

## East of England Regional Economic Forum

27 February 2009, 9.00am-10.30am

Location – New Campus Basildon College, Essex

### Minutes

#### Attendees

<b>Name</b>	<b>Position</b>
Barbara Follett MP	Regional Minister (co-chair)
Richard Ellis	EEDA, Chair (co-chair)
Catherine Brooks	Highways Agency
David Burch	Federation of Small Businesses
Deborah Cadman	RDA Chief Executive
Megan Dobney	Regional TUC
Mark Eriera-Guyer	COVER
Tim Freathy	GO-East
Terry Fuller	Homes and Communities Agency, Regional Director
Jerry Golland	Chairman, Institute of Directors East of England Region
Robert Gordon	Chair of EoE Strategic Authority Leaders' (EESAL)
Angela Harrowing	GO-East
Terence Illott	GO-East
Michael Large	Chairman, East of England Business Group
Karen Livingstone	NHS East of England
Neil McKay	NHS East of England Chief Executive
Jamie Merrick	EEDA
Caroline Neville	LSC Regional Director
Julia Nix	Jobcentre Plus
Paul Pugh	GO Regional Director
Bryan Raine	Essex County Council
John Reynolds	EERA Chair
Caroline Tapster	Chair of EoE LA Chief Execs'
Caroline Williams	Regional Chambers of Commerce & Industry Representative
Ian Jenkins	GO-East (Secretariat)

#### Apologies

Gwyn Drake	Highways Agency, Regional Director
Richard Howitt	MEP, East of England
Chris Mole	Parliamentary Assistant to Regional Minister
Lynda Russell	Jobcentre Plus Regional Director
Brian Stewart	EERA Chief Executive
Richard Tunnicliffe	East of England CBI

## Action Points from this meeting

	<b>Action</b>	<b>By whom</b>
1.	REF Members to provide feedback on the contents of Real Help booklet and the impact of the Government's response to the Secretariat	All Members
2.	EEDA to supply percentage change figures for the labour market data in future briefings.	EEDA
3.	Secretariat to advise REF Members in writing of any additional issues from the 26 February CRM meeting.	Secretariat
4.	Go-East to consider with partners what local authorities are doing to support business and local economies and particularly what initiatives are working well and how best to take forward shared learning and best practice between local authorities	Go-East to consider
5	Barbara Follett to highlight to HMT the need for prompt and clear communication on the implementation of policy announcements.	Secretariat
6	EEDA to provide the REF with a further report on discussions with the banking sector following the next meeting in May.	EEDA
7	REF business representatives to encourage businesses to continue to use Business Link as their first point of contact when seeking to access public sector support, including advice on the Government's response to encourage bank lending to businesses	REF Business Representatives
8	Barbara Follett to ask REC to consider the issue of the moratorium on Learning and Skills Council capital funding programme with a view to reaching a resolution.	Secretariat
9	Highways Agency to consider whether it is possible to bring forward road maintenance projects.	Highways Agency
10.	Go-East to initiate the setting up of a Task and Finish Group to develop an Action Plan on possible REF interventions on investment and infrastructure projects.	REF members to consider their participation. Go-East to arrange.
11.	A paper on the impact on communities would be developed for consideration at the March REF meeting.	Go-East with input from Members

## **Welcome and Introductions**

1. Barbara Follett thanked New Campus Basildon College for hosting the meeting and welcomed those present to the fourth meeting of the Regional Economic Forum. The meeting was taking place the day after the Prime Minister had visited Ipswich for the launch of 'Real Help for the East of England' <http://www.realhelpnow.gov.uk/pdf/eastofengland.pdf>. Barbara Follett said that she would welcome feedback on the contents of the booklet in terms of the impact of initiatives, any gaps etc.

**Action - REF Members to provide feedback on the contents of Real Help booklet and the impact of the Government's response to the Secretariat.**

## **Item 1- Economic Update**

- **EEDA update on the Regional Economy (Jamie Merrick, EEDA)**

2. Jamie Merrick provided a summary of the impact of the recession on the economy of the East of England in terms of labour market data, business confidence surveys and housing market indicators. Barbara Follett welcomed the monthly briefing, and requested the inclusion of percentage change figures for the regional labour market data in addition to the UK comparisons, to provide context in future briefings.

**Action - EEDA to supply percentage change figures for the labour market data in future briefings.**

- **Local Overview – (Bryan Raine, Head of Economic Development and Inward Investment, Essex County Council)**

3. Bryan Raine provided an overview of the impacts of the downturn in Essex, the issues and hotspots they were anticipating and the role the Council is performing, in partnership with others, in terms of investing in infrastructure and people.

- **National Feedback – Council of Regional Ministers & Regional Economic Council (Barbara Follett)**

4. Barbara Follett said that the Council of Regional Ministers (CRM) had focussed on infrastructure priorities, including the Regional Funding Allocation 2 exercise. The Secretariat would advise members in writing of any additional issues from the 26 February meeting.

**Action - Secretariat to advise REF Members in writing of any additional issues from the 26 February CRM meeting.**

- **Discussion**

5. In discussion, Barbara Follett asked if it was possible to capture what local authorities are doing to support business and local economies during the

downturn and what initiatives are working well, so that practice and experience could be shared. The experience of business representatives on the REF would be an important input. Go-East would consider with partners how to take forward.

