



## Delivering a Difference

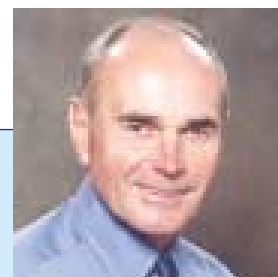
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# 1. Chairman's Review

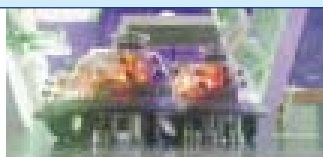
"We said in the Regional Economic Strategy (RES) that the South East had the potential to be a World Class Region. We are not there yet but we have laid some essential foundations and made real progress."

SEEDA is establishing a Regional Centre of Manufacturing Excellence (RCME) creating a knowledge pool of universities, research departments and World Class companies.

**SEEDA's Newbury Enterprise Hub is a centre of excellence in the areas of robotics and enjoys academic links with both Reading and Southampton Universities.**



Allan Willett CMG DL  
**Chairman**



**Following identification of transport investment priorities in the RES, a funding package of £300 million has been awarded to transport schemes in the South East.**

We said in the Regional Economic Strategy (RES) that the South East had the potential to be a World Class Region. We are not there yet but we have laid some essential foundations and made real progress.

We said that we needed to invest in our people and in our capital assets. Above all we needed to invest in world class transport, business support and learning to bring about a step change in progress towards the knowledge-based, high value-added economy essential to the future prosperity of all our communities. We now have the basis for real progress in all three areas.

The RES drew together what our partners had identified as the transport investment priorities to address the economic, social and environmental consequences of the existing inadequate network. Armed with this, and alongside the Regional Assembly, Government Office and local authorities, we then achieved two key breakthroughs.

First, Government Ministers recognised publicly that major investment in the South East's transport infrastructure was essential. Second, our championing with our partners of key schemes on the region's behalf delivered direct results. The Government's transport investment plan announced in March 2001 included a new funding package of £300 million for the key priority transport schemes we had identified. These include, for example, the tunnelling of the A3 at Hindhead, creating a Rapid Transit System for south Hampshire, implementing the Fastrack proposals in North Kent in support of the development of the Thames Gateway, and the A256 near Pfizer ensuring major inward investment in the region.

We will continue to press the case for investment in the region's transport priorities with the actual delivery of Phase Two of the Channel Tunnel Rail Link at the top of the list. We particularly look forward to continued close working with the Regional Assembly as they prepare the Regional Transport Strategy, and to building on our already strong relationship with the Strategic Rail Authority as they take an increasingly regional perspective.

2000/01 saw the arrival of the DTI's Small Business Service and we were pleased to be able to assist them in the setting up of the region's new Business Links. We will work with the regional SBS, who are co-located with us in our Guildford Office, to ensure that new and growing small businesses get the professional support they deserve.

SEEDA's own initiatives to support businesses are described in detail later in this report. They include our business sector groups which, with active leadership and support from the sectors themselves, began to deliver tangible results. I am also particularly pleased that our Enterprise Hub initiative really took off. It has clearly captured the imagination and support of the business community and our other partners, and is being seen as an exemplar of best practice across the RDAs in how to link business with universities and other centres of research excellence.

**Surrey Technology Centre, Guildford, as part of the approved SEEDA Enterprise Hub, will share incubation facilities and services with Royal Holloway University of London and the Leatherhead Food Research Centre.**



**Allan Willett CMG DL with Gordon Brown MP and John Prescott MP following a meeting at which Ministers emphasised the importance of the Regional Development Agencies as strategic drivers of economic development and regeneration.**

The challenge for learning and skills is to move from a supply led to a demand driven approach. The RES and our Skills Action Plan gained support for this strategy. The advent of the region's six Local Learning and Skills Councils (LLSCs) provides a new focus for ensuring it gets delivered. We were pleased therefore to help in setting up the LLSCs and look forward to our continuing role in providing the strategic regional context for their work, informed by our representation on each of their Boards.

We are also helping to lay foundations across the wider learning and skills spectrum. It is no accident that the "South East Village" within our headquarters building in Guildford brings together such a wide range of organisations responsible for meeting the education and training needs of the region's people and employers.

#### **South East Village Partners**

- SEEDA's Learning and Skills team;
- UFI (University for Industry);
- Regional Skills Research Unit (Skills Insight);
- National Training Organisation SE Regional Hub (5 NTOs);
- Higher Education South East (representing the 25 higher education institutions operating in the SE);
- RAISE (the co-ordinating body for the South East's voluntary sector);
- Trade Partners UK (formerly British Trade International);
- The Association of South East Colleges (AOSEC);
- Small Business Service (SBS);
- The Learning and Skills Development Agency;

In 2000/01, amongst a wide range of projects involved with intermediate and high level skills, we were able to support innovative projects involving over 650 businesses and to provide basic literacy and numeracy training for more than 2,300 individuals.

Working with our partners to tackle deprivation continued to underpin much of our activity. Increasingly we sought to work with partners to tackle the underlying causes of deprivation, drawing from our enterprise and skills initiatives as well as the more traditional regeneration programmes. SEEDA's distinctive role is one of tackling social exclusion through economic inclusion. We will build on this approach in a way that complements the role of local partners not least as they come together to form Local Strategic Partnerships.

The year ahead marks the "end of the beginning" for SEEDA. We were set up with at least 11 different "silo" funding streams, constricted by rules and restrictions. Fundamental change to this approach was announced by Gordon Brown, John Prescott and other senior Ministers when they met with the RDA Chairmen in Middlesbrough in March 2001. Ministers emphasised the importance the Government places on RDAs as strategic drivers of economic development and regeneration in the regions. As well as an increase in total RDA funding, Ministers announced that each RDA would have its funding merged into a single pot in April 2002, with greater freedom to address the unique needs of their region.

**Merrivale Hotel, Kent. SEEDA has given support to hotel owners and small tourism businesses to increase their use of IT.**



**Children playing at Beckley Village Hall, East Sussex, which received £100,000 from SEEDA to deliver a variety of local services.**

The speed with which we have moved to this position owes much to the combined influence of the nine RDA Chairmen working closely with senior Ministers, all committed to the regional agenda.

In return, Ministers rightly expect each RDA to agree demanding targets with the Government. We are now in the process of negotiating these targets which will be incorporated within our Public Service Agreement with the Government. At the higher levels, the targets set will not be in the gift of SEEDA alone to deliver. That is why I have made clear to Ministers that we must have high-level and meaningful discussions that enable us to enjoin all relevant regional stakeholders in the process and ultimately gain their full commitment to the targets set.

Hand in hand with the increased freedoms for RDAs to address regional priorities, goes a need for increased regional accountability. That is why I welcome the enhanced role and resources being given to the Regional Assembly. We want to make sure that what we do reflects the region's aspirations. The Assembly's growing role gives it the legitimacy to provide stronger accountability, not just for SEEDA, but I believe for other publicly funded bodies operating at the regional level.

On behalf of the SEEDA Board, Anthony Dunnett and the whole of the Executive team may I thank all who worked alongside us over the last year. May I particularly thank David Shakespeare, Chair of the Regional Assembly, and David Saunders, The Regional Director of the Government Office, as well as members of the SEEDA advisory panel, board committees and business sector groups, and the region's local authorities and economic partnerships for their continuing support and valuable advice.

The re-election of a Government committed to devolving more decision making to the regions places enormous responsibility on our shoulders. With a £130 billion economy - more than the Scotland, Wales and Northern Ireland combined - the South East is in economic terms more akin to a country than a region. That I believe puts in perspective the challenge we face as we, as a region, become increasingly responsible for our own future.

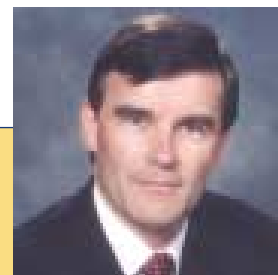
Allan Willett CMG DL  
**Chairman**

## 2. Chief Executive's Review

"In our second year, we have demonstrated the added value that comes from a regionwide focus. Our strategic approach encompasses supporting sustainable economic growth and competitiveness, tackling deprivation and building communities, and enhancing skills and lifelong learning. Not only have we increased our investments in projects and services by over 25%, a mark of our increasing impact, but we have also reduced the cost of delivery."

