

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
EXECUTIVE COMMITTEE**

Date: 12 December 2008

Subject: **Report of the Interim Managing Director**

Recommendation:

This report is for the Committee's information.

Purpose of the Report:

This report provides an update on the following issues:

- The Sub-National Review
- Changes to the Assembly's senior management team
- The financial report for the second quarter of 2008-09

Key Issues:

Sub-National Review

The Government published its response to the consultation on *Prosperous Places: Taking forward the review of sub national economic development & regeneration* on 25 November.

The Assembly welcomed the revised proposals, which give a joint duty to local authority leaders and the RDA to produce a Single Regional Strategy. Discussions are now underway in the South East to consider how the revised SNR proposals can be implemented.

Changes to the Assembly's Senior Management Team

Heather Bolton, Director of Communications, will be leaving the Assembly on 31 December. An Interim Head of Communications, Jill Wedge, has been appointed.

Financial Report for the Six Months to 30 September 2008

- Income was £12k below budget for the first six months.
- Expenditure was £179k below budget for this period.
- Reserves at 30 September were £1,784k.
- Income and costs are forecast to be close to budget at the year end.

I. The Sub-National Review

- I.1 After a lengthy wait the Government published its response to consultation on *Prosperous Places: Taking forward the review of sub national economic development & regeneration* on 25 November¹.
- I.2 As initially proposed by the Government, and broadly supported by the Assembly², a new Single Regional Strategy (SRS) will replace the Regional Spatial Strategy and Regional Economic Strategy. However, the Government has backed down on its controversial proposals to pass regional planning powers to Regional Development Agencies (RDAs), instead giving joint responsibility to local authority leaders and the RDA to produce, deliver and monitor the SRS in each region (excluding London). There will be a duty on these partners to consult and engage stakeholders. Under the new arrangements Regional Assemblies will cease to exist.
- I.3 In each region local authorities will be expected to set up a *Leaders' Board* to work with the RDA. This Board must be streamlined and representative of local authorities across the whole region. It should include representatives from key sub-regions, upper and lower tier authorities and a political balance of leaders.
- I.4 The Government requires local authorities and RDAs to show “early progress” towards agreeing a way forward. If the two groups cannot agree how they will discharge their joint responsibilities, Ministers will direct the process and expect that in this situation the RDA would lead strategy development. Ministers can also intervene if the Leaders' Board fails to operate effectively.
- I.5 Discussions are now underway in the South East to consider how the revised SNR proposals can be implemented. A verbal update will be given at the meeting.
- I.6 Beyond regional planning, key points in the Government's response also include:
 - County and unitary councils will have a statutory duty to assess economic conditions in their areas. Joint working with district councils will be required.
 - Legislation will allow creation of statutory sub-regional authorities for economic development - this will be voluntary, not compulsory, but binding once set up.
 - Legislation will allow creation of Multi Area Agreements with statutory duties.
 - The Leaders' Board will have no formal regional scrutiny function. New Parliamentary Regional select committees will run, initially until

¹ The full document is available online at <http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces>

² The Assembly's consultation response is available at http://www.southeast-ra.gov.uk/documents/news_views/snr/assembly_response_to_snr_consultation-june08.pdf

the end of the current Parliament. Regional grand committees will also meet once or twice a year.

- Delegated decision making by RDAs will be encouraged but no legislation will be introduced on this.

1.7 A short summary focusing on the key issues around governance arrangements and proposals for a Single Regional Strategy is attached as Annex I to this report.

2. Changes to the Assembly's Management Team

2.1 Heather Bolton, Director of Communications, will be leaving the Assembly on 31 December 2008. We have appointed an Interim Head of Communications, Jill Wedge, to work with us until 31 July 2009.

3. Second Quarter Financial Report

3.1 Income for the first six months includes the deferred income brought forward from 2007/08 relating to funding for the public consultations on the South East Plan partial reviews on Gypsies, Travellers and Travelling Showpeople accommodation and minerals which were postponed from last financial year.

3.2 Payroll costs are £35.6k less than budget at 30 September due to unfilled posts. Recruitment costs are £5k higher than budget as short term contract/temporary staff have been employed to fill vacancies which cannot be filled permanently due to future uncertainties. Total payroll costs for the year are forecast to be £33k over budget. This figure includes some costs relating to post closures.

3.3 Spending on the research programme (planning, policy, implementation and monitoring) is £27k less than budget due to the rescheduling of various projects. The policy research budget of £25k is unlikely to be spent this year due to lack of staff resource to manage projects.

3.4 Publications and consultations - £22k of the underspend to September is due to a change in timing of one project. Other publications have been delayed due to the rescheduling of the related research projects. These projects will all happen during this financial year.

The forecast annual spend will be £86k below budget - £78k relates to the First Review of the South East Plan, the start date of which has been postponed and £8k relates to the Final Policy and Gypsies, Travellers and Travelling Showpeople which is dependent on members' decisions being made at the plenary in March 2009. We shall be seeking to carry forward this funding into 2009/10.

3.5 The Gypsies, Travellers and Travelling Showpeople accommodation consultation started on 1 September following the decision to proceed at the Assembly's plenary in July. Spending is therefore under budget for the six months to 30 September, but is continuing in the third quarter.

- 3.6 The meetings budget is overspent by £6.5k in the six months to September, and forecast to be overspent by £10k for the year, due to the additional cost of relocating recent plenary meetings to London.
- 3.7 Professional Costs are overspent by £28k. This is due to advice being taken on personnel issues and the future of SEERA Ltd as a result of SNR.
- 3.8 Remaining office costs are broadly in line with budget for this quarter.
- 3.9 The forecast for the year shows a transfer of £137.5k to the pension fund. This is part of the cost of closing posts within the Assembly.
- 3.10 The opening reserves of £1,175k are higher than the budget figure of £955k due to an adjustment in the 2007/08 statutory accounts relating to pension assets and liabilities required under accounting standard FRS17.

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