

BOARD MINUTES

Title:	Board minutes	Minute taker
Meeting date:	10 February 2010	Bridgette Hall, 01223 200812
CONFIDENTIALITY STATUS	PUBLIC	

Attendees – Board

Richard Ellis, Chair

William Pope, Chair Designate

Sheila Childerhouse, Deputy Chairs

Edward Iveagh, Karen Livingstone, Madeline Russell, Paul Burall, Shona Johnstone, Robert Swann, Bev Hurley, Stuart Evans, Nitin Dahad

Attendees – Chief Executive’s Team

Deborah Cadman, Chief Executive

Rachel Bosworth, Deputy Chief Executive and Executive Director, Communications,

Jamie Merrick, Executive Director, Strategy and Intelligence

Alison Webster, Executive Director, Enterprise and Skills

Paul May, Executive Director, Innovation

Steve Cox, Executive Director, Spatial Economy

Attendees – externals

Paul Pugh, GO East

Nick Burfield, EERA

Mike Carver, EERA

Attendees – officers and externals joining

Item 8 Emily Baldwin

EEDA

Item 9 Natalie Blaken

EEDA

Item 11 Lynn Morgan

EEDA

Andrew Merritt-Morling

EEDA

Pat Smith

Business Link East

Vic Annells

UKTI, East of England

Item 12 David Wall

EEDA

Item 13 John Place

EEDA

Minutes

Bridgette Hall, Board and External Relations Executive

Apologies

Marco Cereste, Peter McCarthy-Ward, Colin Riordan

The Chair congratulated Will Pope on his appointment as Chair Designate. Will Pope will take over as Chair on 1 April. The Chair also reported the sad news that Alan Cherry, founder EEDA board member, had passed away. Alan was a champion for sustainable housing in the region and nationally and will be sadly missed.

Item 1: Economic update

Jamie Merrick presented the latest economic outlook to the board, outlining the key headlines from January’s data:

- the UK economy returned to growth but opinion is divided on the robustness of recovery. There are concerns about the data for January, due to the impact of the bad weather and the VAT increase, both of which are particularly affecting the retail sector.

- Business conditions and confidence is improving. Purchasing Managers' Index figures for the East of England show output activity is rising, mostly from new business orders and outstanding business is increasing in the region. However profit margins remain under pressure due to rising input costs.
- Manufacturing case study (Q 4 2005 to Q2 2009) confirms the East of England went into recession far later than the rest of the UK. At national level, the latest output data showed the sector has returned to growth for the first time in two years. However the outlook in the sector is mixed, as demonstrated by the varied findings of the British Chambers of Commerce Survey and the Engineering Employer's Federation (EEF) Surveys. EEF is particularly concerned about low levels of business investment due to uncertainty about the extent of the recovery and the effects this will have on medium - term productivity and competitiveness.
- British Chambers of Commerce economic survey results, Q4 2009 support strong growth from overseas.
- Labour market is stabilising but is weak – economic inactivity has increased significantly, partly a result of a significant increase in people going into higher and further education.
- Claimant rates are variable across the region but have declined marginally at the regional level
- Redundancy notification levels have been stable since late spring 2009, running at just over 1,000 per month. Vacancies have risen in the last month but remain volatile.

In summary:

- Business confidence and outlook improving but very fragile
- Innovative companies even in pressurised sectors doing well
- Slowdown in businesses in the East of England complaining about banks (to Business Link and National Business Organisation's)
 - Credit availability improving, demand weak
 - Late payments particular issue in the region
- Labour market stabilising but long term lag effect of the recession
- Concerns about double dip/saw tooth recession
 - exacerbated by political uncertainty and end of Government support schemes
 - impact of bad weather on January retail sales.

Discussion took place around gender differences, skills gaps and difficulties in retraining and recruiting.

Action:

Jamie Merrick to circulate annual business birth and survival rate data to board members via email when it is published by ONS (2009 data will be published in Autumn 2010).

Item 2: Chair's report

The Chair presented his report to the board highlighting:

- Strategic Review Meeting with the Department for Business, Innovation and Skills (BIS): a positive meeting, EEDA seen to be ahead on the New Industries New Jobs (NINJ) agenda.

Paul Pugh commented that it is clear that BIS perception of EEDA has changed considerably in the last eighteen months and EEDA is now recognised as in the top set of RDAs.

Item 3: Chief Executive's report

The Chief Executive presented her report to the board referring to a couple of key highlights over December and January:

- Natural England: agreed to convene a meeting with the Environment Agency and the Forestry Commission to look at ways of streamlining and simplifying the back office approach to RDPE.
- Terry Fuller, Homes and Communities Agency: conversation included aligning work being done with Integrated Development Programmes.
- British Marine Federation: discussion on the significant marine sector and huge opportunities on offshore wind development.

Item 4: Declaration of Interests

Shona Johnstone

Item 13

Cambridgeshire County Council

Item 5: Minutes of the previous meeting

The minutes of the meeting on 10 December 2009 were approved subject to amendments.

