

**EAST MIDLANDS REGIONAL ASSEMBLY
REGIONAL SCRUTINY BOARD
8 September 2008**

MINUTES OF MEETING HELD ON Wednesday 11 June 08

<u>Present:</u>	<u>Apologies</u>	<u>In attendance</u>	<u>Secretariat</u>
<u>Chair:</u> Martin Traynor	<u>Vice Chair:</u> Cllr R Begy	<u>GOEM</u> John Wright	Matthew Wheatley Jonathon Little Spencer Rabey Val Fraser
<u>LGA Representatives:</u> Cllr R Austin Cllr R Brown Cllr F Martin Cllr L Neal	<u>LGA Representative:</u> Cllr R Mayhew Cllr R Parker Cllr E White	<u>emda</u> Stan Crawford Kevin Baillie Emma Corbett Diana Gilhespy Steve Mulligan John O'Reilly Richard Tulloch	
<u>ESEP Representatives:</u> Gordon Lammie Angela Rushton	<u>ESEP Representative:</u> Ian Murray Stuart Godfrey Stuart Young		

1.	Welcome and Apologies	Action
1.1	Martin Traynor noted the difficulties caused by the recent fire at Melton Borough Council and expressed his thanks to all EMRA employees for their hard work and dedication over this very testing time. Members commented on the excellent office accommodation and meeting facilities secured at PERA for EMRA's use.	
1.2	Matthew Wheatley conveyed his thanks to Martin Traynor and his PA for their support in printing and disseminating copies of Board Papers for the meeting.	
1.3	Martin Traynor wished to pass on the RSBs congratulation to Cllr Roger Begy on becoming the Chair of the Regional LSC.	
1.4	Apologies were noted from Cllr Roger Begy, Cllr Roy Mayhew, Cllr Ernie White and Stuart Godfrey.	
2.	Declarations of Interest	
2.1	There were no declarations of interest.	
3.	Minutes of the previous meeting held on 31 March 2008	
3.1	The minutes were agreed as a true and accurate record.	
4.	Matters Arising	
4.1	Item 3.1 – Matthew Wheatley informed members that a formal invitation had not yet been received from HELM consultants to participate in a steering group for the regional procurement opportunities plan project. John O'Reilly explained that there had been some initial delays to the first information gathering phase of the project, which had delayed the establishment of an advisory group. John informed members that Stuart Young would be contacted shortly to recommend a member of the RSB to join this group.	JOR
4.2	Item 3.2 – Completed. Martin Traynor thanked <i>emda</i> colleagues for the information provided.	
4.3	Item 6.3 – Completed. A copy of the 'logic model' is included with the Papers.	
4.4	Item 6.4 – Completed.	
4.5	Item 7.2 – The Scrutiny section of EMRA's Business Plan has now been signed off.	
4.6	Item 8.4 – Noted. To be discussed as a separate agenda item.	
4.7	Item 9.4 – Members concluded that further discussions are not required.	
4.8	Item 10.14 – Noted. To be brought forward in 6 months time.	
4.9	Item 11.6 – It was noted that the Chair of the Assembly had indicated that it was his intention to invite <i>emda</i> to present a progress on the Region's preparations for the	

