

**MINUTES OF THE 93<sup>rd</sup> MEETING OF THE  
SOUTH EAST ENGLAND DEVELOPMENT AGENCY**

**HELD ON 20 MARCH 2008**

**GUILDFORD**

**Present:**

Jim Brathwaite (Chair)	Jonathan Shaw MP, Regional Minister (items 1-4)
Rob Anderson	Joe Speck, PPS to the Regional Minister (items 1-4)
Pamela Charlwood	Philippa Lloyd, BERR
Poul Christensen	Howard Ewing, GOSE
Dolores Byrne	Kalwant Ajimal, Culture SE (items 5-6)
Imtiaz Farookhi	Julie Amies, Culture SE (items 5-6)
Bob Goldfield	Nigel Walmsley, Tourism SE (items 5-6)
Keith House	Bob Collier, Tourism SE (items 5-6)
Sue John	Barbara Hammond, SEEDA (item 7)
Peter Jones (items 6-16)	Keren Jones, SEEDA (items 8-9)
John Peel (items 1-13)	Jonathan Sadler, SEEDA (item 11)
Keith Riley	
Bill Wakeham	
Phil Wood	

**In attendance:**

Pam Alexander	Tahnee Wright (minutes)
Jeff Alexander	Barbara Buczek
Lee Amor	
Paul Lovejoy	
Oona Muirhead	
John Parsonage	
Duncan Straughen	

**Item 1 Welcome and apologies for absence**

1. The Chairman welcomed guests to the meeting: Jonathan Shaw (Regional Minister), Joe Speck (Private Secretary to the Minister), Philippa Lloyd (Deputy Director General Regions, Department of Business, Enterprise and Regulatory Reform), and Howard Ewing (Acting Regional Director, Government Office for the South East).
2. Apologies were received from Alex Pratt.

**Item 2 Minutes of the last meeting (31 January 2008)**

3. It was agreed that paragraph 55 of the draft minutes be amended to respect commercial confidentiality. In addition, a figure in paragraph 27 was recorded incorrectly. Subject to these two amendments the minutes were approved as a correct record of proceedings.

### *Matters arising*

4. Media training is to be trialled in April by the Executive before being offered to Board Members. The Minister commented that his recent experience of media training had been very useful and he invited the Chairman and Chief Executive to meet with him to discuss select committees.
5. Oona Muirhead presented a short paper updating the Board on progress streamlining rural arrangements in the region, a key element of which establishing a single Rural Board. Poul Christensen added that there is a real need for clarity with everyone working to a single agenda. Board Members supported this approach, including the work in hand to obtain better evidence about the economic, social and environmental impacts of current policies on the rural sector. The Board **NOTED** the paper.

### **Item 3          Declarations of interest**

6. In respect of Item 10, John Peel as a Director of the West Sussex Economic Partnership and in respect of his involvement in the Gatwick Diamond, and Item 13, project 53 as Chair of the Central Sussex College Corporation. In respect of Item 13, project 29, Poul Christensen as Chairman of the Quadrant Partnership (Oxfordshire).

### **Item 4          Regional Minister**

7. The Chairman again welcomed the Minister to the meeting, highlighting that despite the current financial crisis the economy of the South East remains strong.
8. The Minister acknowledged this, stating that the economic success of the region contributes greatly to that of the country. He thanked the Board Members for their work in providing the strategic direction for the RDA. The Minister said that feedback on the appointment of Regional Ministers had recognised the benefit of having a member of the government who can see right across the range of issues.
9. The Minister acknowledged the diversity of the South East and mentioned some of the significant successes he had visited: Diamond Synchrotron at Harwell; the Milton Science Park; University College Hastings, where the aspirations of the people have really been turned around by the developments and good work led by Seaspaces; Chatham Maritime, where there has been real progress following the decline of the maritime industries; the Partnership for Urban South Hampshire (PUSH), where the collaboration is a model for the country; and the Foresight project on land use and climate change being undertaken in Hampshire.
10. The Minister explained that his personal priorities were skills and housing. He said it is clear that more homes are needed, but that where they are built needs to be debated, and that affordability is crucial. There are crucial skills gaps in the workforce and the Minister mentioned his initiative for a South East Skills Summit which would, for example, provide an opportunity to explore the culture of training, on which he was working with SEEDA.

