

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY
EXECUTIVE COMMITTEE**

MINUTES OF THE MEETING ON 20 OCTOBER 2006

Present: Keith Mitchell (Chairman)
Mike Appleyard
Mary Ballin
John Burden
Elizabeth Cartwright
Michael Chater
Ian Chisnall
Barry Clout
Alison Cook
Chris Corrigan
Myles Cullen
Peter Dean
Christine Field
Ian Fowler
Mary Rose Gliksten
John Goddard
Tim Hall
Douglas Horner
Roger House
Gordon Keymer, CBE
Tony Reid
Nick Skellett
Cec Tallack
Don Turner

In Attendance: Paul Bevan, Chief Executive
Diana Pogson, secretariat
Heather Bolton, secretariat
Louise Wilby, secretariat
Alistair Moses, secretariat
Sheila Hopson, GOSE
Pam Alexander, SEEDA
Eileen Armstrong, SEEDA

I. Apologies for Absence and Declarations of Substitutes

Louise Bloom, (John Goddard attended as substitute) Paul Carter (Christine Field attended as substitute, as well as in her role of Chairman of the Regional Planning Committee), Alan Hopkins, Roy Ilott, Pam Palmer, Jerry Patterson, David Shakespeare OBE (Mike Appleyard attended as substitute), Roland Anderson (Sheila Hopson attended as substitute).

2. Minutes of the Meeting on 15 September 2006

The Minutes were **agreed and signed** as a true record of the meeting.

3. Matters Arising

a) Item 7 - Comprehensive Spending Review 2007 - Regional Submission

Paul Bevan advised that the CSR submission had been sharpened up following the last meeting and agreed with the Leadership Group and the SEERA Board. Copies had been circulated to members.

4. GOSE Report

a) Comprehensive Spending Review 2007

Sheila Hopson reported that the Treasury had acknowledged the extensive work contained within the document and had understood the need to provide the region with clear and timely feedback. Initial, general feedback will be within the pre-budget report at the end of November. The final review document will be published in March 2007.

b) Third Sector Review

Sheila Hopson reported that the review considered the future role of the voluntary sector and, in particular, ways in which the Government can work with the sector. The review acknowledged achievements and considered future actions.

The review was based on 16 areas including:

- cohesive communities
- partnership working in delivering a shared agenda
- the future role of the sector in shaping and delivering public services
- creating a sustainable resource base
- promoting innovation and enterprise
- creating a culture of volunteering and mentoring

RAISE is currently preparing its response to the consultation.

c) Housing

A pre-budget report on housing is anticipated in spring 2007.

d) Local Authority Agreements

The third round of submissions had been completed in September and these were now being considered. Decisions, relating to the third round of

submissions, are anticipated next week with 8 December being the deadline for the second round.

e) Visit of Alistair Darling to Southampton

Sheila Hopson reported that the ministerial visit had been very successful and provided a good picture of the challenges facing the region, including the shortage of skills, in particular engineering. The visit highlighted the benefits associated with the employment of older people and the mentoring, by them, of young employees.

f) Ongoing Restructuring of GOSE

A recent Away Day had resulted in the formation of a Strategic Advisory Group which will begin work in April 2007 to facilitate partnership working. The membership of the group is to be confirmed.

g) Transport

The Regional Transport Board was congratulated on the full acceptance of its prioritised set of recommendations. The Hindhead scheme is a positive example of the contribution the Assembly is making to the development of infrastructure in the region.

In the ensuing discussion of the GOSE recommendations it was noted that there was some opposition, within the voluntary community sector, to being referred to as "the third sector" as this could imply a ranking.

Attention was also drawn to the problems of smaller voluntary organisations losing volunteers through pressure to become more bureaucratic and professional. The difficulty in recruiting young volunteers and retaining older volunteers, who are being attracted into the work force, was also noted.

A question was asked about what had been achieved, for the sector, through Local Authority Agreements. Sheila Hopson agreed to report to the next meeting on this issue. She assured the committee that consideration would be given to the responses to the Third Sector Review to ensure that they are representative, value the sector and feed into the CSR.

5. SEEDA Report

a) Agency Report to SEEDA Board, 21 September 2006

Pam Alexander referred to a number of matters arising from her previous report. She reported that the Redundancy Support Service had been very successful in 2005 assisting 7,500 people into jobs against a target of 4,000. This demonstrated that more people have been out of work than anticipated indicating the economic pressures impacting on the region. She referred specifically to SEEDA's current work at Sittingbourne Mill where consultation

is underway on a potential redundancy figure of 350 mainly unskilled employees.

