

SOUTH EAST ENGLAND DEVELOPMENT AGENCY

BOARD MEETING ON 28 JANUARY 2009

ITEM 16

AGENCY REPORT

Recommendation

The Board is invited to **NOTE** the Agency Activity Report for December and January which represents a cross section of reports from within SEEDA organised according to the themes of SEEDA's Corporate Plan 2008-11.

GLOBAL COMPETITIVENESS

Global Markets programme

International

1. Despite forecasts for a downturn in Foreign Direct Investment (FDI), enquiries were steady and the Inward Investment team recorded nine successes resulting in the creation of 115 new jobs over the next three years.

Inward Investment Activity

Australia/UK Business Connections Seminar, Adelaide

2. SEEDA attended a business seminar organised by the British Consul in Adelaide to celebrate a history of successful commercial links between the two countries. The seminar was attended by a wide range of business leaders and trade and export associations providing an excellent opportunity for networking. SEEDA identified new companies interested in setting up an operation in the UK and Europe.

'Invest in the UK' Business Seminar, Sydney

3. SEEDA presented at a lunchtime business seminar in Sydney, organised by UK Trade and Investment (UKTI). The event, which was attended by more than 100 delegates, produced a good number of leads and allowed SEEDA to present to key members of the business community, academic institutions, trade associations and the state government of New South Wales.

Paris Region Innovation Tour (PRIT), Paris

4. The French Security and Defence cluster Systematic held its third Annual Forum Event in Paris. As part of the forum, Systematic arranged a joint workshop for Systematic's Security and Defence Thematic Group members, SEEDA's Security Industries and Technology Consortium (SITC) members and SEEDA representatives. The event enabled the two regional sector clusters (Systematic and SITC) to discuss opportunities for collaboration and allowed selected organisations (especially Small and medium enterprises) from both regions to showcase their capabilities by giving examples of projects they had been working on and highlighting areas in which they seek to collaborate for future projects.

Softlanding Mission, Reading

5. SEEDA coordinated and hosted a Nordic Softlandings Mission to Reading. Ten companies – all focused on the development of software for the telecom industry – visited the region and attended a dinner where they networked with similar companies from the UK as guests of UKTI South East. The programme included presentations from Orange, Harwell Science and Innovation Campus, the Innovation and Advisory Service, Thames Valley Enterprise Hub and SEEDA. E-conomic, a SEEDA assisted Danish company which has set up in the Thames Valley, also provided a case study. Two projects were generated from the event.

Global Connect Event, Stuttgart

6. SEEDA attended the Global Connect Forum for International Contacts and Investments in Stuttgart. The forum consisted of an international trade congress, a trade fair (150 exhibitors), topical presentations and a cooperation exchange. The German Federal Ministry of Economics and Technology, the German Association of Chambers of Industry and Commerce and other federal organisations support Global Connect. SEEDA was present at the trade fair to visit the joint stand of German Chambers of Commerce in London and Ireland and to identify potential multipliers, including public funding institutes and private sector service providers for assistance in foreign markets and financial institutes.

Medica 2008, Düsseldorf

7. SEEDA attended the Medica 2008 exhibition in Düsseldorf to visit established contacts and meet with new targets picked from promising product areas. Some 120 companies were approached as part of the pre-marketing campaign. SEEDA met with three pre-qualified prospects and visited a number of additional companies exhibiting at the show without appointment. Two good projects have been generated as a result.

Launch of SEEDA's Softlandings Programme, Thames Gateway

8. SEEDA's softlandings programme was launched at the Thames Gateway Forum on the Thames Gateway Kent Partnership stand. SEEDA and Locate in Kent presented the package and introduced private sector partners to the audience that consisted of intermediaries and representatives from UKTI Embassies in Benelux and France. The programme, which offers a package of services to assist foreign investors to establish a presence in the region at low risk and cost, includes rent-free accommodation for six months.

British Ambassador (Germany) visit to South East

9. SEEDA hosted a two-day visit by British Ambassador to Germany Sir Michael Arthur to the south east region. SEEDA coordinated the visit with a specific trade and investment focus to include visits to German inward investors and UK companies interested in doing business, or already active, in Germany such as Schüco International (Milton Keynes), Brita Water Filter Systems (Oxfordshire), Siemens Magnet Technology (Oxfordshire) and Formtech (Oxfordshire).
10. The visit was covered by regional press and a number of BBC radio stations with the purpose of promoting German investment into the South East region and UK-based business into Germany. Feedback from the Ambassador has been excellent and opportunities for further development via building on the relationship between UKTI in Germany and SEEDA are clear and in progress.

Invest Thames Gateway Launch, Kent

11. The new service for marketing the Thames Gateway as a single unified region to global investors was launched at the Thames Gateway Forum. The initiative, which has been led by SEEDA with support from the two other Thames Gateway Regional Development Agencies (East of England Development Agency and London Development Agency) and CLG, will be responsible for coordinating marketing activity and developing client contact strategies for all international inward investment into the Thames Gateway. Invest Thames Gateway will receive approximately £3 million funding from CLG over a three-year period. The new service will help allay previous concerns there are too many contact points in the Thames Gateway for inward investors and the various Agencies are not joined up to provide a seamless customer experience. The initiative forms part of the Government and SEEDA's commitment to promote investment opportunities in the UK's largest growth area to an international client base.

La Salle Innovation Centre Event, Barcelona

12. SEEDA was one of three Regional Development Agencies invited to present softlandings packages for inward investors at an event jointly coordinated and hosted by UKTI Barcelona and La Salle Innovation Centre in Barcelona. The event, called Smart Places, was attended by small companies accommodated at the centre that are exploring optimum locations to internationalise their businesses and the respective trade associations representing these businesses. Following SEEDA's presentation of the Launchpad UK initiative at the seminar, SEEDA networked with prospective investors and multipliers, yielding three good projects.