The Isle of Wight Enterprise Hub is a world class centre for establishing innovative enterprises, including those related to composite materials technology and environmental engineering.

One of SEEDA's key priorities is sustaining the region's environmental heritage - 32% of the landscape in the South East is designated as Areas of Outstanding Natural Beauty.



Anthony Dunnett  
Chief Executive



**Mary Seacole Nursery, Reading - SEEDA funded a rebuild of an established nursery harnessing brownfield land in a deprived area of Reading. The facility will also serve other local groups.**

In this our second year, we at SEEDA have focused our efforts on maintaining the momentum we created in our first year, increasing our investments in projects and services by over 25% and building on our excellent relationships with partners across the region. Together, we are now making a real impact on the region's prosperity, sustainable development and social inclusion.

The Regional Economic Strategy (RES) has been invaluable as we have sought to align the many programmes we inherited behind the priorities our regional partners established. The RES Action Plans (which are published on our website), taken alongside our Business Plan for 2000-01 and this Annual Report, demonstrate substantial achievements across the wide spectrum of SEEDA's activities.

From the hundreds of projects we are handling, I have drawn out particular highlights, representing the three key areas of our strategic approach:

- Supporting sustainable economic growth and competitiveness;
- Tackling deprivation and building communities; and
- Enhancing skills and lifelong learning.

These projects show the added value that comes from a regionwide focus. We must enable all areas of the region to benefit from the success of others in neighbouring communities.

### Enterprise Hubs

SEEDA has drawn from the experience of the leading "company incubators" around the world to develop a new model for local business networks, specifically suited to the UK and European markets. The first six Hubs have been launched and ten more are being formed. This initiative has already doubled the amount of flexible workspace for high-tech companies under development in the South East. In all, a further 24 Hubs will be developed over the next three years to provide a complete network across the region. Through the Hubs, SEEDA and its partners are providing effective support services for successful, innovative and far sighted entrepreneurs in their own local communities. The Hubs act as catalysts to encourage innovation and enterprise, stimulating the growth of small businesses. They are pivotal to the development of local clusters of businesses in high growth industry sectors.



**Bell Mast, Chatham Maritime.**  
There are nine Scheduled Ancient Monuments and Listed Buildings at Chatham Maritime under SEEDA's care. In 2000/1 SEEDA renovated the 120 year old wrought iron Bell Mast, which weighs over 20 tonnes and stands 100ft tall.



**Surrey Research Park.**  
When approved, the Surrey Enterprise Hub which will incorporate the Research Park, will become one of the network of 30 Enterprise Hubs SEEDA is setting up by 2005.

**Chatham Maritime - SEEDA's flagship regeneration project - is one of only three schemes in the UK comprising of over 100 houses with 'BREEAM EcoHomes rating'.**





**RF Engines located within SEEDA's Isle of Wight Enterprise Hub. This Hub specialises in composites and electronics.**



**SEEDA's Aerospace and Defence Sector Group has established with the Farnborough Aerospace Consortium a 'lean supply chain network' of nine model companies.**

### Area Investment Frameworks

SEEDA is piloting a new area-based approach to strategic regeneration and sustainable economic development to complement and inform the work of Local Strategic Partnerships (LSPs). Area Investment Frameworks (AIFs) are being piloted across the region - in Southampton, Thames Gateway, Hastings, North East Kent, Coastal East Sussex and Isle of Wight. Their purpose is to identify, map and co-ordinate all the potential investments from the public, private and voluntary sectors over the short, medium and long term. This will maximise the benefit to local communities by ensuring that the individual investment streams work together with shared objectives, priorities and commitment.

### E-Skills to Business

We have established a novel programme under the leadership of E-skills National Training Organisation (NTO) to help companies diagnose their ICT needs for their business future. Companies initially undertake a comprehensive business and skills diagnostic audit. They are then directly linked to a range of relevant online learning packages delivered by the very best commercial partners. The partnership has brought together organisations from the public and private sector, some 30 partners in total. The newly formed Business Links and Learning and Skills Councils play a central role.

The project is being piloted in areas of low e-commerce take up (Dover, Thanet and IoW). SMEs are joining the limited pilot at a rate of 40 per month and we plan to extend across the South East later this year and have a challenging target of 20,000 SMEs within 5 years.

### Sustainable Development - setting the pace

SEEDA has participated actively in addressing the need for sustainable development in the South East. We have led or participated in a wide range of regional initiatives from addressing the consequences of climate change to seeking to promote markets for recyclable waste.

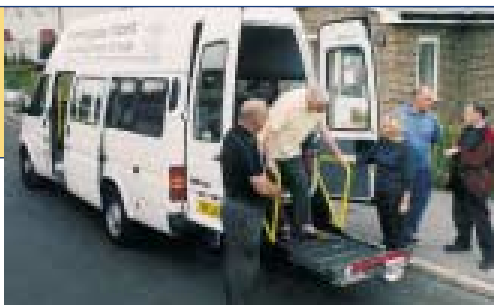
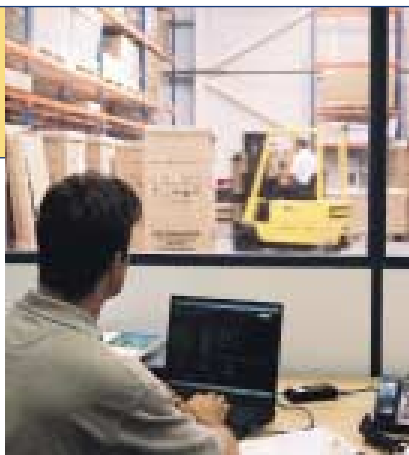
We have also taken advantage of our position as a developer to promote sustainable housing. The provision of 21st century houses, incorporating the latest technology, excellent design, energy conservation and quality sustainable materials in a commercially viable way has proved difficult to deliver and demonstrate in the UK. Chatham Maritime, SEEDA's joint venture with Countryside Properties, is one of only three locations in the UK which promises to deliver more than 100 homes rated Good or Excellent by the Building and Research Establishment Eco-rating, proving that excellence and sustainable development in design can be a commercial reality.

### Europe

The past year has seen the culmination of our joint working with the Regional Assembly to establish a permanent presence and link with Europe. South East England House in Brussels was opened in September 2000 by European Commissioner Neil Kinnock, to bring together, focus and rationalise the various offices of those across the region: Hampshire, Isle of Wight and W Sussex Partnership, Kent Partnership, SEEDA, the Regional Assembly, South East Partners and the partnership of the Thames Valley local authorities.

#### Northgate, Kent.

Over £410K of the SEEDA Fund for Regeneration has supported estate based regeneration activities in Northgate ward, Canterbury, enabling the community to tackle the issues they face, including the purchase of a mini-bus with disabled access.



**SEEDA has recognised the need for skilled IT personnel in business and industry and is working with partners to develop capability from basic to high level skills which are critical to the success of the region's economy.**

Working with the Regional Assembly, we also devised and consulted on a European Strategy for SE England, which was launched at a high-profile event in March where speakers included the Minister for Europe, and thought-provoking contributors from European regions.

#### Partnership in the South East

These few examples show how central 'Partnership' is to SEEDA. Drawing together partners is a vital part of our work. We have seen over the past year numerous instances where value has been added through providing a pan regional perspective, and through ensuring that scarce resources are maximised by organisations co-operating and avoiding potential duplication. Our principal partners in the year have included:

- The South East Regional Assembly as the representative voice of the region;
- Government Office for the South East (GOSE) as the representative of central government in the region;
- Local authorities, the principal accountable bodies through whom we work locally;
- Education providers, from universities to those who address Basic Skills needs;
- The local Learning and Skills Councils;
- The Business Links and Small Business Service;
- Economic Partnerships, seeking to provide a subregional strategic framework;
- RAISE, representing the thousands of disparate organisations in the voluntary sector;
- Business organisations such as the CBI, Institute of Directors, Federation of Small Businesses and Chambers of Commerce;
- Sector groups - bringing together recognised experts, to date in six major sectors;
- Sustainable development partners, working together to bring forward initiatives such as the regional climate change partnership; and
- Community and Faith groups.