Referring to the announcement of the reduction in the Eurostar services at Ashford, Pam Alexander had joined a delegation of MPs and council leaders meeting with Richard Brown, Chief Executive of Eurostar. They had pressed for at least a daily service to Brussels from Ashford. Eurostar has agreed to share the data that had led them to this decision.

Pam Alexander confirmed the ministerial announcement of five new appointments to the Board on 13 October 2006: Fiona Pollard, Robert Goldfield and Alex Pratt will represent the business community; Cllr Sue John, Deputy Leader of Brighton and Hove, and Pamela Charlwood, Chief Executive of South Central Connexions, will represent local government and the voluntary and community sector respectively. She reported that Elizabeth Brighthouse, Sarah Hohler, Mary McAnally and Dr Peter Read will be leaving the Board in December. Peter Jones, Phil Wood and Rob Anderson have been reappointed for a further term. She recorded her appreciation of the contribution of Board members whose tenure is ending.

Pam Alexander reported that the Board had visited the Thames Gateway for its September meeting when it hosted the National Audit Office for the Independent Performance Assessment (IPA). She acknowledged the contribution of partners to the IPA process.

Members would be welcome to attend the launch of the Regional Economic Strategy (RES) at the Open Annual Meeting in Reading on 31 October. She looked forward to working with the Assembly on the implementation of the RES.

The following points were raised in discussion:

A question was asked, with respect to Sittingbourne Mill, about the capacity of SEEDA to develop sites, where manufacturing had declined, as high profile sites of industrial archaeology with tourism potential. Pam Alexander reported that SEEDA would explore all possible options.

Concern was expressed about the unexpected withdrawal of the New Business Set Up organisation in Dorking, apparently on the grounds of insufficient diversity in Mole Valley. Pam Alexander said that she would investigate the matter and respond in writing.

Concern was also expressed about the reduction of the Disabilities Facilities Grant which is creating difficulties in meeting mandatory requirements and resulting in the loss of other services. It was noted that this needs to be brought to the attention of the Government.

The Chairman reported that he had attended the Thames Gateway Strategic Partnership meeting and that the Thames Gateway Strategic Framework (TGSF) would be launched on 22 November. He advised that there were

concerns about housing issues in the strategic framework and its status in relation to the South East Plan.

In response, Pam Alexander reported that SEEDA is producing an economic statement to back up the TGSF and consideration is being given to making it a public document supporting the case for infrastructure.

A question was asked about a perceived change of emphasis relating to Business Link which suggested a move from supporting to representing small businesses. In response Pam Alexander suggested that this may reflect ministerial emphasis which sees representation as a key part of business support. She agreed to feed back the observations.

It was noted that the Sustainable Housing Conference on 26 September had been useful in raising issues related to obtaining grants to achieve energy efficiency and bringing together a diverse group of delegates.

A question was asked about SEEDA's contribution to developing young people's skills in the workplace. Pam Alexander reported that this is being addressed through partnership with the Learning Skills Council. She undertook to provide more detailed information at the next meeting.

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

- b) SEEDA's Response to the recommendations of the Select Committee on the Sustainable Use of Natural Resources

Pam Alexander thanked Cllr Graham Gubby for his chairmanship of the Select Committee. She believed that the report marked the movement of SEEDA from aspiration and awareness raising to action and measuring achievements against targets. The report is also timely as SEEDA gives consideration, in partnership with the Assembly, to greening its own building.

A brief discussion of the report's recommendations acknowledged the difficulties which would be faced by the organisations selected for reduced support as SEEDA focuses on deeper involvement in fewer projects.

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

6. Review of the Assembly's Constitution - Report of the Chief Executive

Paul Bevan drew members' attention to the context of the report and advised that consultation had taken place with the parties and partner groups. He informed members that the first recommendation needed to be agreed by the November Plenary. The second recommendation only required the agreement of the Executive Committee and the third recommendation was simply to note that the Leadership Group had written to DCLG concurring, on behalf of the Assembly, with a proposed technical change to the regional planning regulations.

A number of issues were raised in the subsequent discussion.

Clarity was sought about the meaning of 'accountable' in the accompanying documents. Paul Bevan confirmed that the word referred to the requirement of members to report back – i.e. give account - to the nominating body, not to be mandated by that body.

It was noted that the concept of conflict of interest does not work with respect to stakeholders in the same way as it does in local government; stakeholders are members of the Assembly precisely in order to represent the interests of their sector. Paul Bevan advised that the issue was currently being considered by the English Regions Network.

