

SOUTH EAST ENGLAND LEADERS' BOARD

MINUTES OF THE MEETING ON 22 JANUARY 2010

Present: Paul Carter (Chairman)
Paul Watkins (Secretary)
Mike Appleyard
Mary Ballin
George Beckett
Paul Bettison
Elizabeth Cartwright
Tony de Vere
Moirra Gibson
Ian Hudspeth
Mary Mears
Tony Page
Andrew Povey
Tony Reid
David Robertson
Henry Smith
Cec Tallack
Ken Thornber, CBE
David Tutt

For Agenda Item A13 only: Trevor Osborne, Chairman of the South East Excellence Advisory Board
Richard Hayward
Alison Peters
Martin Randall
Stephen Stone
Angharad James

In Attendance: Chris Williams, Chairman of the LACE Group
Aidan Shutter, Policy Officer, SEEC
Diana Pogson, Interim Managing Director, Partnership Board
Catriona Riddell, Director of Planning, Partnership Board
Martin Tugwell, Director of Regional Investment, Partnership Board/SEEDA
Irene Cripps, PA to Diana Pogson, Partnership Board
Colin Byrne, Regional Director, GOSE (for Leaders' Board items only)
Pam Alexander, Chief Executive, SEEDA (for Agenda Item A13 of Leaders' Board only)
Paul Lovejoy, Executive Director Strategy, SEEDA (for Leaders' Board items only)

A1. Apologies and Declarations of Substitutes

A1.1 Apologies were received from Louise Bloom, John Furey, Gordon Keymer CBE and Ed Turner; apologies were also received from Philip Davies, Tim Dixon and Louise Thomas of the South East Excellence Advisory Board for Agenda Item A13.

A1.2 Paul Bettison substituted for Gordon Keymer.

A2. Minutes of Leaders' Board Meeting on 16 October 2009 and Matters Arising Not Elsewhere on the Agenda

A2.1 The minutes were **agreed and signed** as a true record of the meeting.

A3. Update from GOSE

A3.1 Colin Byrne **informed** the Board that:

- GOSE is continuing to monitor the situation regarding stocks of salt and grit; stocks are very low but mining operations had recently restarted and the Government is aiming for a co-ordinated approach to managing supplies.
- It was anticipated that it would be announced next week that the country is technically out of recession; however the impact will be ongoing with issues around young people continuing as almost 0.5m are unemployed.
- There had been a good uptake of the future jobs fund in the region - 5,000 jobs had been identified through that mechanism, but more can be done and more funding is available; delivery needs to be worked on as only about 20% of eligible people have been identified - there are about seven people per job in the 18 - 24 age group. Responding to the question on youth unemployment, he advised that about 35% are unemployed.
- There has been a very variable response to the apprenticeship initiative in the South East. There are about 700 apprenticeships in local authorities across the region - however some authorities have several apprenticeships but others only one or two.
- The Regional Economic Delivery Council had met the previous week at which the availability of finance and the performance of the defence sector had been discussed. Quentin Davies had talked about the defence review and the likelihood of future projects.

A4. Update from SEEDA

A4.1 Paul Lovejoy **informed** the Board that:

- Figures to be released the following Tuesday would show that the recession, which had been the longest and deepest since the 1930s, had come to an end and that unemployment appears to be levelling out. The South East is continuing to outstrip the performance of the UK economy but not by as much as during the last 10 to 15 years. He reminded the Board that the Purchasing Managers' Index is the best data to use, and it shows positive numbers for the first time since Autumn 2007.

- Banks are still cutting back on lending to businesses as they are not receiving deposits due to the low interest rates. Access to finance remains a key issue for business survival.
- The next meeting of the Regional Economic Delivery Council would be in March.
- Responding to the concern that people are losing highly paid jobs and taking lower paid jobs and the question "is there any way of getting these statistics", Paul Lovejoy said that the Job Centre Plus figures published two months earlier suggested that this is happening; short-time working and flexibility in pay levels indicate pressure on individuals.
- Responding to a question on stopping quantitative easing, he advised that economists are divided over whether this will work or trigger a double dip recession; bankers recognise this is an important point in the election cycle and are prepared to "cut some slack" but if there is no improvement in the prospects for the UK economy by September the markets will expect the Government of the day to take action.
- In answer to a question on Government employment, he advised the Board that although the South East's residents are less dependent on public sector employment, any reduction in public services will have a significant impact. Colin Byrne said the Leaders' Board might want to take a view on the Smith Report.

