

summary annual report
2008–2009

South East
– working for a
world-class region

Welcome

The downturn we have experienced over the last year is unprecedented, certainly in our working lifetimes. SEEDA responded with a rapid sharpening of focus – our overriding priorities became helping individuals, businesses and communities combat the recession and investing to ensure the region is in a position of strength for the subsequent upturn.

We stepped up our practical support for businesses by, for example, increasing Business Link capacity and providing much needed business loans through Finance South East. We introduced monthly economic intelligence reports to help Government, local authorities and other partners better understand the impact of the recession across the region and develop effective actions. Our much-respected intelligence is just one way we champion the interests of the South East.

We continued to invest alongside partners in regeneration projects that helped to maintain employment and provide investment to encourage innovation and enterprise, (through the diamonds for investment and growth, for example). We were especially pleased that our efforts to attract inward investment, and thus safeguard and create jobs, broke all our records with 90 successful inward investment projects.

Building more effective regional partnerships and strategies is another vital plank in helping the people of the region through these difficult times. SEEDA and the new South East England Leaders' Board (representing local authorities across the region) are now joined in a new Partnership Board which will oversee the development of a new integrated Regional Strategy. We aim to build on our positive working relationships with local authorities, delivery partners and stakeholders to secure more investment in the future of the South East and deliver new Regional Funding Advice to Government together.

We have faced budget cuts and reduced capital receipts like so many of our partners and this could not be pain free. However, we have been able to maintain many key programmes with partners. We are also restructuring SEEDA to deliver lower costs but driven by one aim – to make SEEDA the best economic development agency a top global region could have, with expert interventions, expert deal making and expert strategic advice.

In 2008-09 we received a very positive independent audit of our work. It found that in the five years from 2002 to 2007, our work made a net contribution of £2.64 billion to the regional economy; a return of £5.60 for every £1 invested through SEEDA. This is encouraging and we believe our work in the last year, and the groundwork we have laid for the future, will continue to deliver tangible benefits for this world-class region. SEEDA is committed to using its expertise to invest in success and to lift underperformance, releasing every ounce of the region's potential. In this summary document, you will find out more about our work last year. We look forward to working with all our partners to support the success of businesses and individuals as we emerge from the recession.



James E Brathwaite CBE, Chairman



Pam Alexander, Chief Executive

For the full annual report and accounts please visit our website – www.seeda.co.uk



Performance summary 08-09

9 out of 11
of our targets
were exceeded

£5.60
return
for every £1
spent
by SEEDA
2002 - 2007

SEEDA is guided by our Corporate Plan 2008-11; the overarching aim is to deliver the Regional Economic Strategy; working towards sustainable prosperity for the region. The onset of recession led to a review of our priorities. While maintaining the strategic aim we placed greater emphasis on activities that would directly support the region's businesses through the recession and prepare them to take advantage of the recovery

Highlights

- an independent review of our work by PricewaterhouseCoopers showed that we contributed £2.64 billion to the region's economy during 2002-07
- focusing on helping the region through the recession, we achieved double the number of jobs created or saved - 8,000 jobs against a target of fewer than 4,000
- 17,000 people were helped to find work against a target of 10,000
- 22,000 people were helped to improve their skills against a target of fewer than 15,000
- in addition we have increased the provision of core services such as the Business Link healthchecks, delivering over 7,000 between October and March

We exceeded nine of our 11 output targets. The impact of the recession on the development sector constrained our ability to leverage private investment.

Response to the recession

- £15 million for business support announced by us in December 2008 - this investment included grants, advice, loans and increased Business Link support
- we embarked on an internal restructure to focus more closely on the new priorities and reduce costs

Global competitiveness

- working with UK Trade & Investment we secured 90 new inward investment projects – these wins will include 3,800 new jobs for the region over the next three years
- we helped to bring £3 million into the Thames Gateway to establish the area as a prime location for overseas investors and invested in the Alphasat space satellite project, securing over 500 jobs at Astrium's Portsmouth site
- we initiated a new source of practical support for businesses with the greatest potential for growth with the creation of Innovation and Growth Teams