**Projects supported by the SEEDA Fund for Regeneration encourage the development of communities across the region.**

**2000-2001 saw SEEDA achieve a record level of land reclamation for employment and housing.**



#### **Taking forward the South East's interests**

I hope you will enjoy reading about the many activities and successes of the past year. They are too numerous to list here but range from:

- hosting an inter-RDA workshop on environmental technologies, to assisting in the assessment and allocation of six Small Business Service (SBS) contracts;
- approval of 21 new Single Regeneration Budget schemes, to developing Skills projects and courses involving over 650 SMEs; and
- achieving investment in our region by 40 expanding or newly investing companies;
- a rapid reaction to the Foot and Mouth crisis in the region.

This report would be incomplete without recognising the dedication and enthusiasm of SEEDA staff to such a challenging and varied sustainable economic development agenda. Value can only be added by sharing expertise across traditional boundaries. The synergies that are arising are a tribute to the close working relationship which is evolving between the staff at SEEDA and our partners in GOSE, the Regional Assembly, and our many other partners in the public, private, academic and voluntary sectors across the region.

Anthony Dunnett  
**Chief Executive**

### 3. Business Review - Our Activities & Achievements

#### 3.1 Helping businesses to create wealth, and building international connections

SEEDA is working in partnership with private companies and other agencies to make the South East of England the best environment for business development. SEEDA acts as a catalyst for new supportive business initiatives and inward investment that will lead to the creation of sustainable economic growth.



Silverbear Technology based at Surrey Research Park, one of the three sites on which SEEDA's Surrey Enterprise Hub will be based. This new company which opened for business in July 2000 is working closely with Surrey University and the Surrey Economic Partnership to gain new business and expand.

**SEEDA's Southampton Enterprise Hub,  
Chilworth Science Park, offering  
2,700 m<sup>2</sup> (9,000 sq ft) of incubator space.**



Marianne Neville-Rolfe  
**Director**  
Business & International



**Multimedia technology and production,  
one of the key clusters incubated at  
SEEDA's North Oxfordshire Enterprise Hub.**

Throughout 2000-01, SEEDA developed its strategy for business, as initially set out in the Regional Economic Strategy. This describes how SEEDA will work with its partners to achieve four key objectives over a three to five year timeframe. These are to enable the region's existing companies to adapt, prosper and grow; to accelerate the rate at which new successful businesses are formed; to increase international business and research activity and competitiveness; and to ensure that the region's businesses and support services are fully involved in the development of strategies and programmes for promoting business growth and competitiveness.

#### **Our achievements in 2000-01**

##### **Business Support**

We reviewed business support in the region through:

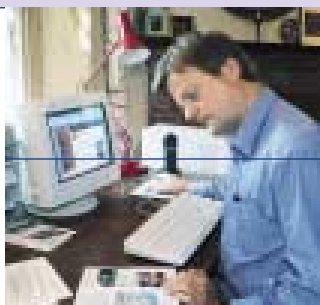
- Preparing our International Trade Strategy with Trade Partners UK.
- Developing a strategy for integrating the Regional Supply Office (RSO) activities within SEEDA.
- Assisting in the assessment and allocation of the six Small Business Service (SBS) contracts for the region's Business Links.
- Establishing a joint fund with the Business Links to develop strategically-important regional business support services.
- Establishing the International Trade Forum and Supply Chain Forum.
- Carrying out preparatory work to establish a Regional Venture Capital Fund.

##### **Enterprise Hubs**

As explained in the Chief Executive's Review, SEEDA promoted the Enterprise Hub model through the Economic Partnerships. Enterprise Hubs provide a focal point for the pursuit of innovation and entrepreneurial activity and support a facilitated network of successful business people. Their purpose is to be a catalyst and facilitate action. Key achievements in 2000/01 included approving the first six Hubs, each with a Hub Director and Business Champion. These initial Hubs are located at:

- Brighton - specialising in new media
- East Malling - specialising in food processing
- Isle of Wight - specialising in composites and advanced materials
- Newbury - specialising in robotics, telecommunications, and advanced engineering
- North Oxfordshire - specialising in nanotechnology
- Southampton - specialising in marine, telecommunications, advanced engineering and electronics.

A further nine Hub proposals are under development for approval this year.



**Durlock Lodge, Thanet. SEEDA has been working with the Southern and South East England Tourist Boards to identify small tourism businesses keen to develop their computer skills and ability to trade on line.**



**Marine Industries - SEEDA played a significant role in securing the MOD announcement that Vosper Thornycroft will be involved in building six new Destroyers - safeguarding 650 jobs.**

#### **Example - Isle of Wight Enterprise Hub**

The vision is 'A dynamic interface between entrepreneurs and the scientific community creating a climate of opportunity for innovation and enterprise and an arena for ambitious people and businesses to meet their aspirations.'

The Isle of Wight Enterprise Hub will stimulate the entrepreneurial talent within Island individuals and companies. The Enterprise Hub provides the opportunity to grasp its existing talent, gives a platform to develop and expand and be recognised as a world-class centre for establishing innovative enterprises, in particular those related to composite material technology, environmental engineering and certain creative and electronics sectors.

The Hub began work in January 2001, providing 20,000 sq. ft of incubator space and after four months in operation occupancy rates by tenants have been significantly ahead of plan. Following the appointment of a Hub Director, networks have been developing with local companies and SBS advisors, and a research base is being developed with the Universities of Portsmouth and Cambridge.

Good relationships have also been established with other Enterprise Hubs. The Isle of Wight Hub participated with the North Oxfordshire Enterprise Hub and planned Hub at Farnborough in joint bids to SEEDA's Learning & Skills Challenge and to Europe. These bids plan to address the shortage of skilled technicians in the composites industry by developing a Further Education training capacity and pool of skilled technicians. It is hoped that these Hubs will develop a regional world-class capability in Composites.

#### **SEEDA Business Sector Groups**

SEEDA Business Sector Groups involve industry in the identification of barriers which hinder the creation of healthy, successful businesses and a skilled workforce which is able to compete effectively in world markets. Each Sector Group is chaired by a business leader and supported by a full-time Sector Adviser. In 2000/01, the Groups initiated comprehensive work plans for their activities. Each sector group promoted sector-specific projects, designed to provide information on particular key issues affecting their sector or initiatives to meet a specific gap in the market.

Key achievements for the Sector Groups included:

- **Aerospace and Defence**  
(led by Chris West, DTI Innovation expert, supported by Bob Young)  
Established with the Farnborough Aerospace Consortium a lean supply chain network of nine exemplar companies.
- **Marine Industries**  
(led by Martin Jay, Chief Executive, Vosper Thornycroft supported by Fraser Nash)  
Organised a major conference in March 2001, designed to brief SMEs on key developments taking place in the sector, including new environmental legislation, IT and training initiatives.



**SEEDA is tackling the lack of suitable premises, identified as a key limiting factor for some 300 biotechnology companies in the South East. The main biotechnology clusters are based at Milton Park and Oxford Science Park.**



**Xerox Engineering Systems, Fareham is just one of the 41 overseas companies who, assisted by SEEDA, have expanded or established a first time investment, creating 2,307 new or safeguarded jobs in the South East region.**

- **Pharma Bio and Healthcare**  
(led by Peter Read, former Chairman of Hoechst Group of Companies in the UK, supported by Arnold Clenshaw)  
Worked with SEEDA on a major survey of laboratory 'wet lab' space in the South East, involving both the London Development Agency and Eastern Regional Development Agency.
- **Media and Creative Industries**  
(led by Mary McAnally, Managing Director Meridian Broadcasting, supported by Sarah Turner)  
Held a major Media Forum in Brighton designed to brief senior media executives from the film, video games, radio and creative sectors on major developments taking place across the sectors.
- **Tourism**  
(led by Michael Ann, recent Chairman, South East England Tourist Board, supported by Stephen Mills)  
Designed a project to provide computers to SMEs in the hotel and guest house market. Developing the use of ICT in the tourism sector is a key priority and the project provided an opportunity for a large number of tourism establishments to receive hands-on computer experience as well as a mentoring and support package.

- **Transport**  
(led by John Guttridge, Regional Director SE Freight Transport Association, supported by Anthony Slack)  
Focused on logistics and supply issues as well as taking part in major studies on inter-modal facilities in the South East. The Group also considered the implications of the major projected increase in air freight movements in the South East.