	2012 Olympic Games at the full Assembly meeting on 7 th November.	
5.	Regional Energy Scrutiny Review – Scrutiny Action Plan	
5.2	Jonathon Little updated the Board, referring to Appendix 5 (a). Jonathon drew members attention to the many positive activities detailed by <i>emda</i> in their Scrutiny Action Plan response to the recommendations of the Energy Review, but noted that further detail would be useful on <i>emda</i> 's plans to set stretching targets, along with the composition of the proposed 'oversight group'. He thanked <i>emda</i> for their help and support during the review process.	MW / RB
5.2	Martin Traynor emphasised the increasing economic importance of energy given the current price of oil, and the rising price of Gas and Electricity, with its consequential impact on inflation. Martin suggested that the Region needed a stronger emphasis on energy issues going forward.	
5.3	Cllr Robin Brown suggested that the Panel may wish to reconvene to consider <i>emda</i> 's Progress Reports and Final Assessment Reports in due course. The RSB agreed and asked Robin to convene such a meeting.	
5.4	Diana Gilhespy welcomed the review on behalf of <i>emda</i> . In response to the specific points raised by Jonathon Little, Kevin Baillie noted that <i>emda</i> will look to reconsider energy targets in the light of the publication of the Climate Change Programme of Action and that this would be undertaken in partnership with EMRA and GOEM. In relation to the Proposed Oversight Group Kevin noted that <i>emda</i> are holding ongoing discussions with EMRA and GOEM to identify the appropriate partners who be required to support operational delivery of the Regional Energy Strategy.	
5.5	Martin Traynor congratulated Cllr Robin Brown, Jonathon Little and colleagues on an excellent report and publication.	
5.6	The Regional Scrutiny Board – <ol style="list-style-type: none"> 1. Considered and discussed the <i>emda</i> response attached as Appendix 5(a). 2. Discussed arising issues with <i>emda</i> representatives. 3. Discussed the Progress Report and Final Assessment Report as provided by <i>emda</i>. 4. On behalf of the Assembly, thanked <i>emda</i> and partners for their constructive contribution to the scrutiny review process. 	
6.	'Flourishing Rural Communities'? – Progress Report	
6.1	Matthew Wheatley introduced the report, highlighting the key achievements and referring members to paragraph 2.2 of the attached report on Flourishing Rural Communities? Members considered and discussed the issues arising.	
6.2	Cllr Robin Brown asked how <i>emda</i> monitored the impact of their work on Local Area Agreements (LAAs) and how far LAAs could be a vehicle to deliver the Regional	

	Economic Strategy.	
6.4	<p>Diana Gilhespy noted that <i>emda</i> have 3 levels of engagement with LAAs:</p> <ul style="list-style-type: none"> • representation on GOEM's LAA management board, • through representation on individual LAA management groups • detailed work in individual areas/projects 	
6.5	<p>Richard Tulloch responded to a number of the detailed points raised. Richard noted that <i>emda</i> considered that the Blueprint model was more suited to larger scale developments, which tended to be located in urban rather than in rural areas. Richard clarified that Blueprint's choice of interventions was determined by scale rather than whether they were in an urban or rural location and that <i>emda</i> kept this under review.</p>	
6.6	<p>Richard noted that EMRAF had recently seen organisation changes - with Cllr Geoff Stevens now acting as deputy Chair, and leading EMRAF's new operations group. As a result of these changes, <i>emda</i> now consider that EMRAF has become much more effective in their role as a champion for rural issues. Recent notable EMRAF activity have included:-</p> <ul style="list-style-type: none"> • Developing a joint response with <i>emda</i> to Matthew Taylor's review on rural housing needs – where EMRAF received significant praise for from Government • Producing a high quality response to SNR from a rural perspective 	
6.7	<p>A review of the region's progress in delivering the Rural Action Plan had been reported to EMRAF, which found positive progress. Richard agreed to share the review with the RSB.</p>	RT
6.8	<p>Martin Traynor reiterated the view of the RSB that it was important that organisations that fight for rural communities were effective and fit for purpose. Martin also noted that he was pleased that Cllr Stevens was taking an active role within EMRAF.</p>	
6.9	<p>The Regional Scrutiny Board –</p> <ol style="list-style-type: none"> 1. Considered <i>emda</i>'s Progress Report (attached as Appendix 6 (a)). 2. Discussed arising issues with <i>emda</i> representatives. 3. Invited <i>emda</i> to share a Final Assessment Report with EMRA by 1st December 2008, as detailed in paragraph 3.3. 	
7.	Regional Business Support Scrutiny Review – Progress & Emerging Issues	
7.1	<p>Jonathon Little updated members on the review's progress. Members considered and commented on the report.</p>	
7.2	<p>Martin Traynor queried what data protection issues had delayed the sharing of potential business consultees with the secretariat. John O'Reilly informed members</p>	JOR

that the data protection issues related to *emda* being confident that their data would be handled appropriately by EMRA's appointed consultants. John reported that the matter has been resolved and the relevant data would be with the consultants by the end of the week.

