had been given an increase against indicative totals. Urban South Hampshire got everything it asked for with a 24% increase. Basingstoke has an 80% increase. Ashford and Milton Keynes got significant increases. Aylesbury got a 58% increase.
32. Imtiaz Farookhi expressed interest in developing a regional approach to retrofitting housing. Colin Byrne said that Mike Kelly, Chief Scientific Advisor at CLG was leading on some work. Jim Brathwaite agreed on the importance of this work.
33. Colin Byrne reported to the Board on the outcomes of the Sub-National Review (SNR), Regional Select Committees and the first meeting of the South East Economic Development Council (SEEDC). On the SNR, a joint duty has been placed on RDAs and Local Authorities to develop and agree a regional strategy. There is still a question over delegation. A Bill has already been introduced on the Local Authority duty on economic assessment. Membership of regional select committees would be decided using national, not regional, proportions of MPs and membership will be set in January. The first investigation should be under way in February. The first SEEDC meeting was a good first scoping one; the next meeting will be in early January.

### Items for Decision

#### Item 7                      Regional Funding Advice

34. Martin Tugwell introduced the paper whose purpose was to set out principles and approaches for Board agreement rather than content. A further paper on content will be brought to the January Board meeting.
35. The Board **agreed** the principles and approaches set out in paragraphs 25-31 of the paper. Board discussion emphasised the need for ambition and bravery in the current economic conditions based on very good stakeholder engagement. Particular issues identified were:
  - How the on-going regeneration of East Sussex fits into our strategy including Newhaven, Eastbourne-Polegate and the Brighton and Hove Diamond
  - Linkages with the skills agenda. Pamela Charlwood and Phil Wood expressed interest in helping on it
  - The need for a 'can-do' culture which ensures that investment brought forward can be delivered, particularly on the issue of housing retrofitting
  - Focusing on longer term wealth-generating capacity rather than just supporting business and protecting employment today

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**Action:** Paul Lovejoy to bring full advice to Board for approval in

## **Item 8 Major Projects and Programmes**

### **Item 8a Rushenden Link Road and Utilities**

36. Lee Amor introduced the item. The Queenborough and Rushenden Regeneration (QRR) Scheme is one of SEEDA's five key Thames Gateway development projects. It will deliver some 180,000m<sup>2</sup> of employment space and 2,000 new homes with new education, health and community facilities and a 180 berth marina. This scheme will be an exemplar in terms of sustainability and low carbon development and community empowerment. Key to this delivery is the provision of the major infrastructure being the Rushenden Relief Road (RLR) and primary utility upgrades.

SEEDA has secured private sector investment for Section 1. The Board has already approved £13.2m for Section 2 to be funded by the Department of Communities and Local Government (CLG) (£12m) and SEEDA (£1.2m). This project seeks approval to the additional funding of £3.75m for Section 3 to be provided by CLG, who has responded positively to SEEDA's lobbying for this additional funding. They asked that SEEDA completes its approval process prior to making a formal application to CLG, to utilise any underspend or opportunity to relocate Thames Gateway budgets.

37. John Peel reported the recommendation of the Major Projects Committee that the project should be agreed.
38. The Board **approved** the investment of £3.75m, to be provided by the CLG, in the construction of Section 3 of the Rushenden Link Road and the procurement of key utilities as single tender actions for the Queenborough and Rushenden Regeneration Project.

### **Item 8b POWER Inter-regional Programme**

39. Jeff Alexander introduced the item and explained to the Board that it had been brought to Board because SEEDA is accountable for the full 5.8m euros of spend. The POWER programme has been designed to work with six other European regions to identify the best ways of driving low carbon economies in order to meet the ambitious targets set by the EU for 2020 and related national targets. Bill Wakeham suggested that the funding should be kept in euros and dealt with through the Brussels bank account given current exchange rates. Rob Anderson reminded the Board of the importance of a full audit trail on the programme given some difficulties with tracking documentation for the original GROW programme.

40. John Peel reported the recommendation of the Major Projects Committee that the programme should be approved.
41. The Board **noted** that SEEDA has secured funding, on behalf of the South East and six European partner regions, of up to 5.8 million euros (£4.2m) for the POWER Inter-regional Programme funded through INTERREG IVC and **agreed** that SEEDA should take on the obligations of Lead Partner.