#### **International Development**

SEEDA helped partners to achieve significant inward investment successes across the region. Notable examples included:

- **Kimberly-Clark** -  
established a Customer Service centre in Brighton, with plans to create 300 new jobs at that site.
- **Xerox Engineering Systems** -  
established a newly-developed Customer Service Centre, located in Fareham, with plans to create 60 new jobs.
- **Sharp Telecommunications of Europe** -  
established a Research and Development facility in Bracknell, creating about 150 new jobs.

**Sharp Telecommunications of Europe Limited has chosen Bracknell, Berkshire as its European mobile phone development facility.**



**SEEDA, in close collaboration with the Government Office for the South East, Chichester District Council and West Sussex County Council supported BMW's successful application to build its £60million Rolls Royce head office and manufacturing plant in Goodwood, near Chichester.**

#### **Example - Sharp**

The South East of England's position as Europe's premier location for mobile communications research and development was given a major boost when the Sharp Corporation announced the formation of a European mobile phone development facility in Bracknell, Berkshire.

SEEDA, in conjunction with its sub-regional partners, arranged and hosted the local visit of Mr Terukatsu Iwabe, Divisional Deputy General Manager, Communications Systems Group, during his visit to the Region as part of an Invest UK (DTI) programme for selected senior Japanese businessmen. The two-day programme showcased the region, its high-tech companies, universities and R&D facilities as Europe's premier location for companies seeking to develop and exploit new technologies in a number of sectors. Meetings were held with Oxford Innovation, Mobile VCE (the UK's virtual centre of excellence for mobile communications), Vodafone, BT Cellnet, Sony UK, Chilworth Science Park and Southampton University, all of which helped to promote the Region's world class academic and commercial capabilities.

Following the visit, Sharp Telecommunications of Europe Limited (STE) decided to locate in Bracknell, with an initial staffing level of 30 people and a planned recruitment drive to increase their UK staff to about 150.

In Japan, Sharp is recognised as a leading supplier to the mobile phone market, having developed and launched the unique and acclaimed SH04 J-Phone with built-in camera, and SH05 mobile phone with its large, thin film transistor colour LCD screen. These demonstrate Sharp's commitment to innovation in this highly competitive market.

In total, our international outputs included 41 companies that either expanded or established a first time investment, creating 2,307 new / safeguarded jobs. There were 334 projects in progress and over 200 new leads through promotional activities. The team handled six inward missions (for 33 companies) and carried out 47 company visits and seven overseas trade shows. As part of the aftercare programme, there were 96 company visits and a regional event.

#### **Venture Capital / Enterprise funding activities**

Considerable work has been carried out on setting up the Regional Venture Capital Fund. The project has been delayed by the European Commission who wished to examine it against European state aid rules, though a positive response is anticipated. In the meantime we have completed the underwriting of funding close to the target of £30 million. Detailed negotiations with all interested parties continue. Legal agreements are in draft form to establish the delivery mechanism for the Fund. A new corporate vehicle, Finance South East, is being established to co-ordinate the Fund and the activities of public and private sector partners in the Region.

**ATA Manufacturing, Newhaven. SEEDA led a collaborative inward investment project with Invest in East Sussex and Sussex Enterprise, which has resulted in a government grant for this new export company.**



**Maytag, Redhill, SEEDA assisted the expansion of this American company by finding new premises and providing advice. This move created space for 60 new jobs and safeguarded a further 60.**



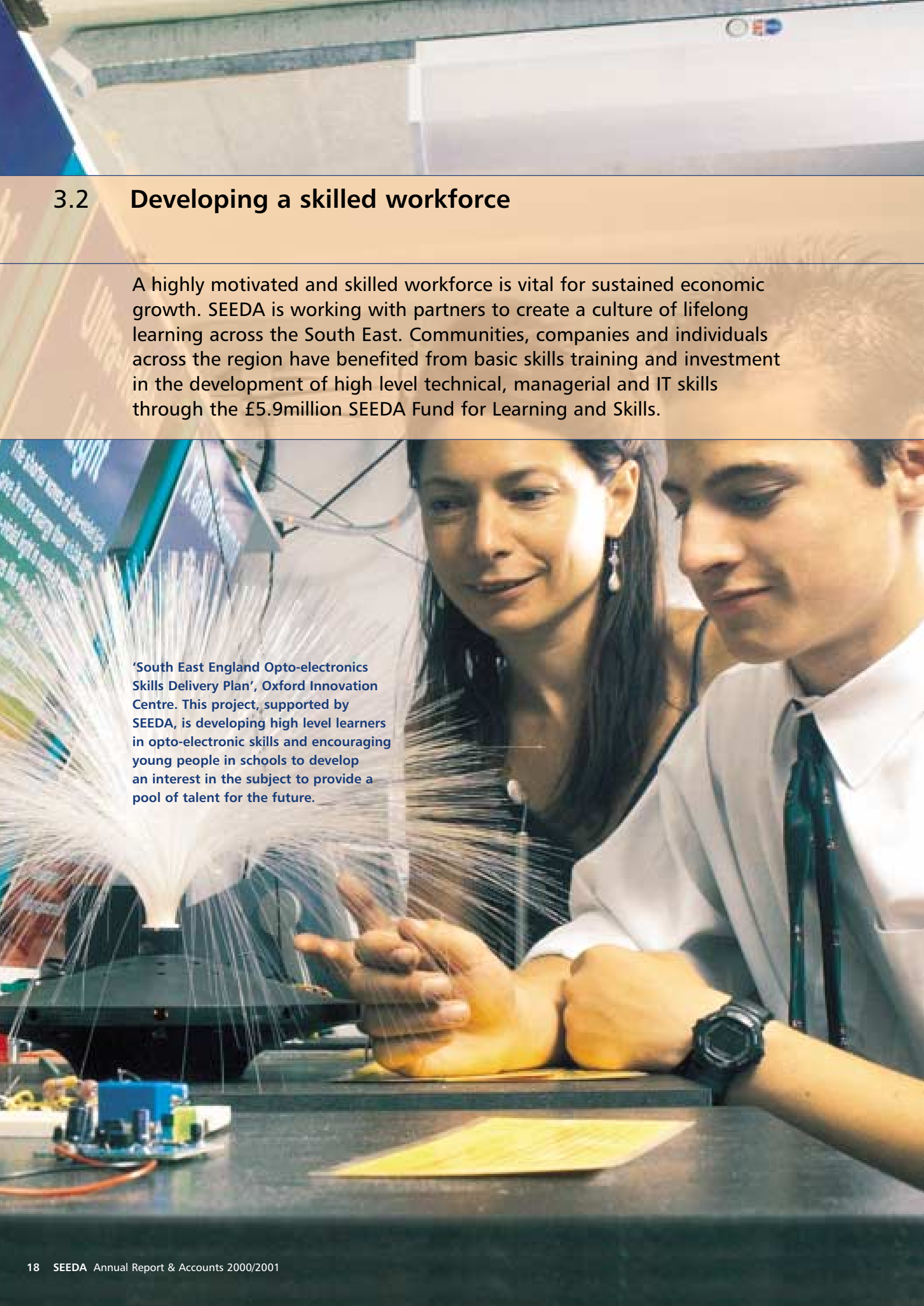
#### **Building on our 2000-01 success**

During the coming year, our key business activities will include:

- Continuing support for the Manufacturing Task Group which will guide development of SEEDA's activities to support manufacturing. These will include establishment of a centre for manufacturing excellence.
- Integrating into SEEDA the supply chain activities formerly undertaken by the RSO.
- Taking forward the Regional Venture Capital Fund (RVCF) subject to European Commission clearance, and working with GOSE to enhance the SMART scheme.
- Implementing the Enterprise Hub initiative including the networking of Hubs and implementation of the monitoring process for measuring their outputs and impacts.
- Preparing and implementing work plans for the first six sector groups and developing plans for a second tranche of groups.
- Preparing a comprehensive Cluster Strategy working with the region's Economic Partnerships.
- Preparing an EU Regional Innovation Strategy bid with partners from across the region, including Objective 2 areas.
- Preparing a regional "Strategy for Success" as described in the Government's White Paper, *Opportunities for All in a World of Change*. The strategy will explore opportunities for reinforcing success - for example through supporting cluster development - and addressing barriers to sustainable growth.