Smart growth

- the enhanced Business Link service provided information and advice to almost 145,000 customers
- we leveraged £450,000 for social enterprises and invested £2.3 million in a new National Enterprise Academy
- our work on improving the skills base of the region included driving forward the Regional Skills for Productivity Alliance and setting up the Universities Enterprise Network. The Learning and Skills Council's Train to Gain Programme expanded from just those facing redundancy to improving skills for people in work

Sustainable development

- our 'Pathway to Zero Waste' programme helped businesses reduce the cost of waste and turn it into marketable goods
- our online ecological footprint toolkit helped businesses grow sustainably

Strategic influence

- SEEDA and the new South East England Leaders' Board, representing local authorities across the region, agreed outline arrangements for developing an integrated regional strategy, working together in a new Regional Partnership Board which met for the first time in July 2009
- SEEDA secured an additional £1.4 million European Social Fund funding for the region targeting skills training, employment for older workers and to research future economic development themes



A globally competitive region

The region has a well-founded reputation for innovative businesses, such as the thriving digital industries in the Brighton area. With the right support these companies can survive the recession and grow. Equally important is inward investment. The South East is attractive as a base for international companies. SEEDA's role is to support the growth of existing businesses and attract new employers from around the world, both bringing new jobs to the region

Sector focus

SEEDA's sector consortia focus expert support and funding on high value sections of the region's economy. The consortia cover aerospace, environmental and healthcare technologies, security systems, the built environment, media and the marine industries. The consortia are tasked with identifying trade opportunities, supply chains and technologies to support further growth.

Aerospace is a key sector for the South East with great potential for growth in innovation and research and development. The HealthMap programme (Health Management and Prognostics for key systems

on aircraft) is led by QinetiQ and involves eight small and medium enterprises as partners to share risk as well as cascade the benefit of the £3 million SEEDA grant through the region.

- a SEEDA commercialisation grant supported Crompton Technology Group to develop a lightweight component which is now manufactured in Banbury and, as a result of winning a contract, exported to Boeing in the USA
- our contribution to the Alphasat project helped secure 500 jobs in Portsmouth as engineers build the most technically advanced civilian satellites in the world

Action on IT

Information technology will be vital to the region's growth and SEEDA has developed a broadband speed map for the region to help local authorities with planning and development strategies. We have also facilitated contacts between local authorities and BT to encourage investment in next generation access networks.

More for Manufacturing

The SEEDA-funded Manufacturing Advisory Service South East helps raise manufacturing productivity. In this financial year 1,023 businesses were supported, generating £92 million for the economy. Support included IT advice to help clients towards lean manufacturing processes which reduces costs, waste and energy consumption. The service has also been influential in developing the National Manufacturing Strategy which will help improve profitability and efficiency across the country.

**Manufacturing
Advisory Service
South East helped
businesses
to contribute
£92 million
to the economy**



MAS South East Specialist Nik Brown providing advice to Icore International in Slough

Expert help now

After extensive regional consultation we developed plans for the creation of the Innovation and Growth teams. The teams will provide expert help for stakeholders and businesses to create communities of innovation excellence. This will help high-potential businesses accelerate their growth and realise their global potential. All eight teams will be rolled out during 2009-10.

Lead roles

SEEDA was the RDA lead for innovation and our work with the Department for Business, Innovation and Skills on the Annual Innovation Report ensured that the RDAs were strongly represented. We co-chaired (with Government representatives) the Innovation product team of the Business Support Simplification Programme, which drew on the RDAs' experience and was aligned with future regional innovation strategies.

90 new inward investment projects, creating 3,800 jobs

Attracting inward investment

- SEEDA's media sector consortium, the South East Media Network, and Screen South ensured that Fox brought 60 per cent of the production spend of *Gulliver's Travels* to the South East (an \$80 million budget) and influenced Disney to produce *The Prince of Persia* in the South East (contributing 60 per cent of its \$220 million budget spend to the region).
- In the Thames Gateway, we helped leverage £3 million of government funding to promote the area as a prime location for overseas investors.
- With Locate in Kent, SEEDA is supporting a project to bring Chinese investment into Kent.



A skilled productive region

SEEDA is committed to smart growth.