Research and Development Programme

National Aerospace Technology Strategy

ASTRAEA

13. ASTRAEA is a public-private sector collaborative programme to develop the technologies, systems, facilities together with the necessary regulatory environment so that unmanned aircraft can operate safely and routinely in UK civil airspace. SEEDA's investment (£2 million) is supporting a high level of Research and Development (R&D) and knowledge transfer in the South East and a range of SMEs in working with QinetiQ, Thales, Flight Refuelling and BAE Systems. The Farnborough Aerospace Consortium, funded by SEEDA, has undertaken an assessment of the SMEs engaged in the South East element of the work. This has shown that participating businesses have benefited from outward technology transfer and new market opportunities.
14. Overall, ASTRAEA has been an excellent demonstration of a truly collaborative programme; it is the first time UK aerospace companies (normally avid competitors) have worked together seamlessly towards a common goal; unmanned air vehicles flying in controlled airspace.

Innovation and Creativity Programme

Place Based Innovation and Growth Teams Update

15. Following SEEDA's invitation to partners to submit proposals to develop local innovation and growth teams, four business plans have been submitted for the following areas:

Buckinghamshire and Milton Keynes

16. The proposal is endorsed by both the Buckinghamshire Economic and Learning Partnership and Milton Keynes Economy and Learning Partnership and is supported by Buckinghamshire County Council, Aylesbury Vale District Council, Wycombe District Council, The Open University, University of Buckingham, Buckinghamshire New University, Invest MK, Business Link Solutions.

Mid and South Hampshire and the Isle of Wight

17. The proposal is endorsed by Partnership for Urban South Hampshire (PUSH) and is supported by Business Link, Isle of Wight District Council/ Isle of Wight Economic Partnership, University of Southampton, University of Portsmouth, Southampton Solent University, University of Winchester, VT Group plc, Xyratex Technology Limited, Bowman Power Group Limited, Yelllowfin Limited, BDO Stoy Hayward LLP, Grant Thornton UK LLP, Blake Lapthorn, Paris Smith LLP

West Surrey and North East Hampshire

18. The grant application has been submitted by the Surrey Economic Partnership- and is supported by Business Link Surrey and Business Link Hampshire & Isle of Wight, University of Surrey, Royal Holloway, University of London, University of Creative Arts, Kingston University, National Physical Laboratory, Leatherhead Food International, Surrey & Hampshire County Councils, Surrey Chambers of Commerce, Elmbridge Borough Council, Rushmoor Borough Council and Woking Borough Council.

Berkshire & Basingstoke

19. The grant application was put forward by the Thames Valley Enterprise Hub Ltd on behalf of the Berkshire Economic Strategy Board. The proposal is supported by the University of Reading, Thames Valley University, Basingstoke & Dean Borough Council, Business Link Berkshire & Business Link Hampshire, Thames Valley Economic Partnership, W Berkshire Council, Wokingham Borough Council, Reading UK CIC, Slough Borough Council, Bracknell Forest Borough Council, Royal Borough of Windsor & Maidenhead, New Greenham Park Ltd and the Hampshire Economic Partnership.
20. The grant application process has had a catalytic effect in drawing together the partnerships in these four areas. The level of "in kind" support is averaging 20% of the funding that SEEDA is proposing to award. The SEEDA funding will act to leverage additional business support and will essentially be going into direct delivery rather than into overheads. In several instances partners within a sub-region have through this bidding process identified assets, expertise and knowledge which can be brought together in a synergistic way to promote innovation and develop commercial business opportunities.
21. These teams are expected to receive formal approval in February 2009, for an operational start in April 2009. The invitation for grant applications for the second phase was published on 15 December 2008, covering Oxfordshire;

Kent and Medway; East Surrey and West Sussex; East Sussex and Brighton & Hove.

22. When SEEDA started to develop the concept of the regional network of eight place based innovation and growth teams some 18 months ago, we saw them as a way of being able to have a greater impact on economic growth by targeting tailored intensive support on the 2000 businesses in the south east with the potential to innovate and grow substantially. In the current economic climate innovation and growth teams will have a crucial role in helping businesses in emerging markets that will play an important part in pulling the economy through the recession.

Enterprise Hubs

23. The latest Hub Network survey results showed an impressive 86% overall satisfaction. The last Hub Magazine was sent out in December this magazine will be re-launched in the Spring as a magazine for innovative south east companies.

Innovation/DIUS Lead Role, Annual Innovation Report

24. SEEDA worked with the Department of Innovation, Universities and Skills (DIUS) on the Annual Innovation Report, published on the 4 December 2008. The report presents a positive picture of innovation in the UK and RDAs are presented as making a significant and positive contribution to innovation support in England. SEEDA support for collaboration through collaborative R&D and science and innovation campuses is highlighted. Jim Brathwaite attended the launch of the report by Gordon Brown at Downing Street and spoke on behalf of the RDAs.

Leadership and Management Specialist Advice Service

25. SEEDA has successfully won a £13.2 million contract to deliver the Leadership and Management Specialist Advice Service, a component of the Train to Gain national initiative funded by the LSC and delivered regionally. The service is for SMEs with between 5-249 employees and intended to increase business ability to improve performance and productivity through development of leadership and management skills by accessing specialist support through Leadership and Management brokers. Over 10,000 businesses will benefit from the service including access of up to £1,000 of grant funding during the 2,5 year delivery period. SEEDA's delivery partner of the service is Skills South East.

Manufacturing Needs Analysis

26. SEEDA has asked MAS-SE to develop a programme that will identify and deliver increased support for SME manufacturers in the South East region. This programme is aimed at helping to meet SEEDA's stated objective for business support from September 2008. The programme's objective is identify the needs of manufacturers within the region relative to the current economic climate. It will identify the potential target market size and the types of knowledge or tools that manufacturers require in order to remain in business in

the current economic climate. The aim is to collect and analyse good qualitative market information – allowing the correct proposal for support to be selected.

CyberSEM Project

27. The SEEDA funded Electron Microscope project providing schools in the South East with online access to an Oxford University high powered electron microscope continues to break new ground in attracting pupils in South East and schools across the UK to the excitement of online microscopy. The project is championed by Professor David Cockayne, Materials Department, Oxford University who sought SEEDA funding for a technician to promote the project to schools and 'excite' pupils and teachers to the potential electron microscopes have to investigate matter and materials.

Designing Demand

28. The first two year Designing Demand programme of design support to SMEs delivered in partnership with the Design Council and the South East Business Link providers has just completed. Over 400 SMEs in the SE received a briefing on the impact of design or took part in the full programme. One of the key outcomes of the programme has been the production of 12 South East Designing Demand business stories featuring the impact the design programme has had with businesses. A further programme is now underway and SEEDA is now offering a new design programme – Immerse. Immerse is the leading Design Council programme designed to provide in depth design support over an 18 month period to companies that have the potential for exceptional growth.