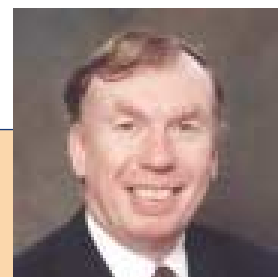
## 3.2 Developing a skilled workforce

A highly motivated and skilled workforce is vital for sustained economic growth. SEEDA is working with partners to create a culture of lifelong learning across the South East. Communities, companies and individuals across the region have benefited from basic skills training and investment in the development of high level technical, managerial and IT skills through the £5.9million SEEDA Fund for Learning and Skills.

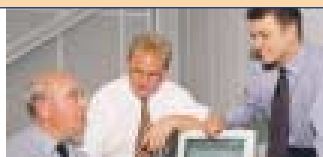
A woman and a young man in school uniforms are looking at a science experiment. The experiment involves a device that sprays a fine mist of water or liquid. The woman is pointing at the device, and the young man is looking at it with interest. The background is a blurred image of a school laboratory.

'South East England Opto-electronics Skills Delivery Plan', Oxford Innovation Centre. This project, supported by SEEDA, is developing high level learners in opto-electronic skills and encouraging young people in schools to develop an interest in the subject to provide a pool of talent for the future.

**Ergon IT, Milton Keynes. e-skills into Business is a regionwide project raising awareness of the competitive advantages of adopting new technologies. With SEEDA support, ESiB will provide guidance to 20,000 SMEs by the end of 2004.**



John Parsonage  
**Director**  
Learning & Skills



**SEEDA's Lean Manufacturing project is giving SMEs in the region access to the latest 'lean manufacturing' techniques and six companies achieved typical increases in productivity of 40%.**

Through its skills development work, SEEDA aims to help education providers respond swiftly and effectively to business needs, and provide people with the necessary skills to be fully effective in the workforce. We develop innovative projects which will make a significant impact on the skills base of the South East, basing our decisions on high quality labour market information and analysis, and working with key partners to help them deliver what the South East economy needs, both now and in the future.

#### **Our achievements in 2000-01**

##### **Skills Development**

We supported 10 innovative projects, involving over 650 SMEs and resulting in the development of 13 associated courses. These were focused on:

- Information and Communications Technologies
- High Technology Engineering/Electronics
- Creative Industries
- Business Management and ICT Skills
- Basic Skills

Projects approved within these categories came from a wide range of business sectors, including opto-electronics, manufacturing and cultural heritage. Innovation and flexible learning has been promoted across all projects.

##### **Example - e-skills into Business**

The e-skills into Business (ESiB) project aims to provide a high-quality, easy to use internet-based business improvement process for small and medium sized enterprises in the South East.

SEEDA is the lead funding organisation for ESiB, and the project is managed by the e-skills National Training Organisation. Many other partners are involved, including major corporations such as Energis, M2S, Smartforce, IoD, Toshiba, University of Surrey. The Business Link Kent, Isle of Wight and Milton Keynes have been involved in the pilot phase. The programme will be expanded across the region in 2001/2002.

Using ESiB is easy. After registering onto the project, the owner/manager and key personnel use diagnostic tools to analyse their business goals, and identify the skills needs of their staff if these goals are to be achieved.

The business improvement process then guides businesses to the opportunities available through e-technology and e-commerce. Importantly, these are directly linked to the enterprise's own business goals. This means that businesses ranging from micro-businesses with no computer equipment, to those employing 250 staff with both internet and intranet, can gain real benefit from ESiB.

**‘Care 2 Share’, Brighton is a SEEDA funded snack bar concept helping 30 young people develop literacy and numeracy skills through menu writing, cash handling and the development of a website.**



**Ford Training Centre, Eastleigh, Southampton. A partnership involving the Ford Motor Company, SEEDA and the local community providing basic skills training for 200 Ford employees, their families and others in the local community.**

### **Labour Market Intelligence**

We made substantial progress with partners in ensuring the infrastructure is in place to deliver high quality market information and intelligence. Skills Insight, created as a company in January 2001, held its first annual regional skills conference in March. It acts as the core provider of Labour Market Intelligence in the South East, with key regional and national players expressing support. We have supported SEEDA sector groups; and established a National Training Organisation (NTO) Sector Unit. Our pioneering development of Skills Actions matrices with each NTO has been adopted by all Regional Development Agencies and is likely to be adopted by all NTOs. We have completed a Regional Competitiveness Survey, Skills Audit and Annual Skills Review, and we established a Higher Education bursary scheme for three sectors.

### **Basic Skills**

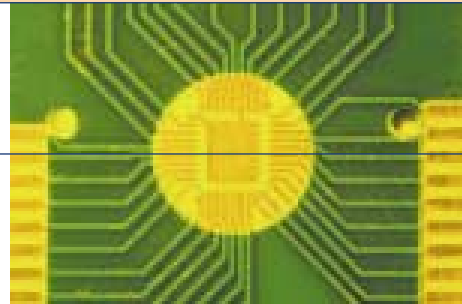
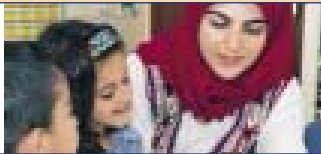
With partners, we launched a Basic Skills Strategy and Prospectus with a particular emphasis on skills training in the workplace. Fifteen projects were taken forward delivering 2,338 training places and training 264 basic skills tutors.

### **Example - Ford Motor Company**

This project recognises that the demand for skilled labour in the engineering sector has reached crisis point, and seeks to develop basic skills in the engineering industry in the Southampton and Eastleigh areas. Ford’s partners in the initiative include Swaythling Housing Association, Eastleigh Housing Association, Southampton City College, and other local partners. The project provides basic skills to Ford employees, their families, and others in the community around Ford’s plant at Eastleigh. This will contribute to the competitiveness of engineering companies, and enable local people to improve their opportunities for education, employment and continuous development.

Learning methods include chalk and talk classroom techniques, computer-based learning, self-directed learning practices, and work-based learning situations. The experience of bringing the residents of social housing in the area into the Ford Partnership Centre has been that they are more willing to attend than they are at the local further education college. Ongoing support, and careers guidance, are also provided as part of the project.

**Maybury Centre, Woking. SEEDA has put 250 schools, 250 teachers and 9500 pupils in contact with science and technology companies, helping to promote greater awareness of technological demands.**



**SEEDA's Wired Region project is working to identify and fill the gaps in the region's broadband infrastructure. The associated development of regional portals will provide an online resource for businesses, local communities and learners.**

#### **Developing Links with Business**

In order to promote greater awareness of science and technology in our schools, SEEDA has worked with six Education Business Link Organisations, putting 250 schools, 250 teachers and 9,500 pupils in greater contact with science and technology companies. Nine employer networks have also been supported.

#### **Supporting Learning and Skills Councils**

SEEDA has fully supported the development of the region's new Local Learning and Skills Councils, and took an active part in LLSC transition groups. SEEDA is represented on the Boards of the region's six LLSCs and will perform an important role in helping to establish a strategic regional context for their work.

#### **Wired Region**

The Wired Region project has been concentrating on a mapping exercise where we are attempting to identify the places of both high demand, and social deprivation. This will be correlated with both the Fibre Optic and Copper cable infrastructure that is in place. The result will be to identify the gaps and to work with the telecommunications providers to develop appropriate infrastructure for the whole region.

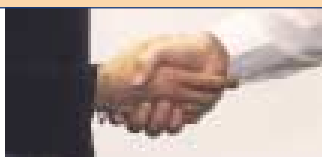
The project has shifted emphasis with the Government's 'UK Online' and 'Broadband' initiatives, and SEEDA is taking a leading role on the task groups that have been set up. However this has not delayed our own initiatives and in order to reflect current market demand for digital technology we are currently evaluating the changes that have occurred in the last 12 months.

The 'e-skills into Business' project, funded by the SEEDA fund for Learning and Skills is currently in pilot and will bring e-business awareness and guidance to 20,000 SMEs by the end of 2004. This and other related SEEDA projects are being integrated with Wired Region. Examples include the Sussex Virtual College and a digital network connecting the Enterprise Hubs to enable sharing of best practice, technology transfer and remote access to rapid prototyping facilities.