- 7.3 Cllr Robin Brown asked whether the review could examine the effectiveness of implementing the business support simplification agenda and how this fitted in with the LAA process.
- 7.4 Martin Traynor noted the inherent difficulties with attempting to integrate the two processes, but if we are to achieve any real progress then it will need to be addressed by both parties.
- 7.5 Diana Gilhespy stated that *emda*'s Board had agreed to put funding into assisting the development of LAA framework, but noted that *emda*'s output targets and LAA targets do not always neatly align, including LAA Business support indicators 171/172. Diana noted however that the LAA targets were being reviewed by Government.
- 7.6 John O'Reilly stated that although much had been accomplished there is still a long way to go to achieve the simplification of business support across government. *emda*'s role with local authorities and LAAs can only be one of influence.
- 7.7 In response to a question from Cllr Robin Brown about whether the high number of two-tier authorities in the region made it more difficult to hold a meaningful strategic relationships with *emda*. John O'Reilly responded, noting that whilst *emda* has good working relationships with all 46 LA's in the region, they can only attempt to influence behaviours. He stated that other Govt departments (beyond BERR) need to play a greater role in championing the Simplification Agenda – for example CLG could play a more effective role in working with Local Authorities on business support issues. He also noted that there are still important issues to be resolved in implementing the simplification programme, which were acknowledged in the region's Transition Plan, submitted to BERR in May 2008.
- 7.8 John Wright noted that refreshing of LAAs over the next six months presented opportunities for greater alignment on Business Support.
- 7.9 John O'Reilly reported that BERR hoped to outline their 'simplified' portfolio of business support products and these would be up and running in each region by March 2009.
- 7.10 In response to a question from Angela Rushton, John O'Reilly stated that an 'intervention' could vary from a 5 min telephone call to a 'one to one' over a whole day, depending on the business need.
- 7.11 Angel Rushton suggested that it was important to use innovative methods to improve awareness of emerging economic and business trends.

7.12	<p>The Regional Scrutiny Board –</p> <ol style="list-style-type: none"> 1. Noted the progress made on the review and the way forward as detailed in paragraph 6.1. 2. Considered and commented on the emerging issues outlined in paragraph 5.1. 3. Agreed to receive a Final Report at the next RSB meeting in September 2008. 	
8.	<p>East Midlands Regional Assembly’s Response to ‘Prosperous Places: Taking Forward the Review of Sub National Economic Development and Regeneration’</p>	
8.1	<p>Matthew Wheatley introduced the report, noting that the Assembly only proposed to answer questions relevant to matters that related to the work undertaken by the Assembly. Members discussed the report and highlighted key concerns.</p>	
8.2	<p>Cllr Linda Neal informed members of the South Kesteven Council's constitution – where scrutiny members’ are fully involved in policy development.</p>	
8.3	<p>Gordon Lammie suggested that the value of ESEP stakeholders to regional scrutiny should be emphasised in EMRA’s response. This was agreed by Members.</p>	
8.4	<p>The Regional Scrutiny Board highlighted key concerns relating to the Assembly’s Draft SNR Response in Appendix 1, for the Chair and Vice Chairs of the Joint Board to raise in the Assembly Board Sub-Group that will finalise the Assembly’s response for submission by the 20 June 2008.</p>	MW
8.5	<p>Questions to <i>emda</i> on their Chief Executive’s Reports and Board Minutes</p>	
9.	<p>Martin Traynor referred members to the previously circulated Questions.</p>	
9.1	<p>Chief Executive’s Reports: <i>Q1. What level of interest has been generated through the 2007-13 ERDF Competitiveness Programme first call, Priority Axis 1 – innovation and sustainable business practice priority? Is the level of interest set to meet the outputs expected from Priority Axis 1? (para 1.2, April)</i></p>	
9.2	<p>Emma Corbett responded for <i>emda</i>, noting that 81 Expressions of Interest had been received under Priority Axis 1- innovation and sustainable business practice. 58 projects were invited to submit full applications. The total project costs for the Expressions of Interest invited to submit full application was approximately £152m which, should they all be successful, would result in a commitment of approx £53m of ERDF. There are also opportunities to align Priority Axis 2 ERDF allocations with Local Area Agreements.</p>	