Broadband and Information and Communication Technologies (ICT)

The Impact of ICT on SMEs in Tough Economic Times

29. 'The Impact of ICT on SMEs in Tough Economic Times' event was held Wednesday 10th December at Millbrook Technology Campus, Southampton. The event featured a presentation from SEEDA and focused on identifying the problems that businesses have, or expect to have, with ICT, and how SEEDA and its partners can work to address them. Chris Owen of BMG, Mark Batchelor of IBM, Andy Hudson of BT, Sandy Lovatt of Federation of Small Businesses, Martin Harvey of e-skills UK and Tim Gainford of Ashford's Future also made presentations.

SMART GROWTH

Enterprise Programme

'Real Help for Business'

30. Lord Mandelson, Secretary of State for Business, Enterprise & Regulatory Reform, launched the Government's "Real Help for Business" campaign at a business breakfast in London on 14 January, promoting three finance packages to help companies access funds. In support of this, SEEDA Board Member

Alex Pratt visited Mercator Media Limited, based in Fareham. Mercator Media are one of the first companies to benefit from SEEDA's new Bridging Mezzanine Debt Fund. It has helped them bridge a short term funding gap, caused when payment for work done in Iceland did not come through. The visit, which demonstrated how SEEDA is responding to the business need to access short-term finance, attracted media interest.

Business Link

31. Since the announcement by the Chancellor of the free "Health Check" for business in October 2008, Business Link has undertaken more than 3,200 Health Checks. A large proportion of these (34%) have been with businesses in the real estate, renting and business activities sector. In addition, the manufacturing and wholesale and retail sectors accounted for 24% of all Health Checks. 96% of all Health Checks have been with businesses that employ fewer than 50 staff.

Business Link Procurement

32. Following a successful consultation process during the Summer 2008, SEEDA has just published (via OJEU) a notice for the new Business Link contract from April 2010. The process will run from January to June 2009 and we will provide regular updates on the process.

Train to Gain

33. The details of the new flexibilities announced in October have been released. Additional Level 2 qualifications will be funded in line with Sector Skills Councils' agreed lists and Level 3 qualifications for 19 - 24 year olds will be fully funded. This will assist the Skills Brokerage service to help businesses in the current economic climate and prepare them to succeed in the upturn.
34. Overall employer satisfaction for the service for the last quarter was 92%, with the South East being the best performing region. The brokerage service has engaged with over 6,000 businesses in this contract year to date resulting in 5,236 new Level 2 learners. From April 2009, the skills brokerage service will become an integrated brokerage service that supports businesses of all sizes and sectors.

Women's Enterprise

35. Numerous events were held across the SEEDA region to celebrate Women's Enterprise Day on 19 November, part of the first ever Global Entrepreneurship Week which was launched by the Prime Minister, Gordon Brown earlier in the year. SEEDA supported five partners across the region to run women's networking events, at Bracknell, Brighton, Oxford, Southampton and Guildford. SEEDA's regional Women's Enterprise Ambassadors and Advocates were also in attendance covering subjects like challenges met by women business owners and the importance of women's enterprise to the economy.

Tourism South East (TSE)

36. Tourism South East is in the process of changing the Chief executive and the Chair. The new Chair, John Williams, has been appointed. John has a background in communications and marketing as well as significant public sector appointments. The TSE board is in the process of recruiting a new Chief Executive who we hope to have appointed by the time Bob Collier leaves at the end of March. The current management leaves TSE in a strong position as can be seen from the independent audits and evaluations and solid corporate and business plans to take forward to achieve the strategic aims for the region.

Independent evaluation report

37. WM enterprises were commissioned in March 2008 and reported back in September. The report is very positive and indicates that SEEDA's investment has made an impact that has moved the region closer to achieving its objectives. Despite setbacks like Foot and Mouth, Floods the sector has continued to grow the number of businesses in the sector by 17% compared to the national average of 10.5% and employment grew by 15.5% compared to the national average of 14.2%. The evidence is that Tourism South East's work over the period 2003-2008 is worth £144.3 million to £182.8 million to regional GVA.

CompeteFor

38. The South East is by far the most active region outside London with over 7800 businesses registered (18% of the national total). A total of 3424 businesses have published ready to tender (44% of those registered).
39. The region has gained 8 contracts through CompeteFor, 5 of which have been awarded to companies that have registered on CompeteFor. In total in the South East region, over 130 contracts have been awarded for London 2012 business, with a further 365 companies currently on shortlists to win business.

Employment and Skills Programme

RDA Lead Role

40. With effect from 1 January 2009 SEEDA has formally assumed the lead role amongst RDAs for Skills and also for relationships with two Government Departments – Department for Innovation, Universities & Skills (DIUS) and Department for Work & Pensions (DWP). These lead roles were previously undertaken by the North West RDA (NWDA); because of the size of the new task for SEEDA the North West have agreed to a staged handover up to end-March. The combination of the Skills lead role with that for both the DIUS and the DWP, and the retention of the Innovation lead role by SEEDA, provides the opportunity to join up innovation, science and technology with skills, higher and further education (which was split when DIUS was created) and with the DWP agenda of economic inclusion, worklessness and welfare reform. SEEDA is working closely with NWDA during the period January to March 2009 to ensure

a smooth transition and is in the process of developing a longer-term plan for how the lead role will be carried out.

Regional Recovery Plan

41. SEEDA's Employment and Skills Team has been working closely with the Learning and Skills Council (LSC) and Job Centre Plus (JCP) to develop an enhanced integrated response to the current economic downturn in relation to employment and skills actions to protect individuals and businesses. The single South East Regional Recovery Plan sets out how SEEDA, LSC and JCP are working together jointly. The plan is supported by a wide range of partners including Government Office South East (GOSE), Sector Skills Councils and providers, as well as SEEDA's own resources such as Business Link and the Investor Development Managers. The plan is intended to deal with both on-going multiple employment risks across the region and a major event. The outline of the plan has been briefed to the Council of Regional Ministers and Treasury Ministers, to show the readiness of the South East to put in place support for employers and individuals to counter the current economic climate.