This means taking practical measures to:

- help businesses survive the recession
- help business start-ups – the employers of the future *and*
- ensure the region gets the training and skills development it needs to succeed

Measures included:

- expanding the Business Link support packages. For every £1 invested in Business Link by SEEDA, an additional £4 is put back into the economy through wages and taxes paid by businesses they support. Information and advice was provided via Business Link to almost 145,000 customers, close to 18,000 of them received intensive support to develop action plans for growth, while over 7,000 had healthchecks to help them improve the way they work and survive the recession
- creating an integrated brokerage service, delivered by Business Link, resulting in greater efficiencies and clearer, faster customer access for business support and training

Provided
emergency help
to businesses
worth over
£15 million
from Finance
South East and
other sources

- improving access to support. With businesses and support organisations we set-up the South East Business Support Advisory Board, to advise on implementing the Government's Business Support Simplification Programme. In short, we focussed on making good quality support available to businesses as quickly and efficiently as possible
- providing emergency help worth over £15 million to businesses through direct funding from Finance South East and signposting businesses to other financial support
- helping 22,000 people (against a target of fewer than 15,000) to enhance their skills, to help them take advantage of new jobs and help business remain competitive
- providing Continuing Employment Support Service – structured support to nearly 12,000 individuals made redundant over the past year
- setting up joint taskforces with the Learning and Skills Council, Jobcentre Plus and local Business Links to respond to large-scale redundancies such as Ford Southampton
- working alongside Marine South East to appoint a broker to establish employers' needs and to liaise with college and training organisations to provide the right standard of training provision. SEEDA also worked with the marine sector to promote apprenticeship opportunities and a welding course to retrain welders made redundant from other sectors
- continuing to support increased productivity through the Regional Skills for Productivity Alliance. Flagship programmes in support of the Regional Economic Strategy objectives include training pools and the 40+ Older Worker programme

- funding Tourism South East to play a core role in policy development, research and strategic influencing to help maintain tourist spending in the South East

Women and social enterprise

Promoting women's enterprise and social enterprise continued to be a high priority. Releasing the great potential of these enterprises will help drive the South East out of recession. For example we helped the South East Social Enterprise Partnership (SE2) leverage £450,000 of funding. Through Business Link, we staged a series of targeted events for women starting new enterprises, especially those facing redundancy, which attracted over 1,200 delegates.



Victoria Ballard, of The Victoria Chart Company has benefited from Business Link advice.

145,000
businesses
helped through
Business Link



Canterbury Innovation Centre

Global competitiveness - the academic link

Collaboration between universities and hi-tech businesses can unlock enormous commercial potential. The expertise in the region's universities is one of our most prized resources and SEEDA brokered university/business relationships in many ways. For example we provided £7.2 million to build the Canterbury Innovation Centre at the University of Kent - putting hi-tech businesses on the doorstep of this centre of expertise and facilitating knowledge transfer. Our Chief Executive, Pam Alexander, launched the University Enterprise Networks nationally, supporting universities and businesses to work more closely together. In the South East the University Enterprise Networks is focusing on promoting Science, Technology, Engineering and Mathematics subjects and we leveraged £4 million of regional investment in the programme.

Enterprising education

For the region to flourish it must nurture the business leaders of the future. SEEDA invested £2.3 million in the National Enterprise Academy, created by *Dragon's Den* entrepreneur Peter Jones in Aylesbury, Buckinghamshire. This investment funded a pilot programme to test new ways of developing young entrepreneurs. 28 young people went through the first programme, which will be expanded nationally.



Young entrepreneurs with Peter Jones and SEEDA board member Alex Pratt

A resource-effective, prosperous region with

As the region develops we must support sustainable prosperity. This will deliver the twin benefits of creating a low-carbon economy and allowing the South East to exploit the economic opportunities that green technologies provide. SEEDA has taken direct action to support the green agenda as well as managing and supporting access to European funding to help businesses play their part

Actions to help deliver a low carbon regional economy have included:

- ① encouraging partners to apply for European funding for projects that will reduce carbon emissions
- ① producing a guide to low carbon footprints and creating a low carbon economy with the South East – Diamonds for Investment and Growth
- ① improving SEEDA's own environmental performance, for example, reducing our carbon emissions by 12 per cent and water use by 15 per cent

Delivering carbon reductions across the South East

'Delivering carbon reductions across the South East' is the region's low carbon action plan, which includes fitting older homes with energy-saving technologies. We produced a guide to reducing carbon footprints and creating a low carbon economy in our Diamonds for Investment and Growth (the places within the region recognised as having the greatest growth potential). The guide identifies low carbon approaches that can create local jobs and attract inward investment. Already a model outside the region, the guide will be extended outside the Diamond areas.

