

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY  
PLENARY MEETING**

Date: 1 March 2006

Subject: **Chairman's Report**

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**I. Purpose of the Report**

- I.1 This is my report on the work of the Executive Committee, and of the Leadership Group, since the Assembly last met in plenary session in November 2005.
- I.2 During that time there have been two meetings of the Executive Committee, both of which were followed by a meeting of the Leadership Group. On 16 December last there was, in addition, a meeting between the Leadership Group and members of the SEEDA Board principally to discuss the emerging advice to Government on Regional Funding Allocations. I am also taking this opportunity to report back on various meetings with Ministers in which I have been involved on the Assembly's behalf, as well as on the Regional Health Summit, held on 27 January.
- I.3 The report accordingly focuses on the following:
- Local Government Finance
  - Regional Funding Allocations
  - Transfer of the Regional Housing Board
  - Changes to stakeholder representation on the Assembly
  - Rural arrangements
  - The Regional Health Summit
  - Ministerial meetings
- I.4 Both the Executive Committee and the Leadership Group have monitored the Assembly's finances through regular budget reports. The Executive has also received routine reports from the Chairmen of the Regional Planning Committee and Regional Transport Board. On 20 January the Executive agreed a response to the Regional Economic Strategy (RES) review; this is a separate item on today's plenary agenda.

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## 2. Local Government Finance

- 2.1 Following the debate and resolution of November's plenary meeting concerning the local government finance settlement, I wrote to Ministers requesting a meeting. That took place on 4 January with Local Government Minister Phil Woolas; I was accompanied by Assembly Vice-Chairmen Cec Tallack and Ian Chisnall. The correspondence prior to and following that meeting is attached for members' information. I am still pursuing the issue of supported borrowing with the Minister and will keep colleagues advised.

## 3. Regional Funding Allocations

- 3.1 Members will be aware of the Government's invitation to regions last July to provide advice on the prioritisation and alignment of regional budgets. This was debated at our last plenary meeting, and a workshop was subsequently held for members and stakeholders on 16 December. Further member steer was given at the joint meeting with SEEDA board members on 7 December; I also met with the SEEDA Chairman to resolve outstanding issues on 12 January. The Executive Committee on 20 January provided the final opportunity to sign off the advice, which is attached as an annex to this report.
- 3.2 The advice has to conform to the guidance and address transport spending in particular, in respect of which the input provided by the Regional Transport Board has been crucial. The geographical differentiation used in the RES consultation - and supported by the Assembly last November - was adopted to provide a reasonably simple spatial dimension to the advice. While existing budget commitments restrict the room for manoeuvre - e.g. the A3 and Hindhead takes the lion's share of regional transport resources - the scope for innovation comes in the opportunity to pitch for an additional ten percent. Here we have suggested a revolving Regional Infrastructure Fund, fed by the RFA and in due course Planning Gain Supplement income, which, in line with the Government's 'city-region' focus, would pump-prime renaissance in our key urban areas.
- 3.3 On the day the advice was submitted (31 January) we held, jointly with SEEDA, a second South East Conference to provide an opportunity for 150 business and community leaders to convey our key messages to Ministers John Healey MP (HM Treasury) and Stephen Ladyman MP (Transport). Although the issues were very effectively aired, both Ministers were robust in their responses, recognising the risks of Government complacency about the South East's future prosperity, but equally concerned with the performance of less successful regions.

## 4. Transfer of the Regional Housing Board

- 4.1 It was Kate Barker's report on housing supply that proposed the merger of the regional housing and planning functions, and we expected the Housing Board to

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be transferred under the wing of the Assembly during 2005. Indeed out-going GOSE Director Paul Martin had already transferred the Regional Transport Board to us with effect from September 2005. The post-election 'stock-take' by the ODPM delayed matters however, and before Christmas all assemblies eventually received an invitation from Minister David Miliband MP to set out our stall.

- 4.2 Mr Miliband asked assemblies to demonstrate their fitness for purpose, in particular our capacity for streamlined decision-making and for facilitating the alignment of regional policies. This was reported to the December Executive Committee, and approval of our response was delegated to the Leadership Group. That response is attached in full as the third annex to this report. Because we were invited to restate how our Assembly works, this paper actually provides a rather useful guide to our constitutional arrangements. We have pressed for the Housing Board transfer to be effected from 1 April this year, rather than the September target suggested by Government, and I am hopeful this will be agreed.