## **Item 9 Economic Conditions and SEEDA's Response**

### **Item 9a Monthly Economic Commentary**

42. The Board **noted** SEEDA's monthly economic commentary to Treasury for December. Ivan Perkovic presented the latest information on the economic situation which had formed the basis for the commentary.
43. Board members found the presentation very useful and asked for further detail on the impact on particularly important sectors of the economy such as construction and housing, defence and aerospace. The perspective of the voluntary and community sectors is also important; the Citizens' Advice Bureaux should be a good source of information on impacts of the downturn.
44. Board members asked how this information would be used to shape the RES Partners' Conference and the Board Strategy Day. Dolores Byrne asked for more information on the shape of industry across the South East and where the job losses would be.

<p><b>Action: Paul Lovejoy</b> to circulate the programme and objectives for the RES Partners' Conference to Board for comment.</p>
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45. Board member discussed possible implications for SEEDA activity. Public sector construction will be a key area to help pull us through the downturn. It is therefore unfortunate that NHS Trusts are being forced to put public private partnership funding onto their balance sheets. Pamela Charwood asked for a briefing note on that for the Regional Funding Advice process. Imtiaz Farookhi said that SEEDA should wait for a clearer understanding of the shape of the recession before making radical changes and we would not have this before March. Keith Riley endorsed this view and said that there seems to be an economic discontinuity, such as the current one, once every 78 years where a different shape emerged. We do not yet know what the new shape of the economy will be. Dolores Byrne said that investment in skills would be important to ensure that we were ready for the upturn, particularly environmental, energy and nuclear skills. Keith House mentioned a possible way of supporting the housing industry by offering to buy unsold stock at a

guaranteed floor value based on building cost plus land value plus a small profit.

### **Item 9b SEEDA's Response and Bridging Mezzanine Debt Fund**

46. The Board **noted** and **endorsed** SEEDA's response to the current economic conditions presented by Jeff Alexander. SEEDA has taken significant action in response to the downturn including: Strategic Leadership, co-chairing the South East Economic Delivery Council and establishing mechanisms for ensuring early and rapid response to key business announcements; Monthly Economic Assessments for Government, providing in-depth economic analysis and real-time business intelligence; and refocusing Business Support and implementing new interventions. He emphasised that this new SEEDA activity was important although it represented tiny amounts of funding relative to the size of the South East economy because it is focused on high-growth businesses.

### **Item 10 Operations**

#### **Item 10a Financial and Operational Review** **Item 10b Half Year Output Performance**

47. The Board **NOTED** the reports introduced by Robert Crawford. RDA's have committed to pay invoices from SMEs within 10 days of receipt. 85% of all invoices to SEEDA are already paid in this timescale, so the new requirement should not pose problems although it would require those raising questions to be sorted out quicker.
48. Board members requested an update on the position with Retrospective Purchase Orders and timely payment of invoices before the next Audit Committee in March.

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**Action: Robert Crawford** to update the Audit Committee on retrospective purchase orders and payment of invoices within 10 days before its next meeting in March.

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49. Board members were concerned that information contained in both reports referred back to October. Normal business practice is to be able to produce accounts within 5 working days. Pam Alexander explained that November's figures were now available and had been discussed by the Executive Board. John Peel suggested that a way forward would be for Robert Crawford to update the figures at the Board meeting as had occurred previously.

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**Robert Crawford** to present up-dated figures at Board meetings to supplement papers which are normally agreed 10 days in advance.

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**Item 11                      Projects**

50. The Board **NOTED** the list of projects.
51. **Major Project Committee minutes** The minutes were confirmed with one change to the date of the next meeting.

**Item 12                      Chairman's Report**

52. The Board **NOTED** the Chairman's report referring to Chairman's activities in the region. The Chairman mentioned the South East England Economy Delivery Council which he chaired jointly with Jonathan Shaw, regional minister of the South East.

**Item 13                      Agency Report**

53. Pam Alexander presented the report and added a verbal report of the very successful All Staff Awayday held on 5<sup>th</sup> December which the Chairman had attended.
54. John Peel asked for confirmation that the SFIE programme now applied across the region on a level playing field. Jeff Alexander confirmed that this is now the case for SMEs.
55. John Peel asked for confirmation that the new free healthchecks through Business Link were available to all businesses. Jeff Alexander confirmed that this was the case from the date of their announcement.
56. Alex Pratt asked whether the Broadband survey is now up on the website and available. Jeff Alexander will confirm to him that it is.

