

31 May 2006

Agenda Item 6

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Select Committee on SEEDA's Approach to Business Engagement

Thank you for your letter to Pam Alexander requesting SEEDA's written response to the recommendations of the Select Committee.

As ever, we found the process of review very helpful and constructive. Our comments on the specific recommendations are as follows.

SEEDA's Approach to Business Engagement

R1. The development of strategic forums should provide the opportunity to raise the profile of SEEDA amongst businesses. However, SEEDA must also look for other opportunities to promote wider dialogue, to ensure the contributors feel both informed and valued.

We accept this recommendation. Whilst SEEDA's prime focus is on the quality of the services we provide, mostly through partner organisations, we fully accept that awareness of SEEDA amongst businesses has a role in our effectiveness. We seek to ensure this not only through strategic forums but also through our direct contact with individual and groups of businesses. This is done through regular contact at the operational level, with our Business Link, Sector Consortia and Investor Development programmes being prime examples of this, but also at a more strategic level. Examples of the latter include frequent meetings with larger existing and potential business investors, commonly involving our Chairman, SEEDA Business Board Members, Chief Executive and Executive Directors, and meetings with groups of businesses on a sector or geographic basis (for example, we have a very successful series of "SEEDA Chairman's Lunches" through which we engage with groups of businesses from a particular area who are seeking to develop their international trade activities – we are developing this approach further to have similar events for inward investors).

We also take full advantage of opportunities to engage through events organised by business organisations (examples include our hosting of South East businesses at the recent IOD national conference and our sponsorship of and involvement in the CBI Regional Conference and the Thames Valley Economic Partnership's annual business dinner).

We are not however complacent about the scale of the task and, in line with the Committee's recommendation, we will seek further opportunities for wider dialogue with business. Promoting the new Regional Economic Strategy will provide an important focus for this and we will follow up on the work we did with the business representative organisations during the earlier consultation stages.

Communication with Business

R2. SEEDA should become more pro-active in its dealings with business by developing a follow up system to maintain contact with businesses and introducing a regular contact programme with all major companies in the region.

As explained above, we have a regular contact programme with major companies in the region. We agree on the need for a more developed follow-up system and, to this end, we will establish an IT-based Customer Relations Management (CRM) system. We have this in hand as a joint initiative with our Business Link Service Providers. Our plan is that this single CRM system will cover all SEEDA and SEEDA-supported business services. As well as underpinning a more effective follow-up system, the CRM will help ensure integration between services – including cross-referrals. As such it will provide valuable underpinning to the Joining Forces programme.

Corporate Social Responsibility

R3. SEEDA must now turn the recommendations contained within the draft strategy into a plan for taking forward CSR, including establishing clear priorities and agreement with key implementation bodies on their role and targets to aim for. Progress on this strategy should be reported to the final Assembly Executive of 2006.

The Strategy has now been fully adopted by SEEDA and our partners and an action plan is in place. The Strategy, "Sustainable Business in the South East" incorporates CSR and Sustainable Business and aims to encourage more businesses in the South East to adopt these practices as their contribution to sustainable development in the region. This forms part of SEEDA's aspirations to deliver longer term sustainability in the region outlined in the RES.

SEEDA-led activities flowing from the Strategy are considerable. In addition to delivery of the Sustainable Business Awards and support for the Sustainable Business Partnerships, other actions include: a Regional Steering Group on Sustainable Business made up of key stakeholders; four Action Teams (including a team to monitor outputs and impact) set up to support delivery of the Strategy in terms of increasing capacity within delivery agents; and upgrading of the e-generation website, which SEEDA has funded for the last two years.

Other activities under the umbrella of the Strategy include:

- SEEDA's support for Business in the Community projects.
- The inclusion of CSR in the corporate agenda supported by our Investment Development Managers
- Support for the sustainable business agenda at a local level through the Local Area Agreements and Business Community Partnerships.

- SEEDA's hosting of a number of other initiatives such as the Carbon Trust, Envirowise and the South East Climate Change partnership who regularly engage with businesses on sustainability issues.

We would be very happy to provide a fuller report to the Assembly as suggested in the recommendation.

The Regional Economic Strategy

R4. SEEDA should rethink its approach to major consultations to ensure that events are held at a time and in a format that allows full participation of the business community.

Our experience suggests that engaging fully with business on major consultation exercises involves tailored events and other forms of involvement. Whilst we do make every effort to ensure business representation at more general events, we find that these are inevitably better attended by public and voluntary sector interests. There was however reasonable business representation at all the RES "pre-consultation document" events particularly through their representative bodies, the Economic Partnerships and such bodies as the Business Link Organizations. Having discussed this with the representative bodies, their advice is that their members would primarily look to them to represent them at such events – "That is what they pay us to do".

The first body we consulted on our emerging thinking on the new RES was Business South East which comprises the Chairs and Chief Executives of all the main business representative and support organizations in the region. This gave us an early steer on what businesses saw as the priority issues and this informed the consultation process. However Business South East members also advised us that further engagement of business in the process would be best when we had a consultation document. Therefore whilst, as I have explained, businesses and their representatives were involved in the initial rounds of events, our main focus was on working with business organisations to engage with their members in a more targeted and tailored way through bespoke, events, dinners etc.. The full consultation draft was therefore fully informed by input from business and we are grateful for the role that our partner business organisations played in this process.

We will however review and learn from this experience as we are always seeking to engage as effectively as possible with business at the strategic as well as operational level.

Business Support

5a. SEEDA is asked to report back to the Assembly (within 6 months) on their programme to reduce the amount of paperwork involved in SEEDA's processes and make room for faster decision-making.

It is important to understand that SEEDA does not operate like some more traditional public sector funding agencies. We are not "application form" driven with narrow criteria for support that are either met or not met. Rather our approach is to work as an investment partner to develop initiatives that contribute to RES strategic initiatives and local economic needs. So, for example, if we are approached for support we will work with the partners concerned to develop the proposals to improve the strategic fit and often the value for money.

This is a “value adding” not a bureaucratic process. We appreciate that it can be demanding on our partners as well as being resource-intensive for SEEDA. However our experience is that it delivers the best results from limited resources that must be used to deliver against strategic priorities.

That said, like any complex organization, there is scope for improving our systems and processes. That is why we are currently going through a major “Lean Office” programme. Drawing from experience of applying such programmes in the private sector (e.g. through the Manufacturing Advisory Service) we are undertaking a thorough and systematic review of our project management process – from bright idea through to appraisal, approval and monitoring. As a result we will become a more efficient organisation and one that provides a better service to our customers. This is an intensive exercise but we should be in a position to report back to the Assembly before the end of the Year.

Closer Working with Business

5b. The Committee recommends that, in the light of the recent introduction of new strategic forums, SEEDA review the network of policy and advisory groups.

When SEEDA initially developed its structure of advisory groups there were very few existing forums at the regional level and the groups played a very valuable role both in informing SEEDA and in providing a focus for interests across the agendas concerned. Since then regional structures have grown and become more established and we need to keep under review the role of our remaining advisory groups to ensure that they continue to meet a clear need both for SEEDA and our partners. The implementation of the new RES also provides a context for ensuring that we have the best arrangements for the future.

This is an evolving process. So, for example, in establishing Business South East we wound-up two existing advisory groups – the Business Development Committee and the Business Support Advisory Group. Business South East has made a valuable contribution over its first year, particularly with regard to consideration of the RES and South East Plan. We are discussing with the business organisations how its role as an independent and cohesive voice of business can be further developed.

I hope this response fully covers the main points raised in the Committee’s recommendations, but please let me know if we can usefully provide any further information.

JEFF ALEXANDER
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