11. In terms of the Sub National Review of Economic Development and Regeneration (SNR), the Minister stated that it is vital to get the right balance between a sustainable economic development strategy and the planning process. He advised that the region needs to come up with its own structure. The Minister welcomed thoughts on how he might continue to engage in the region, for example by supporting work with national agencies such as Network Rail. The Chairman agreed that there was considerable merit in pursuing such linkages at strategic level.
12. The chairman welcomed the Minister's priorities which reflect those of businesses in the South East. Pam Alexander informed the Minister that SEEDA is currently in the process of finalising its 2008-11 Corporate Plan. This has been aligned with Government targets, the Regional Economic Strategy, and local priorities as far as possible. The Corporate Plan targets SEEDA's interventions on where a significant difference can be made. It proposes innovative ways to progress projects, such as using the asset base in Special Purpose Vehicles to drive future investment. The Regional Infrastructure Fund is being promoted as a way to forward fund projects, but SEEDA needs help to ensure government rules allow this to be achieved. The Corporate Plan contains ambitious targets around the Sustainable Prosperity agenda, and SEEDA is concerned that these should be supported by the Regional Economic Performance Public Service Agreement target.
13. There are some very good models of partnership working in the region, such as that of PUSH. SEEDA is currently building up its Area Teams to take forward the RES in partnership and anticipate the challenges arising from the SNR. Ensuring the Board remains a business-led Board is vital, and it is important that the SNR outcomes are focused on the benefits of aligning approaches to economic development across sectors and tiers.
14. The Minister highlighted the importance of retaining the input of social, environmental and economic partners, and this was supported by the Board.
15. A number of Board Members outlined to the Minister the value of investing in success and the equal importance that the Government understands the South East is not all like the Thames Valley; there are pockets of significant deprivation too.
16. Several Board Members expressed their support for the Minister's expressed priority of skills. They felt that companies should be encouraged to take on trainees, and that there were particular difficulties engaging the public sector. They emphasised the need for recognition of life skills, not just educationally based skills.

**Action:** *Item 4, Regional Minister*

**Jim Brathwaite** to organise a strategic meeting with Network Rail

## **Item 5            Culture South East**

17. The Chairman welcomed Kalwant Ajimal (Chairman) and Julie Amies (Chief Executive) of Culture South East and Nigel Walmsley (Chairman) and Bob Collier (Chief Executive) of Tourism South East to the meeting.
18. Kalwant Ajimal outlined the role of Culture South East, explaining that the cultural consortium is focused on promoting collaboration, championing cultural activities and creating a common vision for the region. Creative industries account for 7.3% of the national economy, employing 550,000 people in the region with an industry turnover exceeding £46.5 billion.
19. Culture South East want culture to be seen as part of the broader enterprise agenda; they are keen to develop the skills of the sector and improve inward investment opportunities. A good evidence base needs to be established and work is progressing to celebrate upcoming cultural activities including the Cultural Olympiad, Legacy Fund outcomes, the South East's offer for the 2012 Games and the youth games.

## **Item 6            Tourism South East**

20. Nigel Walmsley introduced the presentation from Tourism SE noting that three visitors from Europe have the same economic impact as a single visitor from North America. Bob Collier went on to explain that the sector is worth over £10 billion to the region, employing around 250,000 full time equivalents. He outlined the opportunities the 2012 Games offer the region and the current challenges for the sector with a reduction of tourist information offices in the region.
21. The Chairman invited discussion and questions on both presentations. Imtiaz Farookhi expressed concern that less well known tourism offers don't feature highly enough. Bob Goldfield felt that it was important to engage migrant communities. Kalwant Ajimal explained that culture is key to social inclusion and community cohesion. One of the challenges is mainstreaming cultural activities is ensuring cultural groups are not just performing to themselves but to the wider community. He highlighted that many cultural organisations need organisational development support and business assistance. Sue John supported this saying that there needed to be continued investment in developing an evidence base for the sector.
22. The Board discussed the reduced Local Authority funding for cultural and tourism activities due to higher priorities for statutory services such as providing heating for the elderly. One way to ensure culture and tourism remain on the Local Authority agenda was through Local Area Agreements.
23. The Board thanked the representatives of Culture South East and Tourism South East for their presentations and suggested these issues be picked up again as part of a broader item on 2012.