Marine Sector Upskilling

42. SEEDA is currently working with Marine South East (the Sector Consortia), Learning & Skills Council (LSC), the Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTA), a range of Further Education / Higher Education training providers, the marine Regional Resource Centre, Train to Gain and British Marine Federation to bring together the skills elements within the waterfront / coastal strategies, specific marine labour market information and the marine Sector Skills Agreement.
43. The marine sector in South Hampshire and Kent has a variety of short, medium and long-term skills needs. As part of a package of skills-related activities developed for the marine sector, a senior marine skills manager has been appointed with SEEDA funding to drive forward a wide range of agreed policies, activities and objectives which address specific evidence-based issues in the sector. The manager will work with the above partners to define projected levels of new skilled people needed under a variety of competencies and present scenarios for meeting those requirements (e.g. using redeployment, upskilling, apprenticeships etc). This work has been welcomed by employers, since it responds directly to requests for co-ordinated action to address the skills issues in the leisure marine sector.

Engineering Skills Forum / Career Website for Marine & Aerospace

44. Evidence from the SEEDA commissioned Technology Skills report focusing on medium and long-term skills for the marine / aerospace sector suggests that employers in the marine / aerospace sectors are not engaging with the skills support services available. There is also a need in the current economic downturn to ensure skills within the marine / aerospace sectors are retained and that employees continue to be upskilled. In addition, employees facing redundancy need to have the opportunities to move to another sector which requires similar skills and experience.

45. In response to this research; Winchester Consulting (WCL) has developed a mechanism for tracking, monitoring, and reporting delivery of redeployment, recruitment, training and upskilling in marine / aerospace sectors and corresponding skills profiles of both employers and employees. This service has been welcomed by a range of marine and aerospace partners including the two relevant Sector Consortia, the LSC, CESS (Continuing Employment Support Service) brokers and Job Centre Plus (JCP).

Crossrail - Skills Requirements

46. Crossrail is currently the biggest engineering project in Europe which will commence construction work in 2010 to build a cross-London rail link between Maidenhead and Shenfield.
47. SEEDA is facilitating discussions between Crossrail management and range of partners (LSC, Berkshire Employment and Skills Board and 5 Sector Skills Councils) to discuss options to assist with Crossrail's skills requirements. Discussions have been held with the London Development Agency (LDA) and the East of England Development Agency (EEDA) to co-ordinate a cross-RDA approach with a further meeting planned at the end of January. Crossrail is already working with a Construction skills advisor and the LDA Observatory. Crossrail is keen to work with Job Centre Plus on the employability / worklessness agenda as well as encouraging all its contractors to sign a Skills Pledge.
48. Following successful meetings chaired by SEEDA, all partners support Crossrail's aims and objectives. Crossrail will develop a training and development plan in Spring 09 which will influence development, facilitated by SEEDA, of specific packages of support to meet Crossrail's skills requirements.

SUSTAINABLE PROSPERITY

Low Carbon Programme

A No-nonsense Guide to Tackling Carbon Footprint

49. SEEDA has commissioned, on behalf of the Diamonds Local Authorities, a no-nonsense guide to tackling carbon footprint, as part of our leadership of this theme for the Diamonds Leaders' Board. The guide is nearing completion, and will be rolled up across the Diamonds in a series of workshops involving the key personnel. The aim is to provide Local Authorities with practical support and advice to help them achieve the targets the Diamond Leaders signed up to in 2008, and their Local Area Agreement (LAA) targets.

Retrofit and Renewables

50. SEEDA is brokering discussions between individual Local Authorities and EAGA, the leading deliverer of UK governments' fuel poverty programmes. EAGA is funded to help deliver the governments' Carbon Emissions Reduction Target (CERT) placed on energy suppliers. The outcome would be both a community/area-based approach to retrofitting, and also training of local

suppliers to fit environmentally friendly options (e.g. air source heat pumps rather than oil fired boilers).

51. SEEDA is also taking forward discussions with energy companies who supply and operate biomass power plants, to broker action plans with Local Authorities.

Resource Efficiency Programme

South East Business Resource Efficiency Support Strategy and Action Plan

52. A regional Business Resource Efficiency Support Strategy and Action Plan has been developed in consultation with regional stakeholders and national delivery bodies; including the Carbon Trust, Envirowise and WRAP. This replaces SEEDA's BREW programme which relied upon Defra funding that was withdrawn at the end of last financial year, and will ramp up interim measures in hand during the development of the strategy and action plan.
53. The action plan includes a small number of focussed actions that have potential to transform the level and intensity of behavioural change within South East businesses. These include providing incentives for businesses to take action on their energy and water use and to reduce their waste, as well as working with Local Authorities and the businesses within their areas to help them to meet Local Area Agreement (LAA) indicator targets for CO₂ emission reduction and waste diversion from landfill.
54. Working with the European Regional Development Fund (ERDF) Competitiveness Programme, that has a complementary focus on Sustainable Consumption and Production, it is planned that support will be targeted on these prioritised actions until March 2011.
55. All supported activity will be compliant with the new BSSP Solutions for Business 'Improve Your Resource Efficiency' product and will use Business Link as the primary access channel to businesses.
56. The strategy and action plan are designed to have three impacts on businesses according to their lifecycle:
 - Helping them survive the economic downturn through operational cost savings as a result of improved use of resources, lower fuel and energy bills, and lower waste disposal costs;
 - Strengthening growing businesses by providing support for business improvement, new product development, up-skilling of employees, and employment opportunities in environmental technologies and resource management;
 - Helping businesses prepare for the economic upturn, when the economy will be increasingly driven by the low carbon and resource-efficient agenda, leading to increased demand for new products and innovative business models.

Natural and Rural Resources Programme

Land Based Business Advisory Scheme

57. This scheme is managed through Sussex Business Link, using SEEDA resources. The first two years of the three year Land-based Business Advisory Scheme programme have now been evaluated. This has led to plans for the final year being tweaked to take account of the evaluation findings. The results of the three year programme are intended to influence the new Business Link contracts planned for 2010.
58. The scheme has tackled a number of key issues which were identified as a 'gap' in current provision. These have included:
- The impact of climate change on land-based industries
 - The need for improved water utilisation and storage
 - The need for energy savings, efficiency, waste reduction and renewable energy opportunities
 - New opportunities to grow energy crops
 - Value added opportunities in the food supply chain
 - Advice on rural/farming planning issues
 - Advice on suitable business diversification

Livestock Sector

59. A new regional livestock sector group is almost in place; the terms of reference has been established and an interim chair, Anne Marie Nash, is now in place. The Livestock Sector is important to the region as they manage and maintain our distinctive chalk grasslands.