A5. Regional Select Committee Inquiry into Housing in the South East

A5.1 Chris Williams' and Pam Alexander's recommendation that the Board submits evidence to the Regional Select Committee, as this issue is so important to the region, was **noted**. The deadline of 27 January for submissions was **also noted**.

A5.2 Points raised during the discussion were:

- It was **agreed** that issues of delivery should be the focus of the submission. Of particular interest is the relationship between the HCA and regional bodies.
- Building homes to higher standards brings an additional cost which is not recouped when the houses are sold.
- The difference between the HCA's target for affordable housing and the need identified in the South East Plan should be scrutinised.
- The Government's focus on numbers means that in the short term 'easy' areas will be developed in preference to those identified in the South East Plan, particularly regeneration areas as they are more difficult to bring forward. Failure to deliver brownfield sites and regeneration areas will lead to more pressure on greenfield sites.

- Conditions are now very different to those that existed when the targets were set due to the recession.

A5.3 Colin Byrne **advised** the Board that a decision on whether the Select Committee would hold an oral hearing would be taken when the written evidence had been considered; he thought the outcome of the Select Committee would be known before the General Election.

A5.4 It was **noted** that the points about infrastructure should be made stronger and highlighted in the executive summary.

A5.5 Catriona Riddell **advised** the Board that the submission should not discuss the issue of housing numbers; responsibility for advising on overall numbers rests with the Partnership Board not the Select Committee.

A5.6 Summarising, Martin Tugwell said the draft submission would be revised, taking into account:

- That housing numbers are being scrutinised at the local level and therefore not for the Select Committee to consider.
- The importance of the public sector investment in delivery and the danger that reduction in funding will have on meeting existing needs.
- The impact that changes in economic viability of development sites has had on delivery.
- The cost of meeting higher standards.
- The need to ensure the skills required to enable development at higher standards are available.

A5.7 It was **agreed** that Elizabeth Cartwright, as Chairman of the Regional Housing and Regeneration Board, would sign off the revised submission on behalf of the Leaders' Board.

A5.8 It was **noted** that Paul Lovejoy said, based on the preceding discussion, SEEDA could sign up to this submission so it could be made jointly.

A6. Regional Housing and Regeneration Board: Investment Priorities

A6.1 The report was **received and noted**; it was **also noted** that Elizabeth Cartwright, Chairman of the Regional Housing and Regeneration Board, would keep the Leaders' Board informed of progress.

A7. Report on Housing Starts

A7.1 The report was **received and noted**. It was **agreed** that the Leaders' Board would be provided with an update on this every six months.

A7.2 Responding to the request that future updates be broken down between houses and flats, Catriona Riddell **advised** the Board that that information is included in the Annual Monitoring Report.

A7.3 The Chairman's comment that SEEC hoped to organise a conference on housing following the General Election was **noted**.

A8. Future Arrangements for Leaders' Board:

a) Consultation on Interim Leaders' Board Arrangements

A8.1 The report was **received and noted**. Points raised were:

- The "wiring" diagram had been amended to make the structure clearer; clarification is still required in respect of the name of the stakeholder group.
- Colin Byrne advised that the consultation period could be shortened to five weeks, reflecting the discussions that have taken place previously on governance structures.
- Paul Lovejoy **advised** the Board that he had taken on the task, with Catriona Riddell, of re-engaging with stakeholders. They would be having another meeting with them in early February and hoped to do so on a regular basis.
- Responding to the question about communication between the stakeholder group and the Leaders' Board, Catriona Riddell referred the Board to point 3.2 of the report:

"The Leaders' Board will continue to engage with stakeholders in the development of the regional strategy at both the Member and technical level. Details of the approach to stakeholder engagement are set out in the document - 'Shaping the South East Strategy: Engaging our Communities and Stakeholders' - which accompanied the Regional Strategy Project Plan."

Catriona Riddell **advised** the Board that stakeholders now feel confident that they are re-engaged.

- The Assembly constitution had specified how many stakeholder members there could be; responding to the question of how this would be managed under the new arrangements, Paul Lovejoy **advised** the Board that this is part of the work in progress but it is envisaged that there will be a steering group of 20 or so, which will be authoritative enough to engage with the Leaders' Board; he is still in discussion with Ian Chisnall and other stakeholders in respect of this.