Aside from the Enterprise Hub network, work with the business team has concentrated on web developments to support SEEDA's relationship with the business community, in particular through SEEDA Sector Groups. These developments are being taken forward with key regional and national partners such as Small Business Service and Trade Partners UK.

Other web developments are planned following consultation with nearly 50 regional partners. A pilot project has already resulted in a demonstrator E-Citizen/Community web portal with some 4,500 linked sites.

**SEEDA's Fund for Learning and Skills provided 2338 people with Basic Skills training giving them the opportunity to develop IT skills increasingly required in the workplace.**



**The South East Village continues to expand. Co-location of organisations with SEEDA in Guildford has led to mutually beneficial partnership working and sharing of intelligence.**

#### **Working with partners**

South East Village has continued to grow, shared by SEEDA's Learning and Skills team; UFI (University for Industry); Regional Skills Research Unit (Skills Insight); National Training Organisation SE Regional Hub (5 NTOs); Higher Education South East (representing the 25 higher education institutions operating in the SE); RAISE (the co-ordinating body for the South East's voluntary sector); Trade Partners UK (formerly British Trade International); the Association of South East Colleges (AOSEC); and the Learning and Skills Development Agency.

SEEDA took and continues to take a lead role on the European Social Fund (ESF) Regional Committee. ESF is the European fund devoted to upskilling and reskilling, and is expected to bring £30 million per annum to the SE in the next six years. SEEDA worked together with GOSE to ensure an effective spend of ESF money in the region and complementarity between regional, national and European policies and funds. SEEDA and GOSE are working together on the revision of the Regional Development Plan.



**Key heritage site (Archbishop's Palace, Maidstone) has benefited from the SEEDA funded programme 'Management Development for the Cultural Heritage Sector' providing skills training for management.**



**SEEDA is the main funding body for the Rapid Product Development Group, which brings together Buckinghamshire & Chilterns University College, Portsmouth University and the private sector to provide rapid prototyping facilities.**



#### **Building on our 2000-01 success**

During 2001/02, we will work with the LLSCs and other partners to build on their success by:

- Supporting Skills Development - particularly in Tourism; Management and Entrepreneurship; the application of new technology; and Basic Skills in the Workplace
- Labour Market Intelligence - we have secured £300K of ESF funding to develop a skills forecasting model with Skills Insight. We will also further develop the NTO unit to embrace additional new sectors, and expand the bursary scheme to fund a further six bursaries
- Developing links with Business - we will continue to develop effective business / education links focusing on new technology and SMEs, high level ICT skills, managerial and entrepreneurial skills, tourism and leisure, the skills base of the construction industry, and bringing together the LLSCs and SBS to consider a regional approach to management development.

- Working with partners - We will research the rationale for a region-wide forum for employer and employee representatives. Trade union secondees have been appointed to take forward the work and consultation, and a conference is being planned to discuss proposals.

A marketing co-ordination post will also be established, part funded by the National Organisation for Adult Learning, to bring together learning initiatives across the region and support partners.

The Skills Strategy will be reviewed in conjunction with the development of a Regional Employment Action Plan with LLSCs and the Employment Service.

SEEDA will continue to work in partnerships with Higher Education to take forward technology initiatives, including the creation of a University Innovation centre.

SEEDA will support the development of Further Education Centres of Excellence in partnership with LLSCs.

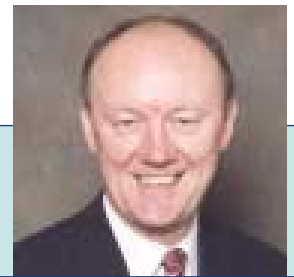


### 3.3 Working for an inclusive society

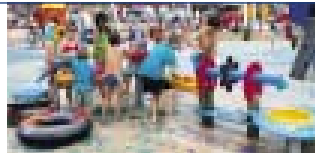
Regeneration is being tackled through area based initiatives in the South East - helping to transform the economic, social and physical environments in the region. SEEDA is strengthening the region's economy and providing significant new opportunities for business growth, tackling deprivation and enhancing the environment.

SEEDA's community regeneration projects, such as the play group at Aylesham Community Centre, help to provide a new focus for local people and can be a catalyst for community revival.

**Priddy's Hard, looking onto Portsmouth Harbour from Gosport; £6.7 million invested in Portsmouth through SEEDA funding.**



Paul Hudson  
**Director**  
Infrastructure & Regeneration



**Brighton Seafront - SEEDA's Fund for Regeneration - provided £714,000 towards a £2.4m project providing public arts, play facilities and walkways to extend business reach from the new pier out to Hove.**

Our physical and community development work is aimed at encouraging a renaissance of the region's urban and rural communities. This is targeted both on the regeneration priority areas as identified in the RES and Regional Planning Guidance, though we are also active in addressing the pockets of deprivation that occur even in the generally more wealthy parts of the region. During 2000/01 we began to underpin this approach through the establishment of Area Investment Frameworks (AIFs) which are key initiatives to develop comprehensive local investment priorities.

#### **Our achievements in 2000-01**

##### **Community Regeneration**

During the year, we successfully launched the Single Regeneration Budget (SRB) Round 6, and approved 21 new schemes with lifetime funding of £70 million over seven years. A continuing major task was the administration of 77 existing SRB schemes under rounds 1 - 5, which have a combined lifetime funding of £326m.

These schemes continued major investment in four comprehensive regeneration areas (Southampton, Brighton and Hove, Portsmouth and Hastings), and also addressed the distinctive problems of coastal towns as ports and resorts with projects to develop the workforce and create new opportunities for young people.

##### **Example - Brighton seafront**

The stretch of seafront between Brighton's two famous piers had been run down for many years. This was a blot on the city's landscape which made the walk and view between the land and sea a less than edifying experience. The lower level of the promenade had little to offer except a few fish-and-chip shops and stalls selling the famous Brighton rock.

This extensive and comprehensive regeneration programme has breathed new life into Brighton's seafront. The lower promenade has been widened, new shops, cafés and artists' workshops encouraged, and a programme of public art commissioned. As a result, the seafront now plays an important part in the city's life, with performances and festivals staged right by the beach and a wide range of permanent clubs and other venues. It is estimated that the improved areas of the seafront now attract between 20,000 and 30,000 people during warm summer evenings.

Using design which is bold and full of character and surprise, the five completed phases of the project, which were part funded by SRB, include the introduction of new broadwalks and paved areas; seating; volleyball and basketball courts; performance spaces; several major sculptures, and smaller artworks that are integrated into the hard landscaping. Given the exposed nature of the site, the materials used had to be robust, and include wood, stone, tiles and specially commissioned elements such as carved bollards. The design of the promenades includes pathways, carvings and artworks, and places to sit outside cafés.



**MAPP Partnership, Reading.** The PHAB daycare centre for disabled people in Reading is currently the focus of SEEDA investment to provide new facilities.

**Kenavon Drive, Reading - SEEDA investing in brownfield land to provide social housing for sale along the banks of the Kennett & Avon Canal.**

Our SRB projects are connected to key RES initiatives including Area Investment Frameworks (see below), Enterprise Hubs, Community learning and Market Towns.

During 2000/01, we worked closely with our partners to develop European programmes, such as the Operational Programme for Interreg IIIA; and together with Thanet, Hastings and the Government Office for the South East in drafting the Objective 2 Single Programming Document for the South East. This ensured that priorities reflected those of the Regional Economic Strategy, that the programme added value to Objective 2 areas, and complemented the SRB programmes.

#### **Example - MAPP Partnership, Reading**

In the Katesgrove area of Reading, SEEDA is supporting three voluntary sector organisations working together in the community as the MAPP Partnership. As new accommodation was needed, they came together to design and build new two storey premises and refurbish a grade 2 listed building for the use of their organisations and the community as a whole. Among the benefits of the project will be new facilities for young people, childcare, and training.