**Item 14                      Any other business**

57. Jim Brathwaite thanked retiring Board Members Poul Christensen, John Peel, Keith House and Rob Anderson for their excellent contributions to the SEEDA Board.
58. Jim Brathwaite thanked Isabella Szredski for her work as Interim Communications Director, particularly the higher and more positive media profile she has achieved for the Agency.

**SEEDA BOARD**  
**SUMMARY OF ACTIONS**  
**11<sup>th</sup> DECEMBER MEETING**

**Action:** *Item 3, Minutes of Last Meeting*

**Paul Lovejoy** and **Oona Muirhead** to address rationalising sub-regional structures including mergers between Employment and Skills Boards and Economic Partnerships. To revert to Board In January as part of the paper on Sub-regional Partnership Arrangements.

*January Board Meeting, Agenda Item 8.*

**Action:** *Item 4, Europe Progress Report*

**Paul Lovejoy** to bring a full action plan on Europe back to the Board in the January.

*January Board Meeting, Agenda item 5.*

**Action:** *Item 5, Corporate Plan Investment Mapping*

**Robert Crawford** to bring a paper back to the Board for its Strategy Awayday building on the mapping exercise to inform investment priorities for the future. The paper also to address how SEEDA is re-shaping budgets to meet the needs of businesses in the present climate.

*To be discussed at the February Awayday.*

**Action:** *Item 7, Regional Funding Advice*

**Paul Lovejoy** to bring full advice to Board for approval in January.

*January Board Meeting, Agenda item 10.*

**Action:** *Item 9, Economic Conditions*

**Paul Lovejoy** to circulate the programme and objectives for the RES Partners' Conference to Board for comment.

*Completed*

**Action:** *Item 10, Operations*

**Robert Crawford** to update the Audit Committee on retrospective purchase orders and payment of invoices within 10 days before its next meeting in March.

*January Board Meeting, Agenda item 12.*

**Robert Crawford** to present up-dated figures at Board meetings to supplement papers which are normally agreed 10 days in advance.

*To be discussed at the January Board Meeting, Agenda item 12.*

### **30<sup>th</sup> OCTOBER MEETING**

**Action:** *Item 5, South Hampshire – reflections on issues raised at the dinner*

**Jim Brathwaite** to ask Jonathan Shaw to intercede with Network Rail to get action on the access road to the Employment Zone at Eastleigh.

*Network Rail now engaged through SE Infrastructure Dinner and meeting date fixed.*

**Kathy Slack** to consider with PUSH how to maximise the value of the marine heritage in Southampton.

*Kathy Slack taking forward with Southampton City Council.*

**Action:** *Item 7, Major Projects and Programmes*

*a. South East European Regional Development Fund Competitiveness Programme*

**Action:** **Oona Muirhead** and **James Ruel** to consult with local authorities about match-funding of up to 25%, carry out a risk assessment on currency fluctuations, and revert to MPC.

*Will be taken to MPC after consultations.*

**Action:** *Item 10, Operations*

**Julie Anderson** to identify projects that could be moved forward against an underspend in the Programme budget.

*January Board Meeting, Agenda item 12.*

**Julie Anderson** and **Isabella Szredski** to prepare a communications strategy for the Impact Evaluation Framework report.

*January Board Meeting, Agenda item 12.*

## 18<sup>TH</sup> SEPTEMBER MEETING

**Action:** *Item 5, MKOB Area Update*

**Jim Brathwaite** and **Pam Alexander** to meet with LloydsTSB management at very senior level to make the case for the 2000 jobs at Aylesbury.

*Case for Aylesbury submitted and meeting requested.*

**Action:** *Item 6, Environment Agency*

**Oona Muirhead** and **Environment Agency** to pick up the issue of consistent guidance of flood defence.

*In hand.*

**Action:** *Item 10, Government Office South East*

**Paul Lovejoy** to consider with **Jim Brathwaite** and **Pam Alexander** SEEDA contacting regional MPs on Regional Select Committees.

*Still being formed.*