**Action:** *Items 5&6, Culture SE & Tourism SE*

**Oona Muirhead** to bring a presentation to a future Board meeting about the impact and opportunities around the 2012 Games, encompassing the range of issues including culture and tourism.

**Action:** *Item 6, Tourism SE*

**Lee Amor** to explore whether Interreg funds can be used for tourism purposes.

## **Item 7          Corporate Plan**

24. Pam Alexander introduced this item, reminding the Board that the three headline targets in the RES are 3% GVA growth per annum, 2.4% productivity per worker increase per annum and stabilising and reducing the ecological footprint of the region. She explained that this had to be the starting point for the Corporate Plan. Barbara Hammond gave a brief presentation to the Board, highlighting that SEEDA plans to approach the RES targets from two angles – through direct delivery and through partnership working. Direct delivery is about investing SEEDA funds where there is a real opportunity to make a significant impact by leveraging in further funding and aligning with other public sector funding to attract new investors, create and safeguard jobs, create new businesses and invest in knowledge, innovation and creativity. Partnership working is about working with others to develop the infrastructure for success in local economies; a pro-growth strategy for the future whilst making the transformation to a low carbon economy; and place-based economic development focusing on growth areas and strategic transport corridors.
25. Philippa Lloyd stated that comments from central government on the draft Corporate Plan were expected to be sent to SEEDA the following week.
26. Board Members felt that skills was a particularly important issue, and that both SEEDA and central government really must understand what skills businesses need and want for the region and that targets be set accordingly.
27. A concern raised by Peter Jones was the need for absolute clarity around funding to Local Authorities. Dolores Byrne added that SEEDA needs to be clear that ‘development’ encompasses more than traditional infrastructure – it also includes fibre optic highways and new technologies; these contribute to the achievement of targets around skills, tourism, culture and sustainable prosperity. Bill Wakeham expressed concern that the business linkages around knowledge transfer hadn’t been captured in the draft. He also had concerns about the three science and innovation campuses. Jeff Alexander responded that SEEDA had taken account of a very useful response to the draft from the region’s Vice Chancellors but that perhaps the language had been lost in the drafting and it would need to be reconsidered.

28. The Board **NOTED** the paper and asked to be alerted prior to publication if any of the comments from central government require significant changes to the draft.

**Action:** *Item 7, Corporate Plan*

**Jeff Alexander** to present a session on technology at a future Board meeting, including fibre optic, broadband and wireless issues.

**Action:** *Item 7, Corporate Plan*

**Lee Amor** to organise a conference with regional infrastructure providers and regulators.

## **Item 8          Gender Equality Scheme**

29. Oona Muirhead introduced this item to the Board, highlighting that workplace equality is about creating an innovative and enterprising workforce. The South East is currently lagging behind the rest of the UK, with a gender pay gap of 16% compared with 12% nationally. SEEDA as a public body has a statutory requirement to develop and implement a Gender Equality Scheme
30. The Board discussed the need for gender disaggregated statistics and the barriers to women's participation in the workforce. They felt SEEDA's role in the region should be that of an influencer and of a role model. SEEDA should be helping businesses to understand why implementing equality policies has a positive impact on business's bottom line. Keren Jones explained that SEEDA is already working with Business Links, and that we will be promoting best practice as part of our Corporate Social Responsibility work through the Corporate Cabinet. The Board was pleased to hear that exploratory work was progressing to understand why SEEDA itself has a large gender pay gap.
31. The Board **AGREED** that SEEDA should work toward the proposed set of objectives and actions, and asked to be provided with gender disaggregated data for level 2, 3 and 4 skills for the region.

**Action:** *Item 8, Gender Equality Scheme*

**Oona Muirhead and John Parsonage** to provide the Board with gender disaggregated statistics for level 2, 3 and 4 skills in the region.

## **Item 9          Regional Sustainability Framework**

32. Oona Muirhead introduced this item, explaining that the Regional Sustainability Framework (RSF) is a statutory requirement. Board Members recommended that sustainable development be an integral part of the single regional strategy in the future. They felt that this would allow further streamlining and rationalisation of regional level strategies and documents.