**Action – Go-East to consider with partners what local authorities are doing to support business and local economies and particularly what initiatives are working well and how best to take forward shared learning and best practice between local authorities.**

- **Regional discussions with the banking sector (Richard Ellis)**

6. Richard Ellis reported on discussions with the banking sector. Schemes such as the Enterprise Finance Guarantee Scheme were currently being implemented by the Government and the banks. There were still questions regarding what lending to 'viable' businesses meant in practice. Barbara Follett agreed to highlight to HMT the need for prompt and clear communication on the implementation of policy announcements. It was agreed that EEDA would provide the REF with a further report following its next meeting with the banking sector in May.

7. On a positive note, Business Link were developing stronger local relationships with the banking sector. Richard Ellis urged business representatives on the REF to encourage businesses to continue to use Business Link as their first point of contact when seeking to access public sector support, including advice on the Government's response to encourage bank lending to businesses.

**Action: Barbara Follett to highlight to HMT the need for prompt and clear communication on the implementation of policy announcements**

**Action - EEDA to provide the REF with a further report on discussions with the banking sector following the next meeting in May.**

**Action - REF business representatives to encourage businesses to continue to use Business Link as their first point of contact when seeking to access public sector support, including advice on the Government's response to encourage bank lending to businesses.**

## **Item 2 - Investment and Infrastructure**

8. Tim Freathy introduced a paper on how the REF could make the best of public sector investment. This asked the REF to agree investment priorities; whether investment was going to the right places; and what additional action was necessary to speed up the implementation of capital projects, which could bring forward jobs and investment within the region.

9. The Forum recognised the need to look at all of the capital funding streams and budget holders that can be influenced regionally, and to challenge effectively on whether blockages could be overcome, or were genuine issues

of legitimate process. During discussion, the point was made that Section 106 agreements with land developers, made during the good times, were rendering sites undeliverable. Local authorities should be encouraged to renegotiate such agreements in the light of the recession and new land values. HCA agreed to offer to help where necessary.

10. Coming out of the discussion, it was agreed that Barbara Follett would ask the Regional Economic Council (REC) to consider the moratorium on the Learning and Skills Council's capital funding programme with a view to reaching a resolution. Alongside discussion of major infrastructure projects, it was suggested that it might be possible to bring forward road maintenance projects (exacerbated by the recent ice and snow effects) and the Highways Agency agreed to investigate this before the next REF, when their assessment of the accumulation of the deterioration to the Strategic Road Network would be available.

11. The Forum agreed to set up a Task and Finish Group to agree a realistic and dynamic list of priority projects that would bring maximum benefit to the region.

**Action - Barbara Follett to ask REC to consider the issue of the moratorium on Learning and Skills Council capital funding programme with a view to reaching a resolution.**

**Action - Highways Agency to consider whether it is possible to bring forward road maintenance projects.**

**Action - Go-East to initiate the setting up of a Task and Finish Group to develop an Action Plan on possible REF interventions on investment and infrastructure projects.**

### **Item 3 - Impacts on communities**

12. Terence Illott spoke about work being taken forward to help horizon-scan areas in the region that may face particular hardship. He outlined the approach being taken, through EERA, to collecting evidence on the impact on communities in a systematic way. EERA were asked to ensure that Local Authorities drew on evidence from local business organisations (such as Chambers of Commerce), and from third sector organisations. A substantive paper, based on this evidence, would be brought to the next REF meeting.

13. Neil McKay commented on the NHS investment in the regional economy, including the procurement of goods and services and investment in apprenticeships. He highlighted the inter-relationships between: unemployment and reduced prospects for good health; and ill-health and reduced productivity for business.

14. Mark Eriera-Guyer spoke about implications for the 3<sup>rd</sup> sector, with increased demand for services occurring against a backdrop of flat or declining funding. There were particular concerns that disadvantaged people

would become further disadvantaged still in a tighter labour market, while employers needed sound advice on how to assist their employees in overcoming issues, outside of the workplace, that related to the recession.

15. In discussion, it was recognised that this work stream could help in indicating issues and hotspot locations which should be considered further.

**Action - A paper on the impact on communities would be developed for consideration at the March REF meeting.**

#### **Item 4 - Support to help businesses**

16. Deborah Cadman provided an update on the support available through Business Link that included: a regional response to redundancy programme; assisting companies to access credit and loans from banks; free business health checks (over 3,200 since the end of October); a £250k innovation voucher scheme; and a helpline that offers anonymity to business owners who want to discuss their business issues without disclosing their identity.

17. The REF welcomed the concise overview document for the Regional Redundancies Plan <http://www.eeda.org.uk/3678.asp> and the steps that had been taken by Business Link to reach the business community within the funding available for promotional work. Concerns were expressed about the cumulative impact that short time working and cessations of overtime were having on disposable income and hence the wider economy. Similarly there were consequential implications from increasing house repossessions and Barbara Follett reported that she had written to Margaret Beckett on this topic after the last REF meeting.

#### **Item 5 – REF and national policy**

18. Barbara Follett advised that the Regional Economic Council would be meeting on Monday 2 March and its discussions would include: the consideration of local solutions to the downturn and capital investment issues. She asked that any further inputs for this meeting should be received by the Secretariat by 5pm that evening. In addition, she encouraged REF members to cascade information from REF meetings to others in their sector.

19. The Secretariat advised that there would be a paper for the next meeting on the low carbon economy and that this meeting would be held at the Stockwood Discovery Centre in Luton on 24 March.

Secretariat, 18 March 2009