Food, Fishing and Public Procurement

60. The SEEDA supported South East Food Group Partnership has been running courses on the sourcing and preparation of lower value cuts of meat. These have been very well attended and enabled more catering managers to afford and use locally sourced meat. The current economic situation has meant a downturn in the speciality food sector; although sales of 'local food' are still growing, with stronger interest being shown in unprocessed product.
61. The SEEDA funded London Market Business Development Manager recently resigned and a replacement is currently being recruited. However four additional posts have recently been appointed by the London Development Agency, following the SEEDA model. Development of this route to market is proving important as the supermarkets squeeze producer margins to a point where many producers have declined to supply.
62. South East Fisheries are in difficulty because of restricted quotas, which will probably lead to a reduction in their fleet. However those who are taking advantage of the SEEDA and European Fisheries Fund support are improving quality and reducing the environmental impact of their catch, which is also enabling them to reach new and higher value markets which demand accreditation.

Woodland

63. The joint SEEDA and Forestry Commission post has advised several new companies interested in supplying/using wood chip and pellets. An industry conference has now been organised for 11 February. The interest in wood-fuel is currently very strong at the household level, with wood-burning stove sales up 40% against last year.
64. The South East Woodland and Timber fund, set up with SEEDA resources and managed by the Forestry Commission, has been fully subscribed with the majority of support going to small operators wishing to add value by processing timber for fencing and fuel.
65. By acting in a strategic influence role, SEEDA have supported LC Energy, a Surrey based company, to win a contract to supply Stanstead Airport with 3,000 tonnes of wood chip pellets per annum. SEEDA supported LC Energy by assisting them to identify the resource, markets and processing required to enter the marketplace.

Rural Development Programme England (RDPE)

66. In December the programme supported a project based in Sussex to develop their woodchip production business and therefore safeguard two jobs which were at risk.
67. The economic downturn is having some impact on the RDPE programme and interest in it is not as strong as we would like. Concerns remain regarding the impact the credit crunch is having on applicants' abilities to secure the necessary match funding. It is hoped that the EU decision to raise the state aid limit (from Euros 200,000 to Euros 500,000 per company) will have a significant benefit.
68. However a number of interesting applications are still being developed with the assistance of SEEDA; including a £500k fruit storage project in East Sussex.

RDPE Leader Programme

69. SEEDA have now issued 13 of the 14 Leader contracts. It is anticipated that the remaining contract to be in place by the end of January. Many of the groups have appointed their programme staff and are now approving projects.

Sustainable Communities Programme

Big Lottery Fund Consultation

70. The Big Lottery Fund (BIG) has launched 'Big Thinking' - a consultation on its strategic framework and funding policies for 2009 to 2015. BIG is the largest of the lottery distributors and, since 2004, has awarded £2.7 billion towards improving communities and the lives of people most in need. This equates to half of all the money that the National Lottery raises for good causes.

71. SEEDA attended a small consultation event of ten partners on 3 December hosted by Peter Wanless, Chief Executive of BIG. This provided us with the opportunity to influence thinking so that future funding meets the needs of the region, whilst allowing the Voluntary and Community Sector to be flexible and implement innovative solutions. SEEDA will make a formal response to the consultation, which closes on 27th February and will also explore opportunities for collaboration with the Corporate Cabinet. Further information can be found at www.big-thinking.org.uk

Regional Compact

72. Consultation on the draft Regional Compact closed on 9 January 2009. During January SEEDA will be undertaking a short review of its performance in the context of the Compact, in order to create an action plan for compact compliance. The main requirements are around proper engagement of the Voluntary sector, and ensuring a level playing field for contracts.

Corporate Cabinet

73. The Corporate Cabinet is developing a project to support the ambition of giving 2.5 million young people in the South East the chance to Create, Compete or Collaborate with a young person in a competitor country of the 2012 Games.
74. The project will encourage applications from disadvantaged young people for ideas supporting the Create, Compete, Collaborate ambition in the areas of community, youth and disability. Successful applicants will receive intensive support from the Voluntary and Community Sector (VCS) and Corporate mentors to develop their project management, business and presentation skills. Participants will then pitch their ideas to a 'Dragons' Den' style panel of senior regional representatives.
75. The project will be supported by corporate contributions, both cash and in kind. Interest amongst Corporates and VCS partners is high, with representatives from both sectors committing substantial time to project design and development. PriceWaterhouseCoopers have agreed to undertake the project governance role which will include overseeing the corporate mentoring process for consistency and adherence to guidelines, and the financial and commercial due diligence of applications. The project will be developed further and will be launched in April 2009.

Making the Most of 2012

76. On Friday 12 December SEEDA staged an event entitled 'Celebrating Success' at the Wentworth Golf Club in Surrey. The purpose of the event was to use the success of the South East 2008 Beijing medallists to inspire a wide range of partners in the South East region to secure a lasting legacy from the 2012 Games, despite challenging economic circumstances.
77. 14 Olympic and Paralympic medallists from the 2008 Beijing Games attended the event, and were interviewed on their motivation and experiences. Over 100 partner organisations attended the event, including a range of key decision makers within the region. SEEDA Board Member Sue John, Chief Executive Pam Alexander, Regional Minister Jonathan Shaw MP, and South East Nations

& Regions Representative Mary McNally all gave presentations to explain the successes of the South East Offer for the 2012 Games to date, and to explain the work priorities for the coming year. The presentations were made in accordance with the new Triple Gold format, which focuses on New Markets, New Aspirations and New Lifestyles from the 2012 Games.

78. The event was very well received by all attendees and it helped to obtain and maintain buy in from a number of key individuals on behalf of their organisations.