- 9.3 Q2. *How much ERDF funding from the 2000-06 round is left to spend before December 2008 and what plans are in place to ensure it is fully spent? (para 2.2.13, April)*
- 9.4 Emma Corbett responded for *emda*, noting that the 2000-06 programme is managed by GOEM. Spend to date under the ERDF 2000 – 2006 Programme is £18.6 million against commitments of £22 million. £3.1 million has yet to be drawn down. *emda* has an action plan for spending the additional £3.1M by year end. All funds are committed and spend is on profile. Emma Corbett also noted that the Programme Monitoring Committee have concerns that exchange rate movements may present a challenge as it may increase the value of the programme, which has to be matched.
- 9.5 Q3. *Has there been success in targeting 200 businesses within RES priority sectors for the Catapulting Kids Programme in terms of provision on the new diploma based learning courses? (para 2.1.5, April)*
- 9.6 Diana Gilhespy responded for *emda*, explaining that the Catapulting Kids contract (awarded December 2008) is to work alongside existing delivery infrastructures to provide enhanced employer engagement support for Delivery Partnerships (schools and colleges) in the East Midlands. In the first year the focus has been on large companies to get good case examples of how it can work and ensure that 5 RES priorities are covered, The intention is for years 2 and 3, is to rollout the programme to SMEs. *emda* are therefore confident of meeting the 200 target provision for the diploma based learning courses. The Department for Children, Schools and Families are now using this project as a national pilot.
- 9.7 Martin Traynor commented that businesses and schools are getting bombarded by initiatives and asked how *emda* was seeking to ensure that Catapulting Kids was co-ordinated with other initiatives, eg Young Enterprise.
- 9.8 Diana Gilhespy responded noting that they were working with current partnerships and had established a multi-agency steering group for the project. Diana agreed to share details of the membership of the Steering Group with the RSB.
- 9.9 Q4. *How is the Princes Trust performing against the targets set in its funding contract with emda? (para 1.7, June)*
- 9.10 John O'Reilly responded for *emda* noting that the Princes Trust was presently delivering above profile. 742 new business starts had been achieved so far and the Trust were on profile to achieve their target of 1,000 by year end. Based on the success of the present project *emda* are looking at funding an extension of the project.

DG

- 9.11 Martin Traynor noted that *emda* were the only RDA to contract with the Princes Trust and welcomed their valuable support.
- 9.12 Q5. *Who are the target audience for the NanoWhat? Roadshows and what are the forecast outputs? (para 2.13, June)*
- 9.13 Diana Gilhespy explained that 'NanoWhat' compliments Nottingham's status as a Science City. The Roadshow aims to address the public's level of understanding of the field and promote greater awareness of the career opportunities within science. It looks to bring about long-term outcomes, changing young people's attitudes to science to bring about increased uptake in STEM subjects. This is being achieved through school trips for students aged 11-13, with the Roadshow having a target of educating 424 students about nanotechnology. *emda* originally targeted 1,500 visitors to attend the 6 events. So far some 12,000 members of the public have attended the 3 events held to date.
- 9.14 As a supplementary, Martin Traynor asked whether the Government's recently announced £6.5M funding for SEMTA would come via RDAs. Diana Gilhespy stated that this was not the case and John Wright offered to clarify this for the RSB.
- 9.15 Q6. *What are the economic threats to the region presented by increasing fuel prices and the credit crunch? What is emda's strategic response to these issues? (para 3.3.1, June)*
- 9.16 Emma Corbett responded for *emda*, stating that the extent of the economic impact will become clearer over the next 2/3 months. *emda* were concerned that the current situation could conceivably be exacerbated further with ongoing media handling of the credit crunch. Anecdotal evidence does suggest that the credit crunch is having a differential impact on sectors within the East Midlands economy, with businesses seeking or providing finance and those involved in property development and retail being more directly affected over recent months. *emda* were considering the scope for 'flexing' their current activities and have discussed improved planning for the development of the evidence base for the new single regional strategy.
- 9.17 John O'Reilly reported that Business Link advisers were undergoing continuous development through the Business Link National Learning Academy to ensure that they were able to respond effectively to changing economic circumstances.
- 9.18 Kevin Baillie stated that *emda* were continuing to assist manufacturers, through the Manufacturing Advisory Service and Business Link. *emda* were continuing to work with partners to invest in and develop economic opportunities in renewable energy technologies, although *emda's* was only able to make relatively small scale interventions.
- 9.19 Cllr Robin Brown asked how far *emda* considered current unemployment trends when developing their programmes, particularly given last month's sharp rise.