A8.2 The Leaders' Board **agreed** the process for a five-week consultation period, as set out in the report, to meet the requirements contained within new Government guidance covering the establishment of Leaders' Boards.

A8.3 The Board **also agreed** that the idea of an annual update meeting between it and the stakeholder group be taken forward.

b) Regional Governance: Transfer of Staff

- A8.4 Diana Pogson **informed** the Board that it is, in fact, unnecessary to seek approval from the Secretary of State to the transfer of SEERA Ltd staff to the Leaders' Board for regional planning purposes (Recommendation (b)) as provision for this is already incorporated in the new scheme.
- A8.5 Recommendation (a) - to seek the formal agreement of the SEEDA Board to these proposals - was **agreed**.

A9. Regional Strategy Draft Business Plan/Budget 2010-11

- A9.1 Diana Pogson **advised** the Board that she is in discussion with HM Revenue and Customs in respect of VAT status. It is likely that the registered status will be retained, but it will not be possible to reclaim as much; therefore to be prudent the figures in the draft budget had been increased. If it proves possible to reclaim VAT at the same level as under the Regional Assembly there will be additional financial resources available.
- A9.2 It was **noted** that:
- Problems with the SEEC website would be addressed once a new Communications Manager had been appointed; however this was an issue outside the budget under consideration.
 - Colin Byrne advised the Board that the first six months' funding would be received on or soon after 1 April 2010.
 - Reserves could be insufficient to cover wind up costs. Colin Byrne advised that CLG is looking into these issues and suggested that clarification be sought.
- A9.3 It was **agreed** to delegate final sign off of the business plan and budget to the Chairman and Vice-Chairs of the Leaders' Board.

A10. Minutes of Meetings of Boards, Delivery Boards, Planning Panel:

a) Planning Panel: Draft Minutes of Meeting on 12 January 2010

- A10.1 The draft Minutes were **received and noted**. Points raised were:
- With respect to the National Policy Statement on Ports there is a need to consider the implications for the South East.
 - Martin Tugwell pointed out that the National Policy Statements provide guidance and that the work on the regional strategy needs to be placed in a broader context; each NPS should be reviewed individually to see if it is relevant to the region. It was **agreed** that there would be more in-depth discussion of this issue in an appropriate forum.

b) Regional Transport Board: Minutes of Meeting on 23 October 2009 (8 January 2010 meeting cancelled due to weather conditions)

A10.2 The Minutes of the meeting on 23 October 2009 were **received and noted**; it was **also noted** that the decision to cancel the January meeting had been taken by the RTB's chairman and that items which had required decisions at that meeting had been dealt with by email.

c) Economic Development and Skills Board: Draft Minutes of Meeting on 17 November 2009

A10.3 The Minutes of the meeting on 17 November 2009 were **received and noted**.

d) Strategy Board: Minutes of Meeting on 26 November 2009

A10.4 The Minutes of the meeting on 26 November 2009 were **received and noted**.

e) Regional Housing and Regeneration Board: Minutes of Meeting on 1 December 2009

A10.5 The Minutes of the meeting on 1 December 2009 were **received and noted**.

A11. RIF Investment Panel: Update

A11.1 The report was **received and noted**.

A12. Forward Programme for Partnership Board, Strategy Board, Regional Housing and Regeneration Board, Regional Transport Board, Regional Economic Development and Skills Board, and Planning Panel

A12.1 The Forward Programme was **received and noted**.

A13. South East Excellence - meeting with key figures from the house building industry and others to discuss common agendas with local authority Leaders

A13.1 The Chairman welcomed the members of the South East Excellence Advisory Board to the meeting; he informed them that most of the members of the Leaders' Board are the leaders of the councils they represent. He then invited Trevor Osborne, Chairman of the Advisory Board, to address the Leaders' Board.

A13.2 Trevor Osborne explained the background to the South East Excellence Advisory Board and the work it has been doing. Pam Alexander welcomed the interest shown by the Leaders' Board in the Advisory Board's agenda and emphasised that its work is entirely voluntary.

A13.3 The Leaders' Board Chairman recognised the wealth of experience and expertise held within the Advisory Board, which he did not want to lose as it could have valuable input to the various boards.

A13.4 Trevor Osborne said the Advisory Board would need some guidance on the Leaders' Board agenda to see how it could be helpful; the Advisory Board would need to be independent and may not always agree with the Leaders' Board.

A13.5 It was **agreed** that the Leaders' Board discuss how best to take this forward.

There being no further business, the meeting closed at 13.00.