

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
PLENARY MEETING**

Date: 7 March 2007

Subject: **Chairman's Report**

1. Purpose of the Report

- 1.1 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 2006 at Gatwick. During that time there have been two meetings of the Executive Committee, both of which were followed by a meeting of the Leadership Group.
- 1.2 The report accordingly focuses on the following:
- SEEDA scrutiny
 - The Comprehensive Spending Review 2007
 - Our dialogue with other regional organisations.
- 1.3 Both the Executive Committee and the Leadership Group have monitored the Assembly's finances through regular budget reports.
- 1.4 The Executive has received routine reports from the Chairmen of the Regional Planning Committee and the Regional Housing and Transport Boards. All three colleagues have filed their own reports for you today on their work since November's plenary meeting. The Executive Committee has also considered the business plan and budget for next year which are recommended to you in a separate item on your agenda today.

2. SEEDA scrutiny

- 2.1 December's Executive Committee agreed refinements to our approach to scrutinising the work of the RDA. As you know, we run three select committees a year examining the impact of SEEDA's policies and actions and constructively identifying potential improvements either to strategy or ways of working. Hitherto, we have convened each select committee afresh to maximise the opportunities for all Assembly members to get involved in different aspects of our work. The disadvantage of this is that, with a new set of colleagues around the table at each select committee, members have not had the chance to build up in-depth knowledge of SEEDA's operations in a way that would make for more effective scrutiny.

- 2.2 We have therefore amended our approach, creating a core of seven Assembly members who will be involved in all three select committees over the year. These members will thereby develop a greater understanding of SEEDA's work and organisation and the process will benefit from this continuity. For each select committee, the core group will be complemented by members with a specific interest in the topic under examination. The opportunity for the wider Assembly membership to be involved is still there. In addition, the Leadership Group has decided that one of its number should be nominated to take a lead role on scrutiny to ensure a senior member steer. I am grateful to Ian Chisnall, Social and Environmental partners Vice-chairman, who has agreed to do this in the first instance.
- 2.3 SEEDA have welcomed these developments which come at a time when RDA scrutiny has been under discussion nationally between assemblies, RDAs and Government departments. Prompted by the initiation of a National Audit Office programme of Independent Performance Assessment of RDAs – in which, incidentally, SEEDA achieved the second highest performance score of all RDAs – the stocktake of scrutiny arrangements nationally has resulted in the agreement of a Memorandum of Understanding setting out clearly a shared understanding of what RDA scrutiny should cover; what it should not cover and how it is best undertaken. The Memorandum can be viewed on the ERN website - (www.ern.gov.uk).
- 2.4 At the December meeting of the Executive we also agreed our programme of scrutiny for the forthcoming year. The three topics are as follows:
- **Meeting the global challenge** - this committee will look at a range of SEEDA's activities, including the Global Regions programme.
 - **Reducing the South East's ecological footprint** - this committee will not only examine the role of SEEDA in relation to this challenging shared goal but will also cover other agencies/organisations. This was the approach taken for the social inclusion committee during 2005-06.
 - **The South East Coastal Strategy** – this committee will consider the rationale for and role of this strategy and look at its preparation and implementation.
- 2.5 January's Executive Committee also received reports from two select committees looking at the impact of SEEDA's work. The first concerned **The Sustainable Use of Natural Resources** and was chaired by Cllr Moira Gibson (Surrey Heath BC); the second looked at **Business Support and Business Links** and was chaired by Peter Dean (Hampshire Economic Partnership). I am grateful to both colleagues for leading these important reviews so effectively. Both their reports are on the Assembly's website. SEEDA will be making their formal response to both select committees' recommendations at our April meeting.

- 2.6 Both these scrutiny exercises were welcomed by SEEDA for the focus they will add to the delivery of the new Regional Economic Strategy. January's Executive Committee received a report from SEEDA on their approach to preparing a RES implementation plan. I know we all attach particular importance to delivery; there is little point to any of these ambitious regional strategies otherwise. I believe we have broken new ground with the detailed and costed work that the Assembly has carried out with local authorities and others to show what needs to happen - and when - to deliver the South East Plan.
- 2.7 Although many of the RES actions are of a different nature – with a greater emphasis on programmes of action rather than development projects – I am pleased that SEEDA shares the ambition to set out a clear road-map for delivery. Indeed, at the Assembly-SEEDA Board Level Liaison meeting held in January, both our organisations endorsed the shared ambition to create a single delivery plan for the region. Such a plan, potentially incorporating the investment commitments of the NHS and the Learning and Skills Council, would, I believe, give us considerable leverage with Government departments across the piece and substantially improve the prospect of winning the investment we need to support sustainable prosperity for our region.

3. Comprehensive Spending Review 2007

- 3.1 At the last Assembly plenary I reported to you on the joint advice on the CSR07 submitted by the Assembly and SEEDA to the Government at the end of last September. Our regional submission included the proposal for a Regional Infrastructure Fund to help us bring forward the services required to support planned growth before or alongside new development. The Executive Committee in January endorsed a prospectus for the RIF prepared by ourselves and SEEDA with the assembly and RDA in the South West. This further submission to Government has been followed up through a continuing dialogue with civil servants to show the progress we are making on implementation planning both for the South East Plan and the Regional Economic Strategy. Today's agenda includes an update on this work which appears to be influencing Government thinking for the CSR.
- 3.2 January's Executive Committee also agreed a submission to the Lyons Review, which forms part of the CSR process. Sir Michael Lyons has specifically sought evidence about how local authorities could most effectively work together across boundaries on regional and sub-regional issues. In our response on the Assembly's behalf, we emphasised how, in the South East, we have been collaborating very successfully both regionally and sub-regionally. This has been both through partnership working with the Assembly, as the regional partnership of councils and communities of interest and, sub-regionally, particularly for the purposes of the South East Plan. We also promoted our approach to prioritising regional budgets on transport and housing through partnership boards.