JW

- 9.20 Emma Corbett reported that *emda* considered the overall trend of unemployment, rather than a single month's figures, alongside a range of other economic indicators and these are presented to *emda*'s Board on a quarterly basis.
- 9.21 Cllr Robin Brown asked how *emda* dealt with businesses that may be shedding jobs?
- 9.22 John O'Reilly responded, noting that *emda*'s aim was to make businesses more competitive, which sometimes meant being more labour efficient. In a growing economy displaced labour was often re-employed elsewhere. However, in an economic downturn, displaced labour becomes more of an issue. *emda* will continue to assist businesses to be sustainable and competitive in a global marketplace.
- 9.23 Martin Traynor suggested it might be worth getting a feel for the impact of the fuel price increases via the Chamber's quarterly economic survey, especially considering the potential of a 40-45% increase in Gas and Electricity prices.
- 9.24 Cllr Ray Austin noted the impact of fuel price rises, particularly on farming businesses, with fuel prices rises leading to increases in the price of food.
- 9.25 Angela Rushton advocated looking at sources of information available rather than traditional methods and to use trends more imaginatively. The availability of up to date, timely information can enable effective decision making.
- 9.26 Martin Traynor highlighted the potential for much higher prices for goods coming in from the Far East, where Govt's have now discontinued fuel subsidies to industry. This will not only push prices up for UK consumers, but drive up the costs to UK companies, putting further pressure on the rate of inflation.
- 9.27 Cllr Linda Neal asked what *emda*'s view was on biomass and non-fuel crops, given recent concerns about their role in inflating world food prices
- 9.28 Kevin Baillie noted that the policy and thinking around the current generation of biomass fuels is being reflected on by both Government and academia; however the next generation of biomass fuels were expected to be more efficient and effective.
- 9.29 Stan Crawford considered that the region needs to revisit its current approach to biomass
- 9.30 Cllr Ray Austin noted that current food prices suggested that we should put a higher value on protecting Grade 1 and 2 agricultural land from flooding and development.
- 9.31 Q7. *Have emda expressed any views to Government about the desirability of any of the proposed eco-towns in the Region? If so, what are emda's views? (para 3.3.7, June)*
- 9.32 Kevin Baillie responded for *emda* stating that no views have been expressed by *emda*

	or has there been an approach by Government asking <i>emda</i> to express a view. There will be an RDA response to a general consultation and the final response will be shared with the RSB.	
9.33	<i>emda</i> Board Papers	KB
9.34	<p>Q8. <i>Have DIUS responded favourably to RDAs request for regional flexibility in implementing the Innovation White Paper or will the East Midlands be expected to switch from an innovation grants system to an innovation vouchers system? ('Innovation White Paper – Innovation Nation' Board Report, April)</i></p> <p>John O'Reilly responded for <i>emda</i>, stating that RDAs are currently finalising a written response to the DIUS White Paper covering many areas as well as the innovation voucher recommendation. The response is being led by SEEDA in the capacity as RDA lead on innovation and will be signed off by RDA Chairs and Chief Execs before formal submission. Although we have not yet formally submitted our response <i>emda</i> have held a number of offline discussions with DIUS officials – where we were able to highlight concerns with the voucher proposals. As a result of these we were able to convince DIUS to remove all reference to these in the press release which accompanied the White Paper.</p>	
9.35	Any Other Business	
10.	<p>John Wright informed members that GO-EM colleagues are currently undertaking a review of current LAA's as a learning exercise and suggested that members take the opportunity to respond in their areas.</p> <p>In response to the SNR issue, John Wright stated that there is real interest from Whitehall in responses from the regions.</p>	
10.1	Date of Next Meeting	ALL
11.	<i>Thursday 25th September 2008, 2.00pm, at Pera, Melton Mowbray</i>	
11.1	<i>The meeting closed at 3.53pm</i>	
11.2		