ENABLING INFRASTRUCTURE AND DEVELOPMENT

Strategic Development Fund Programme

Incubation Programme

79. Canterbury Innovation Centre – work has started on the new £7.3 million new Canterbury Innovation Centre. Regional Minister Jonathan Shaw MP ceremonially cut the turf on the site on Wednesday 3 December 2008. The centre is due to be completed by October 2009.
80. Joiners Shop Business Centre, Chatham – work was completed in December and the Centre opened for business on the 5 January 2009. The project was delivered on time, under budget and will deliver a range of offices and workshops targeting the Creative Industries sector in Medway. Funded and delivered by SEEDA in partnership with owners Chatham Historic Dockyard Trust and project managers Basepoint plc.

Daedalus

81. Issue 2 of the Daedalus newsletter was distributed to 18,000 local residents at the end of November 2008. This was followed by a very successful two day public exhibition held at the Lee-on-the-Solent Methodist Church Hall in early December 2008. Approximately 750 people attended the event to find out more about the proposed content of the Visionary Framework.

East Cowes

82. The selection process for a contractor to undertake the Phase 1 infrastructure works is now complete. It is anticipated that the successful party will be formally appointed to undertake the works in early January and will be expected to start on site by the end of the month.

West Medina Mills

83. The planning application for a marine employment development at the site was submitted to the Isle of Wight Council in November 2009, which included an application to realign and reconstruct the approach road Stag Lane.
84. The application is now being reviewed and is anticipated to be determined in March 2009.

Shoreham Harbour

85. Approximately £3.23m has been awarded by the Government to support the regeneration of the Shoreham Harbour area.
86. Working together, Adur District Council, Brighton and Hove City Council, West Sussex County Council, SEEDA and Shoreham Port, submitted a bid in October 2008 after the area was given provisional Growth Point Status.
87. The funding will cover the next two year programme of development and will be spent on land acquisition, transport infrastructure and management of the project.
88. The Partnership is currently putting together a joint Area Action Plan for the Shoreham Harbour area to provide a framework for investment and development in the area.

Infrastructure Programme

South East Excellence – Responding to the credit crunch

Commissioning of think pieces

89. Consultation and engagement with the development industry has consistently identified influencing and understanding the actions of the public sector (decision makers and regulators) as a priority.
90. CB Richard Ellis (CBRE) has been commissioned to help SEEDA respond to the impact of the current economic climate on the development industry.
91. The work will include the production of a series of think pieces exploring the following questions in relation to the short, medium and long term, and primarily focusing on the South East market:
 - What will the property market look like?
 - What will the players look like?
 - What might be the new delivery models, including financial models?
 - What actions should the public sector be taking now and in the future?
 - What does this mean for delivery skills in the region?
92. The consultants will also be expected to test the validity of the issues and solutions raised by the think pieces through a series of sounding boards, and to produce a clear set of recommendations for action.
93. These findings will be shared and tested with a senior mixed public/private sector audience through a conference format in March 2009. The Prime Minister's Delivery Unit has been informed of the work through the Government Office for the South East (GOSE) and is interested in hearing the findings.

South East Excellence – working from an evidence base

94. Prior to the current market conditions the South East faced the greatest skills shortages of the English regions, together with an aging workforce. The development industry has faced substantial losses more recently amongst their professional teams and thus again there are real concerns about the industry's capacity to respond to an upturn in the market.

95. SEEDA are undertaking a number of pieces of research, in addition to the CBRE research mentioned above, to inform the priorities going forward, and understand the relationship between supply and demand.
96. The work will specifically identify key regional actions and areas where SEEDA intervention can make a difference:
 - Research into sustainability advice and training – to understand the knowledge, skills and understanding of environmental sustainability amongst key decision makers, and the ability of the supply side to respond to these needs so that individuals know where to go for advice.
 - To identify the availability of courses within the South East that deliver the built environment agenda (professional side), including both technical and generic skills. Part of this research will also be to understand the overall volume of take up of these courses over the last few years and the future take up as a result of the economic climate, highlighting anticipated changes and trends and commenting on policy implications.
 - Promote the development industry employers use of work placements (to encourage entrants into the industry). The research will review the national, regional and local organisations who advise on career choices and work with education institutions/employers to encourage the take up of the built environment as a career option, giving a clear understanding of what they offer, what employers are involved and how. The consultants will also produce a report/guide on what makes a successful work placement targeted at employers.

C2C (Connect to Compete)

97. C2C, which builds on the success of the trans-national IMPACTE (Intermodal Port Access and Commodities Transport in Europe) project, has been formally approved under the EU INTERREG IVA Two Seas programme. The project will run until 2011 and has been awarded €4.8 million from the European Regional Development Fund (ERDF), subject to SEEDA Board approval.
98. With a total budget of €12.7 million, the cross-border project focuses on a number of key shipping routes affected by substantial increase in freight traffic and brings together three regional partners and five commercial ports from the UK, Belgium and France.
99. By using and enhancing the quality of the existing port infrastructure and encouraging more sustainable freight transport by shifting freight from one mode of transport to another, C2C aims to facilitate trade, boost the economic competitiveness of the partner ports and at the same time, provide immediate benefits for the local community.

STRATEGIC INFLUENCE

Advocacy Programme

Eco Towns

100. CLG have published a draft Planning Policy Statement on Eco Towns with a consultation deadline of March 6.

101. In addition it published Sustainability Appraisals of each Eco town and graded them accordingly. Whitehill/Bordon and Ford are both graded B and Weston Otmoor is the only Grade C. There were no Grade A's in the South East.
102. SEEDA will respond to this consultation using evidence obtained from the economic appraisals that SEEDA has led on.
103. SEEDA is active in the 3 Eco Town proposals in the South East. This work has generally been led by Planning Team and the relevant Area Team working together.

Bicester

104. The completed study by Arup Consultants (which SEEDA planning team managed) looking at the economic and social assessment of Weston Otmoor Eco Town on Bicester and Kidlington has confirmed the level of impact on the sub region. SEEDA are now working with Cherwell District Council, Oxfordshire County Council and Department of Communities and Local Government (CLG) to investigate if a suitable alternative to Weston Otmoor that could attract CLG funding would be the development of Eco-urban extension to Bicester that included Eco-retrofitting of Bicester. For example through retro fit of existing houses, new transport models and clean, secure energy supplies. Ongoing SEEDA input will be led by MKOB Area Team.