In short the message was that we are showing that we are quite capable of sorting out these regional and sub-regional issues collectively by working together; rather than meddling in process and structures, we believe Government should focus on actually devolving powers and resources. Again the submission is on the Assembly's website.

- 3.3 Over the past few months, the CSR has, understandably, also preoccupied the English Regions Network which this region currently chairs. Besides Lyons, one of the 'cross-cutting' reviews being undertaken for the CSR is looking at 'sub-national economic development and regeneration'. Concerned by the relative lack of progress in narrowing regional disparities, the Treasury is considering whether any change to responsibilities for economic development locally, sub-regionally and regionally might improve delivery. A welcome aspect of this approach is the recognition of local authorities as key players in their 'place-shaping' role and the understanding that local democratic leadership is an essential if communities are to articulate and fulfil their ambitions for prosperity and well-being.
- 3.4 Alongside this focus on local devolution however, there has been talk of 'streamlining' regional governance by reducing the number of regional strategies and bodies – most of which are the result of the woefully uncoordinated response to the regional agenda of different Whitehall departments. Of course it is not the ambition to 'de-clutter' that is of concern to the ERN but the prospect that assemblies and, thereby, councils and their stakeholder partners, will be 'squeezed out' of regional governance. The idea, for example, that it would make sense to give RDAs the job of regional planning, alongside economic development, may be superficially attractive to civil servants and would perhaps produce regional spatial strategies that fit better with Ministers' objectives. It would, however, eliminate any buy-in to strategic policy-making from those most responsible for delivery on the ground, namely local authorities.
- 3.5 Under my chairmanship the ERN has accordingly maintained a strong dialogue with the Treasury on the CSR. A substantial piece of independent research, making the case for partnership assemblies – 'Adding Value to the Regions' – was submitted (and shared with January's Executive Committee) and there has been a good deal of subsequent meetings and correspondence at member and officer level. All relevant documents are on the ERN website. The South East's leadership of the ERN during this important period is opportune and has given both me and our Chief Executive key roles in the dialogue with Government on the future of its regional agenda.
- 3.6 When I took on the role of ERN Chairman I set myself two goals. The first was to secure greater involvement of London. Hitherto, the ERN membership has comprised the eight regional assemblies in England. London has its own very different governance arrangements and the analogous body to a regional assembly in London is the Mayor rather than the Assembly. By bringing in the Mayor of London, therefore, we are able to speak to Government for the whole of England. As I reported in November, I am delighted that, in response to my approach, the Mayor of London has agreed to join with us in the ERN.

- 3.7 My second goal was to get to know better the challenges and priorities of all the regions that make up the ERN. I have therefore embarked on a series of visits, meeting with key players in each region, including the RDA chairman and chief executive in each, understanding their ways of working and the issues that concern them. So far I have undertaken enormously rewarding trips to Yorkshire and Humber (in November) and to the North East (in January). The first trip also incorporated a private meeting with Ed Balls MP, an important figure in the Treasury and the CSR, at which I was able to demonstrate the benefits of councils and their stakeholder partners working together through assemblies and the risks of diminishing the democratic dimension in regional governance.

4. Our dialogue with other regional organisations

- 4.1 Following our last plenary meeting in November, where we debated health and skills, we have been busy following through the regional dialogue with the NHS and the Learning and Skills Council. At the January meeting of the Executive Committee, we were pleased to receive the Regional Chairman of the LSC, Norman Boyland, as well as the Chief Executive, Henry Ball, who presented to us the LSC's draft Regional Commissioning Plan. This sets out the proposed four priorities for action for the LSC as follows:

Young people

To improve substantially the range and accessibility of practical and vocational learning opportunities for all young people which inspire and engage them and lead to progression.

Skills

To improve skills training and employer engagement through implementing the South East Action for Business Strategy and further developing the responsiveness of the Further Education and work based learning provider network.

Excellence

To raise performance and improve the quality of provision, using the Framework for Excellence, to develop further a self-critical provider network with a focus on quality improvement.

Communities

To increase economic activity and productivity and support the regeneration and growth of communities by developing the South East Action for Communities model and aligning the LSC's funding with other investment strategies.

- 4.2 A constructive and challenging debate ensued, through which the opportunities to join up the LSC's actions and investments with those planned through the South East Plan and the RES were repeatedly acknowledged. Our LSC colleagues committed to maintaining and developing the dialogue with the Assembly. The Leadership Group has identified a small group of members to take that forward.

- 4.3 On health issues, I will be chairing a Regional Health Summit on 16 March, involving senior players from the two Strategic Health Authorities, the Regional Directors of Public Health, the Government Office and the RDA, as well as the Chairmen of the Regional Planning Committee and the Regional Housing Board. That agenda will include the latest plans for change in health services and a proposed regional health strategy, as well as the health take on the Regional Housing Strategy review. I will report on that to our April meeting of the Executive Committee.
- 4.4 Finally, our annual dialogue meeting with the Environment Agency took place in Portsmouth on 22 February, chaired once more by Assembly Vice-chairman Cllr Louise Bloom. I understand this to have been another very constructive debate covering key aspects of the delivery of the South East Plan, such as environmental infrastructure and behavioural change in respect of water and energy consumption. Flood defence is a key issue in our region and in Portsmouth in particular and the challenges in accommodating the ambitions for growth in the Partnership for Urban South Hampshire (PUSH) area were, I believe, also thoroughly considered. Again, a full report on that meeting and the actions arising from it will be taken to our April Executive Committee.

Cllr Keith Mitchell
Chairman

25 February 2007