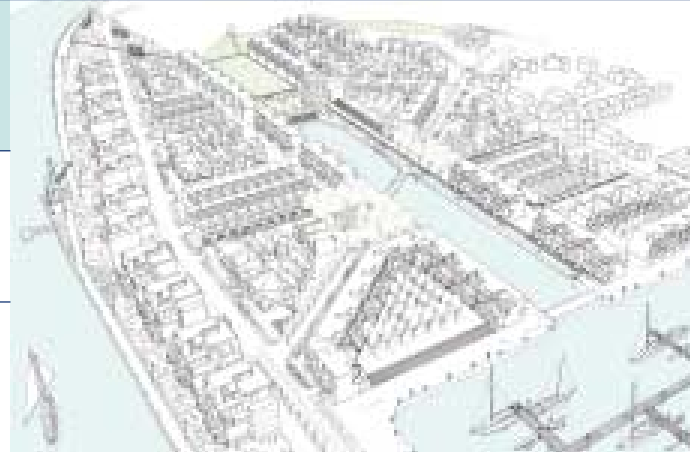
During 2000/01, SEEDA has provided funding and advice to the three voluntary sector organisations, the Apollo Youth Club, PHAB, and the Mary Seacoll Nursery, as they negotiate the planning and design process for the new centre. It is hoped that the construction phase of the project can begin in 2001/02.



**SEEDA held the UK's most successful building design competition of its type with over 380 entrants submitting designs for the St Mary's Island development at Chatham Maritime.**



**The Endeavour Foyer, Chatham, is part funded by SEEDA and offers 27 self contained flats as a safe and affordable home to young people, along with support, careers advice, training and counselling.**



### **Physical Regeneration**

SEEDA delivers physical regeneration through direct development and through partnership with the public and private sectors. Our aim is to promote economic, environmental and social regeneration through bringing previously developed land back into use for jobs, housing and environmental enhancements.

Highlights of SEEDA's direct development programme included progression of schemes at Chatham Maritime (our flagship project in the heart of Thames Gateway), Shearway Business Park, Shoreham and Portsmouth.

### **Example - Chatham Maritime**

Chatham Maritime is SEEDA's flagship regeneration project - a model of sustainable, mixed-use commercial, residential and leisure development that exemplifies high quality urban design.

2000/2001 has been a good year for Chatham Maritime, with significant developments coming to fruition. In Spring 2000, the Marina was opened and able to host 150 berths by Summer. November was a significant time for Chatham Maritime: Shepherd Neame opened The Ship and Trades pub and hotel, which has provided the area with leisure facilities and also a local convenience store. Leviathan Way, the Western Access Link Extension which provides access to the Marina and incorporates foot & cycle paths, was opened with a celebration led by local children. A sculpture on the Riverside Walk was also unveiled by Zandra Rhodes - a 35ft high bronze and stainless steel monument to the sailing of the Medway.

Contracts were signed in March 2001 for a speciality shopping centre in the former Boiler Shop, which will provide 150,000 sq. ft of retail space and 300 jobs when it opens in 2003.

Housing on St Mary's Island is a joint venture with Countryside Properties Plc, through the Countryside Maritime company. SEEDA is committed to sustainable development and high quality urban design. Planning permission was approved for The Fishing Village, which incorporates solar panels, rainwater harvesting and the concept of reduce, reuse and recycle in the actual construction process. 500 homes on the island were occupied by the end of the March 2001, with 150 riverside apartments and houses. To this aim, SEEDA sponsored an international design competition, which was launched by the Minister for Housing in December 2000. 81 firms submitted full stage 1 proposals. Seven firms were shortlisted, with a view to selecting a winner who will be appointed by Countryside Maritime Ltd to design a prime site overlooking the Marina. The competition has demonstrated exciting new approaches to housing design, layout and the practical application of sustainable technologies. The intention is that best practice will be disseminated throughout the region for the benefit of all players in the housing industry and be available on SEEDA's website.

Other priority activities for 2000-01 included investing £6.6m to regenerate the former Kent Coalfield. SEEDA has worked closely with English Partnerships to assemble a funding package of around £20 million to redevelop the former Tilmanstone, Betteshanger and Snowdown collieries during the next five years.

**Kent Salads, Tilmanstone - After 10 years of total neglect SEEDA has already completed the regeneration of one coalfield and is well advanced in the progress of the second.**



**SEEDA acquired 25 acres (10 hectares) of land in Folkestone adjacent to the M20 to develop the Shearway Business Park, addressing the need for business space in East Kent.**

#### **Example - Geest Foods at Tilmanstone**

SEEDA took control of the remaining derelict land at the former Tilmanstone Colliery in April 1999. The site extends to approximately 25 acres and was identified by SEEDA and its Local Authority partners as an early opportunity for regeneration as part of the £380 million national coalfield regeneration programme administered by English Partnerships.

15 acres of the site will be used for the construction of a new flagship salad production facility by Tilmanstone Salads Ltd, a wholly-owned subsidiary of Geest plc. The project programme will create a new 150,000 sq ft 'state of the art' production facility which retained 300 local manufacturing jobs and created a further 150. Geest are now planning a further expansion phase to maximise production capacity at the site with a building of 250,000 sq ft and approximately 1000 jobs in total.

This project has enabled SEEDA and its private and public sector partners to achieve maximum leverage and economic regeneration impact, as a critical component in its strategic commitment to help rebuild the East Kent economy.

Thames Gateway is the largest regeneration programme in the region, and embracing parts of east London, south Essex and north Kent is of national importance. SEEDA therefore is a strong supporter of both the Thames Gateway Strategic Partnership with Ministers, and the Thames Gateway Kent Partnership. This is reinforced not only by a range of physical development schemes, of which Chatham Maritime is much the largest, but also a substantial SRB programme.

#### **Social inclusion**

SEEDA has a particular role to play in seeking to tackle the underlying economic causes of social exclusion, thus helping to bring about lasting regeneration.

In addition to our regeneration activities described above, SEEDA worked with GOSE, the Regional Assembly and a wide range of key social inclusion partners in the fields of health, social care, housing and the voluntary sector in the preparation of the Regional Social Inclusion Statement. This will identify particular issues for the South East such as housing, transport, access, education and skills, and crime. It will also address the question of how the agencies involved with social inclusion will work together and with others (such as Local Strategic Partnerships) to tackle the problems with specific commitments for taking the agenda forward. The Statement will be issued for consultation in summer 2001.

The voluntary and community sector has a key role in promoting social inclusion and we have helped to strengthen the sector through support for RAISE - the sector's regional network.

**Through the SEEDA Fund for Community Regeneration in 2000/1 £7.5million has been invested in Southampton.**



**Conservation students and New Deal trainees are learning new skills and improving their environment in this 'Island 2000' project, Isle of Wight, funded by SEEDA's Rural Development Programme.**



#### **Area Investment Frameworks (AIFs)**

SEEDA is building on existing work in priority areas through the establishment of Area Investment Frameworks (AIFs). This key initiative in the Regional Economic Strategy is funded through the SRB programme and aims to develop comprehensive frameworks for determining local investment priorities by the full range of private, public and voluntary sector organisations. At the end of 2000-01, the first pilot AIF was well under way in Southampton, with completion of the initial phase scheduled for mid 2001. Work on four other pilot AIFs started in early 2001, for completion before the end of the calendar year. The results of these pilots will then be used to develop best practice guidance for use across the region, and will help to inform the work of Local Strategic Partnerships and the development of Community Strategies.

#### **Rural**

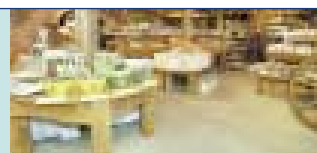
SEEDA delivered integrated support to the Rural Priority Areas (RPAs), covering south and east Kent, eastern East Sussex and the Isle of Wight. New workspace units, creating 3,741 sq metres floorspace through re-use of redundant buildings, support for more than 200 rural based businesses, and new community buildings offering new and improved services, have been delivered through rural programmes. During the year more than 100 new jobs have been created. More than 150 very small community led projects have been delivered. More than 150 new projects have been developed and approved during the year.

A new programme has seen the approval of support to 36 farmers, across the region, through re-using their buildings.

The Rural White Paper, published in November 2000, has led to new money allocated to SEEDA, to support market towns. In March 2001, the first five towns were identified through a selection process.

SEEDA has supported a range of rural initiatives across the region to develop the objectives in the Regional Economic Strategy, including:

- The successful Rural Towns Rural Life bid through SRB being delivered through the new South East Rural Towns partnership
- Support to local produce through a major food event in Sussex, visited by the Prince of Wales; new farmers markets in small towns and villages (Beaulieu, Ardingly and Faringdon); and an examination on gaps in the food supply chain through Abattoir and Cold Store studies.