33. As sustainability is at the heart of the RES, the Board **AGREED** that the RSF and the RES were consistent. However in endorsing the RSF themes, the Board noted that the economic situation had changed since the four areas of weakness were identified in the RSF. They recommended that global competitiveness be included as a priority objective which could impact significantly on the SE if not addressed carefully.

#### **Item 10 Sub Regional Partnership Arrangements**

34. Paul Lovejoy invited the Board to note progress made in reviewing Sub Regional Partnership Arrangements. He outlined SEEDA's expectations for the partnerships: clear evidence of strong business involvement; a clear understanding of business and economic needs; capacity to deliver business engagement; and a clear commitment to secure results on the ground that are valued by businesses by achieving a joined up approach to public funding for economic development.
35. Peter Jones reminded the Board that Local Authorities are already being asked to take on an economic development role and he was not persuaded that SEEDA's funding for partnerships would deliver sufficient genuine added value. Imtiaz Farooqhi believed that SEEDA's funding could make a real difference, but recognised the corollary that future funding should be based on clear evidence that these arrangements were delivering a real difference. John Peel expressed concern that the arrangements in West Sussex may focus on the needs of Coastal West Sussex to the detriment of the Gatwick Diamond. Keith House agreed with Peter Jones, and felt that SEEDA needed to work directly with Local Authorities to ensure this role is taken seriously. Phil Wood stated that the proposed partnership arrangements were vital to ensure that Local Authorities took proper account of the views of economic partners, including workforce representatives. Sue John supported the proposition, stressing that contracts and Service Level Agreements with individual partnerships must reflect the distinctive needs and structures in each area.
36. The Board **AGREED IN PRINCIPLE** to funding for new and revised partnership arrangements subject to the appraisal of proposals for individual partnerships and a review after the first year.

#### **Item 11 Major Projects and Programmes**

##### *Breille Way and Rushenden Road Land Acquisition, Isle of Sheppey*

37. Lee Amor introduced this project, highlighting that the Thames Gateway is the largest regeneration project in Western Europe. He stated that the Queensborough and Rushenden Regeneration Area is a priority in the Thames Gateway Development Plan. Jonathan Sadler outlined the proposal to acquire the freehold interest in Breille Way and enter into an option agreement to acquire the freehold interest in Rushenden Road in order to facilitate the regeneration of this key site. John Peel stated that the Major Projects Committee recommended adoption of the proposal.

38. The Board **APPROVED** the acquisition of the freehold interest in Breille Way and the proposal that SEEDA enter into an option agreement to acquire the freehold interest in Rushenden Road.

#### **Item 12 Financial and Operational Review**

39. Duncan Straughen summarised progress against the budget, explaining that SEEDA is on track to achieve spend targets for the financial year, though there is still some work to be done around accruals. He flagged the Balanced Scorecard to the Board and highlighted the third quarter Output Targets. While SEEDA is on track to exceed many of the targets there is a shortfall against private sector investment levered in and against Adult Basic Skills. The former is primarily due to some delays in key regeneration projects that were expected to progress more quickly, and the latter is a result of the closure of a previous NHS-linked programme, without revision of the target.
40. John Parsonage explained that there has been a shift in the approach to skills – it is now focused on qualifications not skills. The Board felt that it would be useful to have a better understanding of the key issues for the region.
41. The Board **NOTED** the Balanced Scorecard, Financial Review and Output Data.

**Action:** *Item 12, Financial and Operational Review*

**John Parsonage** to organise a discussion on skills issues in the South East, ahead of the Skills Summit planned with the Regional Minister.

#### **Item 13 Projects**

42. The Board **NOTED** the summary of projects.
43. John Peel mentioned that the Major Projects Committee programme of visits is continuing and that all Board Members were welcome to join any of these.

#### **Item 14 Chairman's report**

44. The Chairman presented his report, drawing attention to his visit to SEGRO in February. SEGRO is Europe's leading provider of flexible business space whose headquarters are based in Slough. He also highlighted the Airline Emissions Conference he attended in March.
45. The Board **NOTED** the Chairman's report.