Item 6: Actions from the previous meeting

The actions from the previous meeting held on 10 December 2009 were noted.

Item 7: Committee reports

Resources Committee 9 December 2009

The minutes from the Resources Committee held on 9 December were presented to the board and were noted.

Strategy Committee 21 January 2010

The minutes from the Strategy Committee were presented to the board and were noted.

Audit Committee 9 February 2010 (verbal)

Will Pope, Audit Committee Chair provided a verbal report outlining the key discussions from the recent meeting at which the Committee:

- Recommended the revised audit committee terms of reference to the Board.
- Approved the NAO Audit Strategy 2009/10 and auditor's fee increase of 6 percent.
- Approved the Internal Audit Strategy 2010/11.
- Noted good progress on the local authority assurance arrangements.
- Reflected on the complaints report and requested further analysis including benchmarking, establishment of a vision and trend line and internal management review process.
- Considered the issues arising from the HM Treasury Internal Audit Transformation Project consultation paper. The audit committee chair and the Chief Executive are concerned about the proposals to centralise internal audit and the committee had taken a view that

internal audit will increase in cost under these proposals. A final response is to be sent to the Chief Executive on Monday.

- Unanimously nominated Karen Livingstone to replace Will Pope as Audit Committee Chair.

Item 8: East of England Implementation Plan BP0210(1)(1)

Emily Baldwin joined the meeting.

Jamie Merrick presented the report, updating the Board on the process undertaken, and sought the Board's endorsement of the final draft of the East of England Implementation Plan (EEIP) for publication. Jamie advised the Board the EEIP addresses a major gap exposed by the previous Independent Performance Appraisal process in terms of a robust plan for RES delivery. The EEIP also has identified shortfalls in resources in key programme areas, which are likely to be exacerbated with significant reductions in public expenditure. The process of developing the plan has also yielded significant lessons for the production of a future single regional strategy, which draft guidance states will need to be accompanied by an implementation plan. The plan will need to be revisited in light of a post-election budget and Comprehensive Spending Review in the autumn.

Sheila Childerhouse reported the value of the discussions held at the Strategy Committee and that recommendations made had been reflected in the revised housing and skills sections. Karen Livingstone welcomed the inclusive process with the Heath Authority.

The Board discussed how the EEIP helps to identify key asks of Government in terms of freedoms, flexibilities and new funding approaches. The Board recognised the EEIP will be integral to the Regional Strategy Board and the meeting on 5 March 2010 will discuss what it means for the delivery agents and views on the key asks emerging.

Paul Pugh commented that the East of England should congratulate itself as this is the first implementation plan in the country and highlighted two emerging areas for consideration:

1. What is going to make it real and in particular for local, elected people use it?
2. It needs a smart and vigorous test post the election on the resources available

The Board and Mike Carver (EERA) emphasised the need for a high level executive summary, free of acronyms that enables all parties to identify the contribution they can make to delivery. Emily Baldwin confirmed that this is in production.

Decision:

The Board endorsed the final draft of the EEIP for publication to be accompanied by a clear and concise executive summary.

Emily Baldwin left the meeting

Item 9: East of England Plan Review BP0210(2)

Natalie Blaken joined the meeting

Steve Cox introduced the paper providing background and context to the Board. He advised the Board the Strategy Committee had discussed recent issues and EERA have developed a lower housing growth variant of the Regional Spatial Strategy roll forward position – known as Scenario 1B. The East of England Plan (EEP) will be owned by the Regional Strategy Board from 1 April 2010.

Much discussion took place on the emerging scenario and the evidence based approach to align jobs and housing.

The Board was concerned the direction of travel on housing does not match economic objectives and were unanimous that the EEP must be evidence based, to influence a robust strategy.

Paul Pugh commented that it is important that the scenarios are fully tested.

Mike Carver remarked that tensions are beginning to be seen with a ‘push me pull you model’. He commented all District Councils are providing evidence of housing capacity and delivery issues and questioned the deliverability of the job targets identified in the EEFM model.

It was agreed that a shared regional understanding of innovative forms of infrastructure funding will be a key ask of Government.

Natalie Blaken stated that EEDA has worked with district, county and unitary authorities to develop the evidence base. It will be important that the consultation report identifies the full extent and breadth of responses

Decision

The Board endorsed the principles, emphasising the importance of reconciling the evidence bases and looking for an economic evidence based approach for houses with jobs.

Action

The Board agreed that a letter be sent to EERA ahead of the Regional Planning Panel meeting on 26 February outlining the key issues raised by the Board, including the need for a robust evidence base, a full consultation report and stressing the need for alignment between housing and economic aspirations.

Natalie Blaken and Jamie Merrick left the meeting

Item 10: Terms of Reference for the Audit Committee BP0210(3)

Will Pope introduced the paper requesting the Board considered the revisions to the terms of reference for the Audit Committee, which have been updated to reflect the transfer of responsibilities for performance management to the Performance and Resources Committee.