Ford

105. SEEDA co funded (together with Arun DC and the promoters of the eco town) a study looking at the impact of the eco town on the regeneration of Littlehampton and Bognor. This report was well received by all parties (including CLG). CLG is now funding an examination of alternatives to the eco town in terms of urban extensions to both towns (as part of LDF work) and SEEDA is represented on the Steering Group.

Whitehill/Bordon

106. SEEDA is represented on the Executive Group which is developing the proposals for this local authority led Eco town. We are also committed to co-funding a report looking at the economic impacts of the proposal.

Area Teams

Surrey and Berkshire Area Team

Economic Downturn

107. Working through the Surrey Economic Partnership's Employment and Skills Board SEEDA is planning a target support programme at the financial services sector in Surrey. Business Link, LSC and Job Centre Plus are partners contributing to a number of workshops that will provide information, advice and guidance to those that are about to be, or have been, made redundant.

Sub-Regional Partnerships

108. SEEDA is continuing its capacity building of the Berkshire Economic Strategy Board focusing on performance monitoring and evaluation so it can review its progress and impact. BESB has also set up the Berkshire Economic Intelligence Observatory which will collect and co-ordinate economic data and intelligence held by a number of local agencies and organisations

Hampshire and Isle of Wight Area Team*Inward Investment Propositions*

109. SEEDA has recently commissioned the Centre for Strategy and Evaluation Services (CSES) to develop a series of 'Local Area Propositions' for local partners and SEEDA to work more closely together in handling and responding to inward investment enquiries. The first five propositions to be developed will be:
- Basingstoke/North Hampshire
 - Gatwick Diamond
 - Urban South Hampshire (including Portsmouth and Southampton)
 - Oxfordshire
 - South Bucks (inc. Aylesbury Vale)
110. Each proposition out the key selling messages for potential inward investors. The messages will be set in a global context and will include:
- an overview of the key advantages for a business locating there;
 - testimonials from top foreign-owned businesses operating in the area;
 - information on key sectors (both strengths and gaps)
 - information labour force strengths; and
 - information on leading research and development, transport infrastructure and property.
111. The Inward Investment Team is working closely with the Area Teams on this assignment. The work is due to be finished by early March.

North Hampshire Local Authorities working more closely together

112. SEEDA is providing evidence and advice to Local Authorities in North Hampshire on the benefits of closer working on shared economic priorities. This includes talking to leaders and members on the benefits of:
- contributing to a shared evidence base for North Hants authorities to help inform priority setting; and
 - undertaking a study of Basingstoke's 'functional economic area' to better understand how the Basingstoke Diamond relates to the wider North Hants economy.

Hampshire Senate Economic Action Group

113. The Hampshire Senate met for the second time on 28th November. Following a presentation by Pam Alexander concerning the implications of the economic downturn on Hampshire, the Senate agreed to establish an 'Economic Action Group' to share ideas on what more Local Authorities and other public sector partners can do either as individual organisations or as a group to support business. Kathy Slack, Hampshire and Isle of Wight Area Director will be attending the first meeting of this group on 15 January 2009.

Kent and Medway

Ashford Learning Campus

114. SEEDA has written to ministers expressing strong support for the proposed merger between South Kent College and West Kent College. The merger is a pre-requisite for the development of a new Ashford Learning Campus on SEEDA's Victoria Road site, which has been identified as a key component of the town's growth strategy.
115. The merger would provide much needed critical mass of educational infrastructure and plays a significant part in the regeneration agenda in this part of the region.
116. A view from ministers on the principle of the merger is expected soon. SEEDA will continue to work with the Learning and Skills Council and other partners to develop the case for both the merger and the Learning Campus.

New Ways of Working

117. SEEDA and Kent County Council have agreed in principle to a pilot scheme of extended delegation of SEEDA's rural delivery programmes in Kent, starting in April 2009.
118. The scheme will initially build on existing contractual arrangements, in order to provide more streamlined monitoring and reporting mechanisms.
119. The longer term ambition is for programmes to be developed and delivered through the Kent Rural Board under an agreed strategic framework and linked to the work of the Kent Economic Board.

Thames Gateway

120. SEEDA exhibited at the Thames Gateway Forum on the 26 and 27 November, with both local partners and jointly with the London Development Agency and the East of England Development Agency.
121. Two of the key projects from the Regional Development Agencies' (RDAs) Economic Development Investment Plan for the Thames Gateway were launched at the Forum – the Institute of Sustainability at Kent Thameside and Dagenham Dock, and the new joint inward investment unit, Invest Thames Gateway.
122. From the 1 December 2008, the responsibility for delivering the Government's ambitions for the Thames Gateway transferred from the Communities and Local Government's Thames Gateway Executive (TGE) to the Homes and Communities Agency (HCA). However, the TGE will retain strategic responsibility for the Thames Gateway policy and will manage the HCA through a Memorandum of Understanding (MoU).
123. In future the Greater South East (GSE) RDAs will work directly with the HCA on the Joint Implementation Steering Group that has been formally established to take forward projects in the Economic Development Investment Plan (EDIP), which is being funded a £200 million funding package.
124. A Memorandum of Understanding between the GSE RDAs and HCA on the Thames Gateway EDIP is currently being negotiated to establish the specific roles and responsibilities of the agencies in delivering in the Thames Gateway.

Kent Economic Board

125. Due to the continuation of the restructuring at Kent County Council, it is proposed that the interim arrangements for funding for the newly restructured Kent Economic Board – one of the two Sub Regional Partnerships in Kent and Medway – will continue for the remainder of this financial year.
126. It is envisaged that new funding arrangements will be put in place for the beginning of the new financial year once Kent County Council's financial commitment towards the new Board has been confirmed.

Thames Gateway Kent Multi Area Agreement (MAA)

127. Whilst the North Kent MAA Prospectus was not signed by the Government at the Thames Gateway Forum on the 26 November, due to last minute concerns by the Department for Transport, good progress is being made towards finalising the MAA by April 2009.
128. There have been early positive discussions with key government departments over potential 'asks' of Government and this consultative approach contrasts with the more negotiative process adopted by many earlier MAAs.
129. The focus of the North Kent MAA continues to be on three themes – skills, transport and housing – although innovation and enterprise are coming more into the debate and the intention is for these to feature at the next stage of the MAAs development.
130. The issue of governance, particularly with respect to the potential establishment of an Employment and Skills Board for North Kent, is now being considered more seriously.