## 5. Changes to Stakeholder Representation

- 5.1 The Executive Committee agreed in September last year to review the composition of the stakeholder membership of the Assembly, as it is required to do from time to time under the terms of our constitution. The Leadership Group oversaw this review. After wide consultation we proposed a number of changes to the Executive Committee at its December meeting.
- 5.2 One of the concerns taken into consideration was the relatively muted voice of business and economic interests in the Assembly. We have therefore taken steps to strengthen such representation by inviting nominations to the Assembly from the Engineering Employers Federation, the Construction Industries Council, and the South East Multi Ethnic Development Agency (SEMEDA) - a recently established ethnic minority business network for the region. In addition the new regional chair of the Arts Council is keen to give stronger representation than hitherto to the creative and cultural industries sector. Discussions are also in hand with the British Retail Consortium about the possibility of regional representation.
- 5.3 In recognition too of the age profile of the Assembly membership, we have extended an invitation to the UK Youth Parliament to be represented.
- 5.4 An overriding principle of the stakeholder review was that the size of the Assembly should remain the same, at 112 members. In order to accommodate these changes therefore the Executive Committee agreed to reduce the number of places available to economic partnerships from ten to five. There are at present eleven such partnerships across the region; through the South East Economic Partnerships group, they are devising a way of nominating and holding

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to account their five nominees so as to ensure that their wider interests continue to be properly represented.

## 6. Rural Arrangements

- 6.1 January's Executive Committee received a presentation from Assembly member Jeremy Leggett, who now also chairs the recently re-constituted South East Rural Affairs Forum (SERAF). Jeremy gave us an interesting overview of the changes made to the regional arrangements governing rural issues following the Haskins report and Rural White Paper. As part of the same agenda item we received a report about the new rural delivery board - the South East Rural Partnership Board - which brings together under GOSE's chairmanship regional and local executive agencies such as Natural England, SEEDA, and local authorities, all at officer level. The aim is to improve co-ordination by means of an agreed delivery plan, a draft of which was shared with us. SERAF by contrast is now a stakeholder forum, the purpose of which is to represent rural communities and interests, scrutinise and hold the various agencies to account.
- 6.2 Although the Department of Environment Farming and Rural Affairs (DEFRA) is keen to have delivery plans completed, the Executive Committee felt that the draft presented to us needed more work before they could endorse it. They therefore delegated to the Leadership Group responsibility for considering and giving the Assembly's blessing to a further draft, which we have yet to receive. Reflecting on these new arrangements, moreover, a number of members clearly felt that, rather than invent its own regional structures, DEFRA would benefit from adopting an approach to regional governance that is more aligned with the rest of Whitehall.

## 7. The Regional Health Summit

- 7.1 On 27 January I chaired the regional health summit. This brief annual meeting brings together the Chairmen and Chief Executives of the region's four Strategic Health Authorities with the three regional bodies - GOSE, SEEDA and the Assembly. These summits provide a space to consider new developments in the NHS as well as regional policy reviews. On this occasion the health dimension of the Regional Economic Strategy was discussed, and the Regional Director of Public Health presented a compelling analysis on the economic implications of workforce health. We also looked at the expansion of the commissioning function in the NHS and received a helpful first-hand update on financial and organisational changes.
- 7.2 In respect of organisational change, the Executive Committee on 20 January had already agreed a response to the NHS consultation that supported two Strategic Health Authorities for the region, and the coterminosity of Primary Care Trusts with social care authorities. We also recorded our deep concern about the clear impact that further restructuring was having on service delivery.

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## 8. Ministerial Meetings

- 8.1 Besides those encounters with Ministers to which I have already referred, I am able to report that since the November plenary I have met with the Communities Minister David Miliband MP in Southampton over dinner at the conclusion of his visit to South Hampshire in late November. I have also met with his ODPM ministerial colleague, Yvette Cooper MP. On each of these occasions, I have strongly pressed the Assembly's case for a step-change in infrastructural investment to support growth in the region.
- 8.2 The meeting in February with Yvette Cooper was of particular value. This was a further stage in the regular dialogue we have sought from Government under the terms of our infrastructure concordat. I was joined by Deputy Chairman Don Turner and Planning Committee Chairman Christine Field. Our discussion focused on both the potential and the practicalities of the Government's recently announced new measures on infrastructure investment - in particular Planning Gain Supplement. Although the Minister was not persuaded that councils rather than the Treasury should collect the new levy, she responded positively to our suggestions that her civil servants should involve our officers in working up practical details. Our real worries that funds raised in the South East will be siphoned off to other regions were not, I'm afraid, explicitly allayed. Furthermore, Government wishes affordable housing to continue to be funded through section 106 to ensure the mixed development of sites. I will keep working on this agenda at national level to try to ensure the development of a workable system of planning gain supplement.
- 8.3 We also covered the draft Planning Policy Statement 3 on Housing, on which Executive and Planning Committee members had recorded a range of concerns when they met together on 20 January to agree the Assembly's response to the Government's consultation. Again, the Minister was robust in her response, and maintained that the priority to brownfield over greenfield development would remain. It does seem clear that Government is determined to push through these wholesale changes to the planning system despite the significant opposition from all quarters.

**Cllr Keith Mitchell**  
**Chairman**

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