Will advised that the Audit Committee endorsed the changes at yesterday’s meeting.

Decision

The board approved the amended terms of reference for the Audit Committee.

Nick Burfield left the meeting

Item 11: Integrated Business Support Vision - Verbal

Lynn Morgan, Andrew Merritt-Morling, Pat Smith and Vic Annells joined the meeting

Alison Webster gave a presentation on EEDA's inward investment, investor development and trade offer going forward. The slides covered:

- EEDA's role in the international context
- EEDA's pre-tender aspirations
- Where we are now
- Delivery features
- Additional features of the new offer
- The branding
- Going forward the key features of the delivery plan for 2010-2011
- The challenges

Vic Annells gave an update on UKTI and the BIS cross - party report on UKTI presented on 28 January 2010.

Pat Smith gave a progress update on East of England IDB Ltd, structure and opportunities going forward.

The Board were pleased with progress on the integrated model and thanked Vic Annells and Pat Smith for their close co-operation.

Action

First quarter report to be made the Board in July 2010.

Lynn Morgan, Andrew Merritt-Morling, Pat Smith, Vic Annells left the meeting

Item 12: Extension to Beyond 2010 EEDA's Skills and Redundancy Support Programme BP0210(4)

David Wall joined the meeting

David Wall introduced the paper, emphasising the importance of the Beyond 2010 project and seeking the Board's approval for an increased project value in order to extend the project length.

Discussion was held covering the need to ensure focused and prioritised budgeting, to ensure that the increase to the Beyond 2010 project was not at the expense of other priorities and that partner management was in place to enable delivery.

The Board was supportive of the project, which demonstrates EEDA's ability to adapt to the recession. The Board noted unemployment lags behind other areas of the economy and there is an increase in people going into the programme with higher level skills. The programme would help increase productivity and help both individuals and companies to respond quickly to the threat of redundancy.

Nitin Dahad raised a concern of the risk in the fall of demand if the number of redundancy notifications falls and commented that the funding must be flexible to respond to a potential fall in demand for such activity. Alison Webster clarified that redundancy support is part of the wider Beyond 2010 envelope and is a flexible pot with two programmes – Response to Redundancies (R2R) and Leadership and Management activity that supports workforce development in key growth sectors.

Paul Pugh remarked that at the recent Regional Economic Forum, EEDA's coordinating response to redundancies work with Job Centre Plus (JC+) was evident and positive.

Decision:

The Board agreed:

1. For the Beyond 2010 project to be expanded in principle to its maximum value of £9,339,187 subject to:
 - appraisal and due process
 - assurance of flexibility and
 - keeping pressure on JC+ to keep their flexibility
2. The Chief Executive's Team be mandated to decide when and how much additional funding is made available to the Beyond 2010 programme up to the new maximum project value, specifically to support the R2R element.

David Wall left the meeting

Item 13: 2010/11 Economic Participation Programme BP0210(5)

John Place joined the meeting

Alison Webster presented the 2010/11 Economic Participation Programme to the Board, requesting £8.62 million investment, which is a reduced level of investment of funding from the current year (£24 million). She explained the revised Economic Participation Programme delivers significant outcomes.

John Place talked the Board through an example of the Suffolk programme, 'Pathways to Employment', including the history of the programme and the measures put in place to ensure continuous improvement of the programme since 2005.

Board members queried the inconsistency of the GVA figures in the paper and in the presentation and sought clarification from the executive on the GVA and value for money figures. The figures for GVA looked low and it was felt that the Executive needed to provide further clarification on the return on investment of the programme. Approval would need to be taken by Chair's action following submission of this information.

Bev Hurley raised a question on the 2009/10 output figures, relating to why the jobs created (350) were less than the number of businesses created (428, as the owner of the new business is a new job).

Sheila Childerhouse supported the project in principle for a number of reasons:

- This is needed more than ever in the current economic difficulties
- It is a good example of how we can flex and adapt the way we work with local authorities – it is a model we can learn from
- Impact – the longer term outcomes the programme is supporting are important to creating changes to communities.

Madeline Russell commented that she was pleased the programme was granted through local authorities and felt strongly that the next Corporate Plan should identify funds for working with local authorities in local areas.

Decision:

The Board:

1. Agreed the £8.62 million investment in the programme for 2010/11 in principle, subject to clarification on economic return.
2. Noted the continued high economic impact and Strategic Added Value of the programme in 2009/10
3. Noted the programme's approach to continuous improvement and achieving excellence in 2009/10
4. Noted the proposals for the continued development of the sub-regional Economic Participation programme in 2010/11 through area based investment

Action

Executive to provide analysis on the GVA and value for money figures and the output issue on number of jobs and businesses created via email for Chairs decision.

John Place left the meeting

Any other business

Edward Iveagh invited board members to the East of England British Tourism week events at the EET Offices in Bury St Edmunds on 19/20 March 2010.

Sign off and date:

Richard Ellis, Chair