

**EAST MIDLANDS REGIONAL ASSEMBLY
REGIONAL SCRUTINY BOARD
12 January 2006**

MINUTES OF MEETING HELD ON MONDAY 12 JANUARY 2006

<u>Present:</u>	<u>Apologies</u>	<u>In attendance</u>	<u>Secretariat</u>
<p><u>Chair:</u> Martin Traynor</p> <p><u>Vice Chair:</u> Cllr R Begy</p> <p><u>LGA Representatives:</u> Cllr A Grant Cllr G Ridge Cllr P Valentine Cllr M Hill Cllr I Fleetwood (sub G Porter) Cllr R Parker</p> <p><u>ESEP Representatives:</u> Mr G Lammie Mr F Lucas Ms P Zadora</p>	<p><u>LGA Representative:</u> Cllr G Porter Cllr M Radulovic Cllr B Kirby</p> <p><u>ESEP Representative:</u> Mr T Roache</p>	<p><u>GOEM</u> Martin Gorman</p> <p><u>emda</u> Phillip Tasker Abby Johnson-Brennan Glen Harris Andrew Morgan Michael Carr Richard Dickinson</p>	<p>Stuart Young Matthew Wheatley Lynn Benton</p>

1.	Welcome and Apologies	Action
1.1	Apologies were received from Cllr G Porter, Cllr M Radulovic, Cllr B Kirby and Tim Roache.	
1.2	Martin Traynor, welcomed Members to the meeting.	
2.	Declaration of Interest	
2.1	In relation to Item 9, Martin Traynor declared an interest in Leicestershire Chamber of Commerce, which is part of a consortium bidding for the Business Link operators contract.	
2.2	Cllr R Begy declared a personal but not prejudicial interest in Mercian Matrix Ltd, who are also a bidder for the Business Link Contract	
2.3	It was therefore agreed that Pat Zadora would chair the meeting for Item 9.	
3.	Minutes of the previous meeting held on 3rd October 2005 *	
3.1	The following amendments were suggested and agreed:	
3.2	Minute 8.2.2 – should read ‘East Midlands Science Arc.’	
3.3	Subject to the above amendments the minutes were agreed as a true and accurate record.	
4.	Matters Arising	
4.1	No specific items arising	
4.2	<i>emda</i> has endorsed East Midlands Scrutiny Protocol	
4.3	Glen Harris reported that the SSP shared resource centre had been operating since the end of November and <i>emda</i> were pleased with its progress.	
5.	East Midlands Regional Scrutiny Protocol *	
5.1	Pat Zadora congratulated everyone on the work done by <i>emda</i> , GO-EM and EMRA officials in finalising the revised Regional Scrutiny Protocol.	
5.2	It was recommended that officials of <i>emda</i> , GO-EM and EMRA should meet in 12 months time to consider the operation of the revised Regional Scrutiny Protocol, to take account of the new Improvement Performance Assessment .	SY
5.3	The Regional Scrutiny Board endorsed the revised Regional Scrutiny Protocol.	
6.	Regional Economic Strategy *	
6.1	Andrew Morgan reported that the draft RES was available to members and would be published on their web-site for two-weeks consultation on 13 th January. Andrew reported	

	that 200 substantial written responses had been received to the previous Consultation Document with the majority giving their overall support of strategic priorities.	
6.2	Andrew Reported that the draft RES has developed priority actions, looked at evidence of market failure and identified preferred policy options. New sections on sub-areas and global economic drivers have been added.	
6.3	Matthew Wheatley outlined the process by which the RSB would manage its response to <i>emda</i> within the two-week consultation period. RSB members were asked to forward comments to the secretariat on the draft RES by midday on Wednesday 18 th January. The secretariat would develop a draft response that would be discussed by a sub-group of Martin Traynor, Roger Begy and Pat Zadora on 20 th January. On 20 th January a suggested response to the Draft RES would be e-mailed to RSB members for comment before close of play on Wednesday 25 th January. Martin Traynor would approve any refinements to the suggested response before submitting it to <i>emda</i> by close of play on Friday 27 th January. The RSB would be asked to consider the Final Draft RES at its meeting on 23 rd March.	RSB
6.4	The RSB endorsed the approach to supporting the further input of the Assembly into the development of the RES.	
7.	Regional Tourism Scrutiny Panel Final Report *	
7.1	Cllr Peter Valentine introduced the report of the Scrutiny Panel examining the delivery of the Regional Tourism Strategy.	
7.2	In response to a question from Cllr Martin Hill, it was stressed that tourism development should be influenced to provide higher quality employment opportunities, that the Panel preferred to see the majority of tourism funding from <i>emda</i> spent by DMPs rather than EMT and that DMPs needed to be clear about the funding that EMT would provide to them. The need to encourage the development of foreign language skills and exploit the potential of the 2012 Olympics was also discussed.	
7.3	The Regional Scrutiny Board agreed to: <ul style="list-style-type: none"> ▪ endorse the final draft report and invite the full Assembly to endorse the final report. ▪ publish this report and its disseminate to regional and sub-regional partners. ▪ invite <i>emda</i> to share a Scrutiny Action Plan, Progress Report and Final Assessment Report to the time-scale detailed in the Regional Scrutiny Protocol. ▪ thank the scrutiny panel members and <i>emda</i>/EMT for on behalf of the Assembly, their time, effort and commitment in supporting this regional scrutiny review. 	
8.	Business Plan 2006-9: Regional Scrutiny Board Work Programme *	