Zero waste

We established the Pathway to Zero Waste partnership programme with the Environment Agency and the Waste and Resources Action Programme. The aim is to improve materials resource efficiency and reduce waste in the region. The programme has leveraged £140,000 in grants for companies dealing with construction, food and wood waste.



Westmill Wind Farm in Oxfordshire received support from SEEDA

a high quality of life



Dover Castle

Sea change

SEEDA has helped secure major investment for culturally-led coastal regeneration – which is key to providing new markets and a sustainable future for coastal resorts. This included securing £9.8 million for the Jerwood Gallery in Hastings, over £4 million for the Dover Castle tourist attraction and £1.5 million for projects in Bexhill, Littlehampton and Margate. Funding from SEEDA and the Department of Culture the Media and Sports' Sea Change programme is creating more than 100 new jobs and will attract more than 130,000 additional visitors to the area.

£15 million+
for coastal
regeneration

Rural action

accessing
European
funding

SEEDA channels European funds into the region through its management of the Rural Development Programme for England. Using our rural intelligence network SEEDA has kept Government informed of the impact of the economic downturn on rural sectors. We also tackled specific local concerns such as skills development and tourism. The 'Uckfield Upskill' project, for example, provides IT courses for apprentices and rural businesses. We have also funded the redevelopment of unused farm buildings to create jobs.

Supporting Diversity

- We launched a Corporate Cabinet in May 2008, bringing together 16 of the region's top companies to support third sector enterprises through mentoring, business planning advice and IT support
- SEEDA appointed a panel of equality and diversity experts to advise on innovation and growth opportunities associated with diversity. Outcomes included new career options for disabled people and improved access for disabled tourists. Our initial investment of £850,000 has leveraged a further £3 million and is predicted to secure £11 million income and more than 200 new jobs over the next three years



Infrastructure and development

As we worked to mitigate the impact of the recession we did not lose sight of programmes essential for the long-term future of the region. Sustained investment in infrastructure is essential to support economic growth. While re-prioritising our activities we assessed the role of the large regeneration programmes and began work with partners on how to maintain progress

- we made progress on a Regional Infrastructure Fund to finance projects such as roads, which will give access to critical development schemes. The investment panel comprises SEEDA, local authority leaders, the Homes and Communities Agency and the Government Office for the South East
- our research paper and conference 'Beyond the Crunch' included work with Government, agencies and the public and private sectors to identify a raft of practical measures in which public and private sectors can work together to deliver regeneration and development in the future

SEEDA consistently articulated regional development needs, opportunities and solutions to partners and stakeholders in the region nationally and in Europe, including lobbying for M4 upgrades and a sustainable distribution network in the Thames Gateway. SEEDA continues to work closely with the East of England Development Agency and the London Development Agency to take forward the Thames Gateway Economic Development Investment Plan. Up to £80 million has been allocated by the Department for Communities and Local Government/Homes and Communities Agency to take forward the Plan.



Lacuna Place in Hastings, part funded by SEEDA

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£155 million
leveraged to support
priority infrastructure
schemes to aid
economic recovery,
regeneration and
development.

- Canterbury Innovation Centre – supported construction to facilitate knowledge transfer between the University of Kent and high growth businesses
- Queenborough and Rushenden – infrastructure works started to open up employment sites
- Funding was approved for Margate's Turner Contemporary Arts Centre

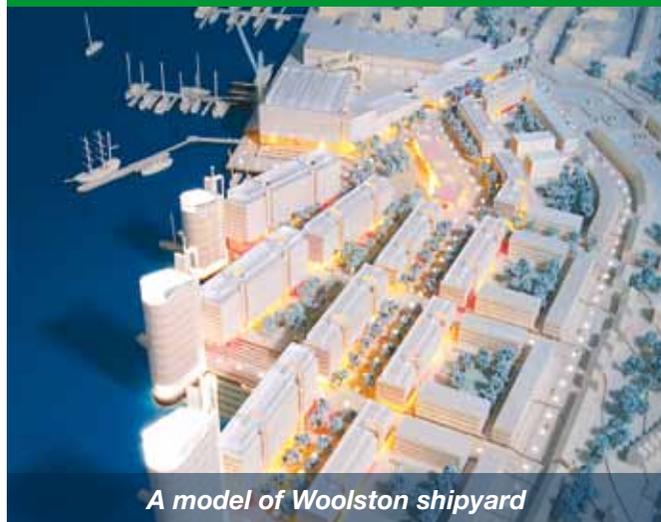


Since 2001, the three RDAs have invested around £600 million in jobs, skills and sustainable growth in the Thames Gateway, almost all of which has been in partnership with other organisations

