

SOUTH EAST ENGLAND DEVELOPMENT AGENCY

BOARD MEETING ON 11 DECEMBER 2008

ITEM 9 b

ECONOMIC CONDITIONS AND SEEDA's RESPONSE

Recommendation

The Board is invited to **NOTE and ENDORSE** SEEDA's response to the current economic conditions

Background

The global economic downturn will undoubtedly have a major impact on the South East economy and businesses. SEEDA has already taken significant action in response to the downturn which has included:-

- 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
- Refocussing Business Support and implementing new interventions

Strategic Leadership

South East Economic Delivery Council

SEEDA worked with GO-SE to establish the South East Economic Delivery Council. The Council is co-chaired by the SEEDA Chairman and the Regional Minister (Jonathan Shaw) and is made up of representatives of businesses and organisations from a range of sectors across the South East. The purpose of the Council is to support an effective Government response to the current economic situation in the South East and provide a forum for Members to voice their concerns about economic issues that may be affecting them in the current financial climate to the new Regional Economic Council, on which both James Brathwaite and Jonathan Shaw sit.

The Council met for the first time on 24 November 2008.

South East Briefing

SEEDA has also established internal mechanisms to bring high level understanding, consideration and decisions to the challenges facing businesses in the South East. The Group, known as South East Briefing (SEBR), chaired by the Chief Executive meets every Monday morning to receive immediate information on the restructuring and redundancy

announcements pertinent to the South East and ensures an effective and joined up response to restructuring/redundancy support to business as well as considering second order and long term issues. SEBR also brings together the various economic assessments and the intelligence in the Agency into one place.

SEBR is supported by a newly established Internal Business Task Force chaired by Jeff Alexander which brings together, amongst other parties, SEEDA's Investor Development support, Continuous Employment Support Service and the AREA Team to ensure arrangements for SEEDA's response are implemented.

Monthly Economic Assessments

SEEDA is required to provide, for Government, a short monthly brief on the Agency's assessment of the economic performance of the region in the previous month. This document, produced by SEEDA's Research and Economics Team contains business specific intelligence (e.g. redundancies, new jobs or businesses at risk). A process for securing contributions from SEEDA funded partners (e.g. Business Link, Sector Consortia), Business Membership Organisations and the Sub-regional partnerships has been established and is working well. The results are feedback to Contributors and to Local Authorities.

SEEDA's Response to Support Businesses

SEEDA has, in common with all RDAs, reprioritised its focus and resources to help and support vulnerable businesses experiencing difficulties as a result of the economic downturn. SEEDA was one of the first RDAs to publish, jointly with HM Treasury and BERR, a document (7 August) setting out a joint response to the current economic challenges faced by businesses. The document was launched at a Business Breakfast attended by over 50 businesses during which a SEEDA funded £10m regional response to the prevailing economic situation was announced.

SEEDA has subsequently refocused its priorities, in particular establishing the Bridging Mezzanine Loan Fund which has now become the Regional Transition Loan Fund. A paper on the Fund is at annex B.

The attached Annex A sets out what SEEDA is doing for businesses in the current economic downturn. In summary, the package reflects:-

- More intensive support for SMEs to provide help with cash flow, resource efficiency, debt and liquidity problems
- Introduction of tailored support schemes including enterprise loan funds
- Extended coverage of the Grants for Business Investment scheme
- Boosted resources for maximising international market opportunities - working with UKTI

Continuous Employment Support Service

SEEDA, in 2008, launched a new brokership, the Continuing Employment Support Service, consisting of two brokers, who use their skills by building on existing partnerships with funded organisations, to broker support to all companies declaring redundancies. They can offer early support to all companies, including those making fewer than 20 people redundant. The SEEDA brokers liaise closely with JCP and SEEDA IDMs to ensure a co-ordinated package of support can be given. More detail is in the attached Annex A.

Communications Issues

RDAs are positioning themselves as part of the solution to the current economic difficulties. Therefore it is critical that SEEDA is seen to be responding positively. The attached script will be sent out to SEEDA stakeholders and partners. An internal Bulletin will have been issued to SEEDA staff before the Board meeting on 11 December. SEEDA is working on a Business Link regional campaign to supplement the Business Link national campaign.

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