8.1	Stuart Young introduced the suggested Regional Scrutiny Board work programme for 2006 – 2009, noting that there was greatest detail include on 2006-7 whereas the work programmes for further years will be fleshed out as the work programme is refreshed on an annual basis.	
8.2	After discussion, it was agreed that a review of the implementation of the new business support arrangements should be included in the plan for 2007-8, incorporating a consideration of sector-specific business support. In addition it was agreed to add a report on the effectiveness of the process of preparing the RES to the schedule and ensure that engaging in the revision of <i>emda</i> 's Corporate Plan and preparing for the next revision of the RES was properly reference in the work programme.	SY
8.3	The Regional Scrutiny Board endorsed the work programme, with the addition of the above, to go to the full Assembly for approval on 20th January and for the Chair and Vice Chair to have delegated authority to endorse any revisions made as a result of discussions for the consideration of the full Assembly.	
9.	Regional Business Support	
9.1	Pat Zadora took the Chair for this item.	
9.2	Michael Carr introduced a report on 'The Future of IDB Business Support' that was received by <i>emda</i> 's board in October.	
9.3	Michael detailed the progress to date with the tendering exercise to operate as the single provider of IDB Business Support with a decision due at the end of March 2006.	
9.4	Members expressed concern that service standards in Business Links may drop during the current year given uncertainty about organisational futures and that the liabilities and implications of TUPE transfers may not be commonly understood. Members asked what the costs of the transition had been estimated as, who would incur the costs and whether a cost-benefit analysis had been undertaken. Michael Carr reported that all such risks had been considered and <i>emda</i> had plans to manage them but information on costs was commercially sensitive at the moment. Michael agreed to keep the RSB in the 'communications loop' on Business Support issues.	MC
9.5	Pat thanked Michael for his presentation.	
10.	<i>emda</i> Chief Executive Report and Half Year Performance Report	
10.1	Item 10c – Questions to <i>emda</i> was circulated. <i>Emda</i> responded as follows; <u>emda's Chief Executive's Report: December 2005</u>	
10.2	1. (p1) What are the plans of <i>emda</i> to support the establishment of ONS Regional Statistical Presences, as announced in the Chancellor's Pre-Budget Statement?	

		What should be the role of the Statistical Presences in the East Midlands and where should they be based?	
10.3		<i>RDA's will each provide approximately £100k each pa to support the establishment of a regional statistical presence that will provide them with enhanced access to the Inter Departmental Business Register. The location of the presence had yet to be determined.</i>	
10.4	2.	(p1): The RSB would be interested to learn more in relation to the planned 'review' of 'economic development and regeneration'. What will be the scope of this review?	
10.5		<i>The review will be undertaken by DTI and HM Treasury in response to an announcement in the Chancellor's Pre-Budget Report.</i>	
10.6	3.	(p2): Climate for Investment reports good progress against FDI jobs targets but relatively lower performance against number of projects, indicating fewer but more employment intensive investments. Could <i>emda</i> detail which investments have produced the highest job outputs and whether they are 'new' or 'safe-guarded' jobs?	
10.7		<i>Emda reported that they have a strong 'pipeline' of potential and emerging FDI projects.</i>	
10.8	4.	(ps 4&10): How will the LEGI projects (p4) and the General Business Support projects funded under ERDF Measure 1.3 (p10) fit with the single Business Link model envisaged in reform of Business Support Services?	
10.9		<i>The IDB model will provide brokerage and may direct firms to particular providers of support or other support schemes funded by ERDF or LEGI. Negotiations were ongoing with GO-EM over integrating with LEGI work.</i>	
10.10	5.	Given the recent interpretation of state aid rules, will more projects now not qualify for financial support and will this lead to a potential capital underspend?	
10.11		<i>The EU are looking at Regional Aid as part of State Aid and what we can offer in the UK, with a likely reduction in 'Assisted Areas'. Given case law changes, the operation of State Aids can change from week to week. ODPM and DTI meet regularly with RDA's to advise on the application of correct procedures.</i>	
		<u><i>emda's Half-Yearly Performance Report</i></u>	
10.12	1.	(p5): Why has performance not matched expectation on the business creation (and survival) target, especially given strong performance against the business creation target in 2004-5? Has the survival of these companies being tracked?	

10.13	<i>Under previous funding regimes it was not necessary for Business Links to track the progress of the business start-ups that they had supported. Current outputs relate to ERDF funded projects where such outputs were tracked.</i>	
10.14	2. (p6): What plans do <i>emda</i> have to ensure that their skills targets continue to be met once SRB funding expires?	
10.15	<i>Single pot will displace SRB and fund appropriate programmes.</i>	
10.16	3. (p8): The disaggregation of outputs is particularly helpful and reveals some interesting patterns. For example, the achievement of the skills target in disadvantaged wards is low when compared to the total. Now that output data can be disaggregated, should more not be done to achieve skills development, e.g. Basic Skills, in disadvantaged areas where this can be a significant barrier to employment.	
10.17	<i>Emda previously concentrated on higher level skills with others, such as jobcentre plus delivering basic skills. Emda are currently reviewing their approach.</i>	
10.18	4. (p24): How will the priorities of the Urban Action Plan be delivered?	
10.19	<i>Question deferred to next meeting.</i>	
10.20	5. (p29): It is suggested that the term 'Regional Nerve Centre' is revised to promote clarity.	<i>emda</i>
10.21	<i>Noted. Now 'Regional IT Platform'.</i>	
10.22	6. (p47): Are there any aspects of SSPs contribution to the targetry framework that <i>emda</i> consider could be improved and do <i>emda</i> have any plans to assist SSPs to improve their achievement of outputs?	
10.23	<i>SSPs will hit the required targets collectively but probably not individually. Most SSP outputs result from programmes approved under the old Tasking Framework. Emda regularly meets with SSP Operations Managers to review progress.</i>	
11.	Any Other Business	
11.1	There was no other business.	
12.	Date of Next Meeting	
12.1	2pm on Thursday 23 rd March 2006.	