- SEEDA worked to sustain infrastructure and regeneration investment, despite the severe slowdown in private sector investment. Where possible we re-phased or restructured schemes to maintain momentum

Woolston regeneration

At Woolston in Southampton we are working closely with the Homes and Communities Agency to ensure funding is available when the first phase of employment and residential development begins.



A model of Woolston shipyard

Our strategic role

SEEDA is a source of expertise in and about the region. We are an important link between the South East and Government, directly influencing positive outcomes for the region. The following examples demonstrate some of the ways we have promoted the interests of the people of the South East.

- our economic analysis of employment trends, investment, redundancies and company closures informed and shaped responses to the recession
- we hosted the Government Cabinet meeting in February. This provided the opportunity for business and partners to raise key issues directly with the Prime Minister
- ministerial visits allowed local businesses to talk directly to MPs about the opportunities and challenges facing the South East economy. For example the Chancellor of the Exchequer gained a valuable insight into the region when he met representatives of the marine sector
- we attracted £1.4 million from the European Social Fund to support essential work on skills training, employment for older workers and research into economic development
- we worked with local authorities in many ways, including projects to encourage sustainable economic growth in the South East's eight Diamonds for Investment and Growth – high potential areas identified for intensive support

£1.4 million
attracted from
the European
Social Fund

South Hampshire Diamond

SEEDA worked closely with The Partnership for Urban South Hampshire on the development of a Multi Area Agreement – between 11 local authorities, Government departments and other agencies. The Agreement formalised a co-operative agreement that will deliver clear outcomes such as improved business services, support for innovation, bringing forward new employment opportunities and increasing key skills in South Hampshire – an area identified as having strong growth potential.

The Mountbatten Centre at University of Southampton.



Evaluation and future re-shaping



SEEDA's impact

PricewaterhouseCoopers (PwC) carried out an independent assessment of the impact of Regional Development Agency investment and performance, reporting on 31 March 2009.

PwC evaluated over 80 per cent of SEEDA's spend between 2002-2007, covering 25 programmes and projects showing that we made a contribution of £2.64 billion to the economy of the South East over the period. £5.60 has been generated for every SEEDA pound spent. SEEDA is using this evaluation and further research to ensure future investments are chosen for maximum impact and value.

SEEDA's business interventions, particularly sector support, trade and inward investment, show the highest regional GVA returns to date. The costs of each job created and each business assisted are efficient, but we will continue to seek to maximise our impact by focusing our effort more on specific sectors.

The benefits of our long-term regeneration schemes building physical infrastructure, will flow in future years and we are developing measurement systems to go beyond the PwC short term assessments. Our work in the regeneration of Chatham Dockyard, creating the Universities at Medway or with Hastings & Bexhill Renaissance Ltd demonstrate SEEDA's strategic added value, by stimulating public/private sector partnerships that deliver creative, innovative solutions.

Reshaping SEEDA

We aim to be the best economic development agency a top global region could have: with expert interventions, expert deal making and expert strategic advice.

During 2008-09 SEEDA began a review of its business, structure, ways of working and governance to improve focus and effectiveness and to deliver savings on administration expenditure. We will have cut administration costs by £3.6 million over the three years to April 2011.

The future core business of SEEDA is being re-defined - what we will continue to do, what we will pass to partners, what we will outsource, what we will no longer do in future and what new skills we may need. This will enable us to continue working towards becoming a more agile agency built firmly around competitiveness and productivity, with a strong pro-business bias. The new SEEDA will be in place by April 2010.

“The challenges of the recession and of the future require SEEDA to be more focused, more agile and more responsive in order for us to play our full part in ensuring the South East economy can take advantage of the recovery.”

Pam Alexander, Chief Executive, SEEDA