Closer working relationships with West Kent

131. SEEDA's Kent and Medway Area team is working to establish closer working relationships with the districts in West Kent which lie outside the Growth Areas and the coastal contour.
132. By clarifying the current economic development issues in this part of the county within a changing economic context, SEEDA will seek to maximise the take-up and actively promote the business benefits of its regional programmes, while identifying potential opportunities for further joint working with partners.

Sussex Area Team*Gatwick Diamond*

133. The Sussex Area Team continues to actively support the Gatwick Diamond which has a vision that:
134. "By 2016, the Gatwick Diamond will be a world class, internationally recognized business location achieving sustainable prosperity"
135. The Gatwick Diamond is a business led public – private sector partnership. The new governance arrangements are now finalised with SEEDA having a strong representation across all three tiers.
136. An enhanced strategic alliance is developing between BAA Gatwick and SEEDA that will try to ensure the airport takes a full and inclusive role in the economic development opportunities for the Gatwick Diamond.
137. BAA Gatwick has a £840 million investment programme for its terminals that Gatwick Diamond partners are seeking to ensure is developed in a sustainable

way and importantly that will support any future opportunities for Gatwick to provide connections to key world economic areas.

138. The University of Brighton are taking a lead role in the creation of a University Centre in the heart of Crawley that will support educational attainment and progression across the Gatwick Diamond

Coastal West

139. SEEDA, through the Area Team, is working closely with the University of Chichester to create new learning opportunities. With other partners that include HEFCE, the LSC and WSCC, work has been undertaken to provide the evidence to enable the University of Chichester to bid to HEFCE for considerable investment into the redevelopment of their Bognor Regis campus.
140. This work will enable the University and other educational institutions in the area to make a significant contribution to the economic and social regeneration opportunities that exist along the coastal strip.

Brighton and Hove - Economic Task Force

141. As a direct response to the current economic climate, B&HCC have established an economic task force which brings together the officers, members, business representatives and local partners, including SEEDA, to monitor the impact of the economic position on the City and agree collective action.
142. A number of initiatives have resulted including additional business support clinics which are delivered in partnership with Business Link Sussex

Milton Keynes, Oxfordshire & Buckinghamshire Area Team

Stoke Mandeville – Working Towards a Healthcare Cluster

143. Buckinghamshire County Council (BCC), Buckinghamshire Economic Learning Partnership (BELP) and SEEDA recently met with Stoke Mandeville to explore areas to engage Stoke Mandeville in economic development activity for the Aylesbury Vale growth area and to find ways of working together around an Assisted Living healthcare cluster. This has been an area BCC has wanted to develop for many years, which SEEDA and BELP have assisted in moving forward.
144. As a result of a very positive engagement with Stoke Mandeville, SEEDA will provide information about other effective hospital collaborations and examples of pre-commercial R&D collaborations. Stoke Mandeville have agreed to host a workshop in February 2009 that will bring together a group of medical consultants to explore opportunities. SEEDA and partners will participate in the workshop and investigate a potential business model for an Assisted Living Science and Innovation Campus and how Stoke Mandeville might be connected into this.

Silverstone

145. Local authorities in Aylesbury Vale District Council (AVDC) and South Northants District Council have now both granted planning permission to Silverstone for their Development Brief. These developments will result in the creation of circa 2,000 jobs within the SEEDA region. The jobs will be in high tech engineering, conference, academic and leisure positions; with the reinstatement of the British F1 GP a secondary consideration.

146. Northamptonshire Enterprise Ltd have funded a study to understand the financial implications of the loss of the F1 GP to the local economy. This will be shared across Milton Keynes South Midlands partners. Mike Dixon, SEEDA Investor Development Manager, and Martin Tugwell, Director of Development, are meeting with Silverstone to understand their infrastructure funding issues and if there is a role for the public sector to play in addressing potential blockages.
147. Silverstone have confirmed a five year MotoGP contract and Donnington Park's planning consent has been initially approved for F1 2010 Developments.

Aylesbury & Aylesbury Vale and the National Enterprise Centre

148. Aylesbury Vale Advantage (AVA) has recently been awarded £9.8 million from Growth Area Funding (GAF). SEEDA and partners are working with AVA to prioritise the schemes in their Programme of Development (POD) that will ensure the continued physical regeneration of Aylesbury Town Centre and the wider Vale leads to sustainable economic development benefits for the local and wider population.
149. SEEDA and partners are exploring how the developing National Enterprise Academy (NEA) is linked to the developments in Aylesbury Vale. Following the finalisation of the SEEDA contact for funding, publicity will take place in January 2009.

Milton Keynes Business Summit

150. Milton Keynes Economic Partnership (MKELP) in conjunction with Milton Keynes Council (MKC) hosted a 'Business Summit' in December 2008 to understand how local businesses were positioned for the economic downturn and to see what business support is needed. SEEDA worked closely with MKELP and MKC in the development and focus of the Summit.
151. Following the Summit, a Task Force was established to address the issues raised by businesses. It is chaired by MKC involving MKELP and other key local stakeholders in Milton Keynes. The Task Force will feed into the Milton Keynes Local Strategic Partnership Executive (LPSE) and report activity to the MKELP Board.
152. Four key workstreams and action groups were identified as a result of the Summit:
- Clearly articulating the Milton Keynes Vision and Offer for the future;
 - Business Support;
 - People Support;
 - Employment and Skills.
153. A range of organisations are working very closely together to deliver the appropriate support, namely: Business Link, Milton Keynes Chamber of Commerce, Federation of Small Businesses, Citizens Advice Bureau and Milton Keynes Council. SEEDA is working closely with these local partners.

Milton Keynes Science and Innovation (MKSI)

154. A key priority for Milton Keynes is the ongoing development of its knowledge based economy. A Milton Keynes Science and Innovation vision has been developed to 'create the most exciting habitat in the UK for knowledge intensive business'.

155. SEEDA is a key stakeholder in the MKSI steering group, drawing on its 'know how' and expertise in developing and implementing science and innovation activity elsewhere in the Region. Innovation activity will be underpinned by the Milton Keynes and Bucks Business Innovation and Growth Team which will form an integral part of the broader MKSI offer. SEEDA is helping to influence and shape the vision and MKSI offer.