It was noted that the clauses relating to termination and subscription could be potentially difficult for stakeholder members. After discussion it was noted that anomalies relating to termination and subscriptions would benefit from further consideration.

It was noted that the CBI believes that the clauses relating to indemnity are currently not technically effective. The CBI takes the view that SEERA Ltd needs to retain sufficient reserves to meet its liabilities should it cease to exist.

It would, therefore, support the proposed changes as improvements whilst noting that further consideration needs to be given to these issues.

Clarification was sought about the role of substitutes and alternates. Paul Bevan explained that, normally, alternates may only attend plenary meetings, where they may speak and vote on the organisation's behalf. Substitutes on committees have to be full Assembly members except insofar as paragraph 6.3 of the constitution applies. It was agreed that paragraph 8.4 of the rules of procedure should include a cross-reference to paragraph 6.3 of the constitution.

It was **agreed** to recommend the amendments to the constitution, as tracked in the appended document, to the plenary meeting of the Assembly.

It was **agreed** to change the Rules of Procedure, as tracked in the appended document.

It was **agreed** to note that on the Assembly's behalf the Leadership Group last month concurred with a technical change proposed by the Government to the regulations governing regional planning bodies.

7. Regional Implementation Plan and Infrastructure Summit

The Chairman advised that the Regional Planning Committee (RPC) had considered the Implementation Plan in considerable detail and agreed a

number of amendments resulting in the document being considered at this meeting.

Douglas Horner declared an interest in the Kent and Thames Gateway sub-regions and would not contribute to the discussion on those aspects.

Paul Bevan drew the committee's attention to the two additional amendments, in para 1.5 of the report, which they were being asked to endorse.

He also referred them to Annex 3.3, East Kent and Ashford, page 4 of 7 of the Implementation Plan. He advised that the final box, under the sub-regional heading Education, relating to Imperial College London: Research Centre, Ashford should be deleted.

He advised that the Sustainability Appraisal had also been updated and provided an encouraging account of work in progress.

The Chairman invited comments and questions under the following sections:

The Implementation Plan (Pages 1-24)

Clarification was sought about a reference to Green Infrastructure in Figure 3: Infrastructure Costs for South East England page 13. Paul Bevan advised that the Assembly is currently working with the Environment Agency on this matter and that a figure is not currently available.

The Chairman reminded members that the plan is a living document which would change to reflect monitoring and ongoing work. It was suggested that it would be helpful to bring together an advisory group of interested parties to inform the development of the plan and facilitate specific actions. Paul Bevan noted the proposal: that the ambition was to bring this together with the delivery of the Regional Economic Strategy (RES) to make a single Regional Implementation Plan.

It was noted that the CBI had taken the view that Planning Gains Supplement (PGS) will not produce sufficient funding and, therefore, is opposed to it.

Clarification was sought about the statutory status of the document. Sheila Hopson confirmed that the Implementation Plan is part of the South East Plan and will be scrutinised at the Examination in Public (EiP).

The Chairman referred to the overall figure of £37m-£47m in Figure 3 on page 13 as an estimate of the required spend for the next 20 years. He acknowledged that there is a funding gap of between £4-8 billion over twenty years, or approximately £200-400m per annum. He suggested that this not a large funding gap in relation to what the South East can contribute to the Treasury based on historical figures.

Concern was expressed about the level of funding for ambulance services in view of the need for more sophisticated services and crews where there has been a merger of services. In addition, the merger of health authorities and the threat to some community hospitals and larger hospitals will add to the pressures on the ambulance services. It was noted too that there were no equivalent estimates for the fire and police services.

It was suggested that Figure 3 on page 13 is reviewed every six months.

Annex 1 Policy Implementation Framework - September 2006

D3 - Housing (Page 3 of 19)

It was recommended that this section needed further consideration to refine the detail. It was suggested that 'and supported' needed to be added to the first box under the heading of National Government so that it reads, 'Provide public sector funding for investment in housing **and supported** housing.'

D4 - Communications and Transport (Page 5 of 19)

It was suggested that future work needed to take place to ensure that there are sufficient projects in the plan to deliver all the planned growth in a sustainable way.

D8 - Management of the Built and Historic Environment (Page 15 of 19)

The reference to the voluntary sector was welcomed. However, it was noted that this was the only reference to the sector and there was a need to reflect its work in other areas.

Annex 3 Sub-regional Investment Framework

Annex 3.2 Sussex Coast (Page 2 of 5)

A request was made to add **Brighton and Hove** as Proposing Agency to the Shoreham Harbour Sustainable Access Improvements.