#### **Item 15 Agency Report**

46. Pam Alexander flagged up the recent activities at the MIPIM property conference, one of which was a successful and well attended seminar SEEDA led with LDA and EEDA to demonstrate progress in the Thames Gateway which was widely supported by public and private sectors.

47. Jeff Alexander reminded the Board of the Enterprise Framework which was published alongside the budget earlier in the month, with good outcomes for women's enterprise. He also mentioned the Innovation Strategy which SEEDA worked closely with the Department for Innovation, Universities and Skills on.
48. The Board **NOTED** the Agency Report.

**Item 16      Any Other Business**

49. Imtiaz Farookhi suggested that it would be useful to more regularly receive information on the general economic trend information for the region and Paul Lovejoy agreed to bring forward this information.
50. The Chairman explained that Bob Goldfield had stepped down from the Audit Committee and proposed that Pamela Charlwood take the vacant place. The Board **AGREED** that Pamela Charlwood become a member of the Audit Committee.
51. The Chairman informed the Board that it was Duncan Straughen's last Board meeting before he finished at SEEDA at the end of the month. Board Members joined the Chairman in thanking Duncan for his work over the last four and a half years and wished him all the best for the future.
52. Following recent recruitment, Oona Muirhead informed the Board that Nigel Horton Baker had been appointed as Area Director for Surrey and Berkshire, and Jeff Alexander informed the Board that Warren Ralls had been appointed as Area Director for Milton Keynes, Oxfordshire and Buckinghamshire.

**Action:** *Item 16, Any other business*

**Paul Lovejoy** to provide a regular update on economic trends.

**SEEDA BOARD**  
**SUMMARY OF ACTIONS**  
**20 MARCH 2008 MEETING**

**Action:** *Item 4, Regional Minister*

**Jim Brathwaite** to organise a strategic meeting with Network Rail.

**Action:** *Items 5&6, Culture SE & Tourism SE*

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**Action:** *Item 12, Financial and Operational Review*

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**Action:** *Item 16, Any other business*

**Paul Lovejoy** to provide a regular update on economic trends.

### 31 JANUARY 2008 MEETING

**Action:** *Item 2, Matters arising*

**Duncan Straughen** to conduct a fundamental review of the risk register in the light of the new Corporate Plan (2008-11).

*Julie Anderson has picked up; to be discussed at the May Board meeting*

**Action:** *Item 4, Diamonds for Investment and Growth*

**Kathy Slack** to provide Board Members with headline strategy for each Diamond, regarding aims and key players.

*Work in progress with Diamonds Group. Will be circulated to the Board before the summer.*

**Action:** *Item 5, Regional Infrastructure Fund*

**Lee Amor** to bring the Regional Infrastructure Fund back to the Major Projects Committee when fully shaped.

*Will bring to the Board in June.*

**Action:** *Item 5, Heathrow Expansion*

**Detlef Golletz** to take on board points made in finalising the response to consultation.

*Actioned.*

**Lee Amor** to bring back, for an early Board discussion, how the environmental and surface access solutions might be delivered.

*To be discussed at the June Board meeting.*

**Action:** *Item 10, Projects*

**Lee Amor** to lead a discussion at the Board regarding the Regional Housing Board objectives and reducing carbon usage in existing stock.

*To be discussed at the July Board meeting.*

**Action:** *Item 11, Chairman's Report*

**Board Secretary** to timetable a presentation from the Environment Agency at a future Board meeting to discuss flood defences, water resources and air quality.

*To take place at the September Board meeting.*

**Action:** *Item 12, Agency Report*

**Board Secretary** to timetable a presentation from the Housing & Community Agency at a future Board meeting.

*To be discussed at the July Board meeting in conjunction with discussion on Regional Housing Board and retrofitting.*

#### **6 DECEMBER 2007 MEETING**

**Action:** *Item 2, Matters arising*

**Andrew Hillier** to arrange media training for Board Members and key staff,.

*Paul Lovejoy has picked up; supplier has been identified and tested, Board members will be contacted for suitable dates.*

#### **25 OCTOBER 2007 MEETING**

**Action:** *Item 13, Agency Report*

**Donal Galligan** to factor into the forward agenda a debate on the Agency's enterprise strategy – the South East Business Support Strategy.

*To be taken in September 2008.*