Annex 3 Milton Keynes and Aylesbury Vale

Disappointment was expressed at the absence of a reference to infrastructure between Aylesbury and the M40. It was noted that a view would be obtained from officers.

It was also noted that the route upgrade - Aylesbury to High Wycombe sub-regional theme on page 5 of 6 is duplicated on page 4 of 5 of annex 3.6 Western Corridor and Blackwater Valley.

Annex 3.11 Other areas (including Tunbridge Wells and Maidstone)

Spelling of Tonbridge to be corrected

Annex 4 – Local Infrastructure Costs (Page 5 of 16)

A question was asked about whether the potential costs of school closures and consequential busing of children had been included in infrastructure costs. It was noted that the figures in the plan were best estimates.

A question was asked whether it would be possible, in future, to provide the revenue costs of local authorities in addition to the capital costs on page 13. This would be considered.

It was **agreed** to endorse the revised Implementation Plan, following agreed amendments, and submit it to the Examination in Public.

The Committee **agreed** to note the findings of the Sustainability Appraisal of the revised Implementation Plan and take these into account in considering the content of the Implementation Plan.

8. Planning Delivery Grant

Paul Bevan emphasised the importance of the report in articulating the Assembly's concern about the reduction of the delivery grant at a local level. He reminded the committee that the planning process is a continuous one, involving review, conformity and appropriate assessment, all of which require funding.

He corrected the typing errors in Annex 2 page 1 of 2 as follows (changes in bold):

Bullet 3, line 3 to read 'and will completely undermine the basis **of the** new planning system'

Bullet 3, second bullet, the penultimate sentence to read, 'It also does not reflect market factors; the **market** in most of the South East has been buoyant for so long but slumps do happen.'

It was **agreed** that a further bullet point be added to 3 on page 2 of 2 of Annex 1 to reflect the problems of staff shortages and under funding resulting in delays in the planning process.

It was **agreed** to endorse the report and the attached annexes as the Assembly's formal response to the consultations.

9. Subscriptions 2007-08 and Members' Allowances

Paul Bevan reminded the committee about the timetable and context relating to annual subscriptions. He reported that, historically, subscriptions have provided a certain proportion of the Assembly's income alongside DCLG grant. However, for this year, because of pressures on local authority finances, it had been agreed not to raise subscriptions, with the result that they are decreasing as a proportion of budget.

The recommendation to increase the present level of subscriptions by 3%, in line with inflation, for 2007-08, is in some measure to mitigate an anticipated shortfall of £250k in DCLG funding.

He also referred to the members' allowances in the second recommendation which, once agreed by the Committee, would need to go to the Assembly. The interest of the current chairmen and members of the Housing and Transport Boards in this second item was declared and noted.

A broad range of views were expressed in the subsequent discussion. It was suggested that it would be difficult to make the case with local authorities who were facing substantially increased costs, due to a number of factors including efficiency savings of 2.5% required by the Gershwin Report

The view was taken that it would be unacceptable for SEERA Board members to accept a situation in which SEERA Ltd. does not have the reserves to meet its liabilities.

In view of the volatile local authority funding situation consideration was given to a suggestion putting forward a range of increases subject to an adopted budget to allow flexibility.

Paul Bevan explained that the DCLG funding formula is complex being divided between a single pot grant and a planning delivery grant. He reported that although the likely shortfall of £250k could be managed, it would mean reassessing the business plan and a reduction in capacity.

A vote was taken on the first recommendation to increase local authority subscriptions by 3% for inflation for the year 2007-08. The proposal **was defeated**. There were seven abstentions as follows:

Ian Chisnall
Barry Clout
Chris Corrigan
Peter Dean
Ian Fowler
Douglas Horner
Roger House

It was then moved and **agreed** that subscriptions be kept at current levels for 2007-08.

The second recommendation **was agreed**: that allowances should be introduced with effect from 1 August 2006 for the chairmen and members of the Regional Housing Board and the Regional Transport Board as follows: chairmen at the same level as Assembly vice-chairs, and members at the same level as Executive Committee and Regional Planning Committee members.

Both recommendations will be taken to the plenary meeting of the Assembly in November.

10. Reports from the Committees

- a) Report of the Regional Housing Board, 6 October 2006

The report was received and noted.

- b) Report of the Regional Planning Committee, 27 September 2006

The report was received and noted.

- c) SEEDA Board Committee: Social Dialogue Forum, 18 September 2006

The report was received and noted.

II. Any Other Business

It was agreed to hold a debate on health issues in the region at the Plenary in November and to invite representatives of the two Strategic Health Authorities in the region.

There being no further business the meeting closed at 12.38.