**Turner's Hill, West Sussex, SEEDA's rural diversification programme allocated more than £704,000 during 2000/1 to 36 farms.**

**Herstmonceux Hall - This £400,000 redevelopment was one of 16 projects supported by SEEDA, providing rural services in East Sussex.**

#### **Example - Herstmonceux Village Hall**

In Herstmonceux, East Sussex, a brand new village hall has been built. This highly successful venture was one of the seventeen projects brought together by the Sussex Rural Community Council to form the 'Tipping the Balance' partnership. It was achieved by working together with the village hall committee, the parish council, and the whole community, and SEEDA contributed £100,000 towards the cost. The new building has a main hall with stage seating 200, a small hall seating 80 and a separate lounge area. There are two kitchens, one for each hall, and a Parish room for the Parish clerk and hall secretary to share. There are disabled facilities throughout. It is next to the bus stop, has good car parking facilities, and a wildflower garden maintained by the local gardeners' club.

The hall is very popular, with regular bookings from over 40 groups, with those previously meeting in the old hall reporting a doubling in membership since moving to the new. The groups cater for everyone in the community, from Under 5s, and Young Herstmonceux Theatrical Society, to over 60s, and a lunch club in association with Age Concern. Other regular activities include a dance club, badminton club, yoga, indoor bowls, a varied adult education programme, British Legion and the Women's Institute. The hall is also popular for wedding receptions and other special events, and is usually fully booked many weeks in advance.

#### **Example - Turners Hill Farm Diversification**

At Tulley's Farm, in Turners Hill, West Sussex, we helped fund the conversion of a redundant tractor bay of 82.22 sq m into an extension to the existing farm shop. This has enabled the farm shop to stock more local produce, both from its own soft fruit and orchards, and from its neighbours' horticultural enterprises. The shop, which employs more staff, now has freezers and can stock meat and local ice-cream, has an extended bakery, and also sells charcoal produced by a charcoal burner in the farm's managed woodland.

As a result of the project, the farm business has been helped, the purchase of local produce has been encouraged, local rural employment has been increased by two full and two part-time jobs, and the existing farm landscape of orchards and managed woodland has been maintained.

SEEDA established the Regional Rapid Response Team to deal with the immediate challenges of the foot and mouth crisis in the region, as well as laying the foundation for a longer term rebuilding of the rural economy. SEEDA has also created special pages on its website, [www.seeda.co.uk](http://www.seeda.co.uk), to direct people to advice and information.

We have since provided £1.5m of funding to aid the recovery from the crisis, and issued a number of press releases to try to persuade people to come back to visiting the countryside. The funding is being used for direct support for the small businesses hardest hit by the crisis, to support marketing initiatives in support of the tourism industry, and to support development of an Action Plan for livestock and the local meat sector.

**Kent Initiative on Drugs** is a scheme funded by SEEDA to tackle the growing problems of drug and alcohol abuse in Kent. During 2000/1, 5,728 people received information or advice about drug abuse.



**Co-hosted by SEEDA, the Kent Coalfields Conference** was attended by more than 150 delegates, including (Left to Right) Cllr Lawrence Knight, Nick Raynsford MP Minister for Housing, Planning & Construction and Anthony Dunnett.

### **Building on our 2000-01 success**

During the coming year, SEEDA will build on its success by:

- Working with partners to integrate SRB within an holistic approach to community regeneration in line with the Regional Economic Strategy, and to ensure successful exit strategies as existing schemes come to an end.
- Continuing to facilitate the preparation of Area Investment Frameworks across the region, learning from the pilots progressed in 2000/01.
- Increasingly developing region-wide programmes in line with the Rural and Urban White Papers.
- Making substantial further progress in the regeneration of the Kent Coalfields.
- Developing a public sector partnership or trust as a new approach to bringing forward suitable brownfield land for housing in line with the Government's target that at least 60% of new housing should go on such land.
- Launching new initiatives to encourage high quality and sustainable design, including a Regional Design Centre of Excellence. We will also continue to promote high quality development that accords with the highest national standards through adopting best practice at Chatham Maritime and for other developments that we support.
- In conjunction with GOSE and our other partners, launching the Regional Social Inclusion Statement for consultation, and continuing to support the regional voluntary and community sector network RAISE, to provide further benefits in reaching disadvantaged groups across the region and in the most deprived areas. SEEDA and its partners will also prepare a regional bid under the Entrepreneurship theme of EQUAL (the European Community initiative for tackling discrimination and inequality in the field of employment).
- Finally, all projects appraised for funding by SEEDA will be subject to a revised and expanded sustainable development checklist, which among other criteria will scrutinise the extent to which each project contributes to social inclusion.

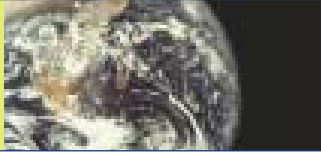
### 3.4 Taking forward a strategy for sustainable growth

For SEEDA, economic growth must be sustainable - it must be environmentally acceptable, as well as socially inclusive. We launched a number of initiatives during the year, in conjunction with partners. We also participated in the Regional Sustainable Development Framework, which is the beginning of an ongoing process of considering what sustainable development means for the region.

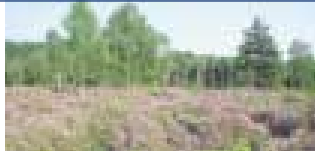


Woodland Enterprise Centre, Flimwell, East Sussex. SEEDA is co-funding this site which offers space for office and education facilities for woodland related industries in the South East region.

SEEDA is a member of  
the South East Climate  
Change Partnership.



Jeff Alexander  
**Director**  
Strategy & Corporate Services



**One third of England's lowland  
meadows and lowland heaths are  
found within the South East region.**

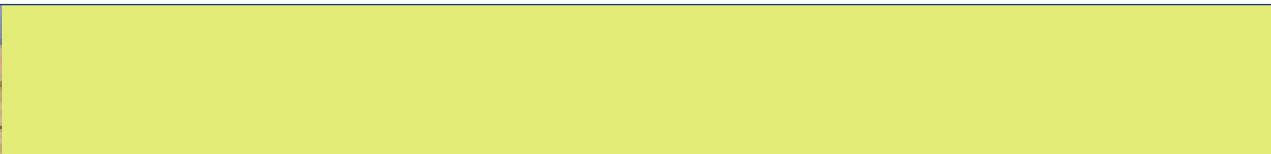
The Regional Economic Strategy set an overarching goal for SEEDA - achieving sustainable development measured by economic prosperity, social inclusion and environmental quality. Achieving this goal is central to the activities described earlier in this Report. We also have a role to play alongside others in helping to build a region-wide commitment to sustainable development. We were therefore very pleased to work last year with the Regional Assembly (who led the initiative) and GOSE on the preparation of the Regional Sustainable Development Framework.

We are committed to playing our part in implementing the Framework. For example, we are currently using it as the basis of our appraisal of the sustainability of our on-going plans for implementing the Regional Economic Strategy. The Framework will also guide the future review of the RES and has already enabled us to assess the effectiveness of our procedures for ensuring that our own projects pass the sustainable development test.

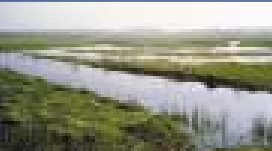
#### **Other key initiatives during 2000/01 included:**

- Climate Change - SEEDA is a member of the South East Climate Change Partnership, which launched a Business Plan to promote awareness of the pioneering report *Rising to the Challenge*.
- SEEDA co-hosted, with Hampshire County Council, an event on Waste Market Development.
- We hosted an inter-RDA workshop on environmental technologies (June 2000).
- Preparatory work has been undertaken in support of the Environment Agency's initiative to establish a Water Resources Forum across the region, and to develop action programmes to relieve the trend of growing pressure on water resources.
- In sustainable construction, SEEDA has developed a broad based strategy building on the recent Urban Task Force report and the Urban White Paper to promote innovation in construction, reduce levels of embodied energy and disseminate best practice as identified in the recent White Paper, *Opportunity for All in a World of Change*.

Many of the South East’s coastal and marine areas are of significant international importance.



SEEDA with its partners aims to restore 410 hectares of coastal and floodplain grazing marsh by 2005.



**Building on our 2000-01 success**

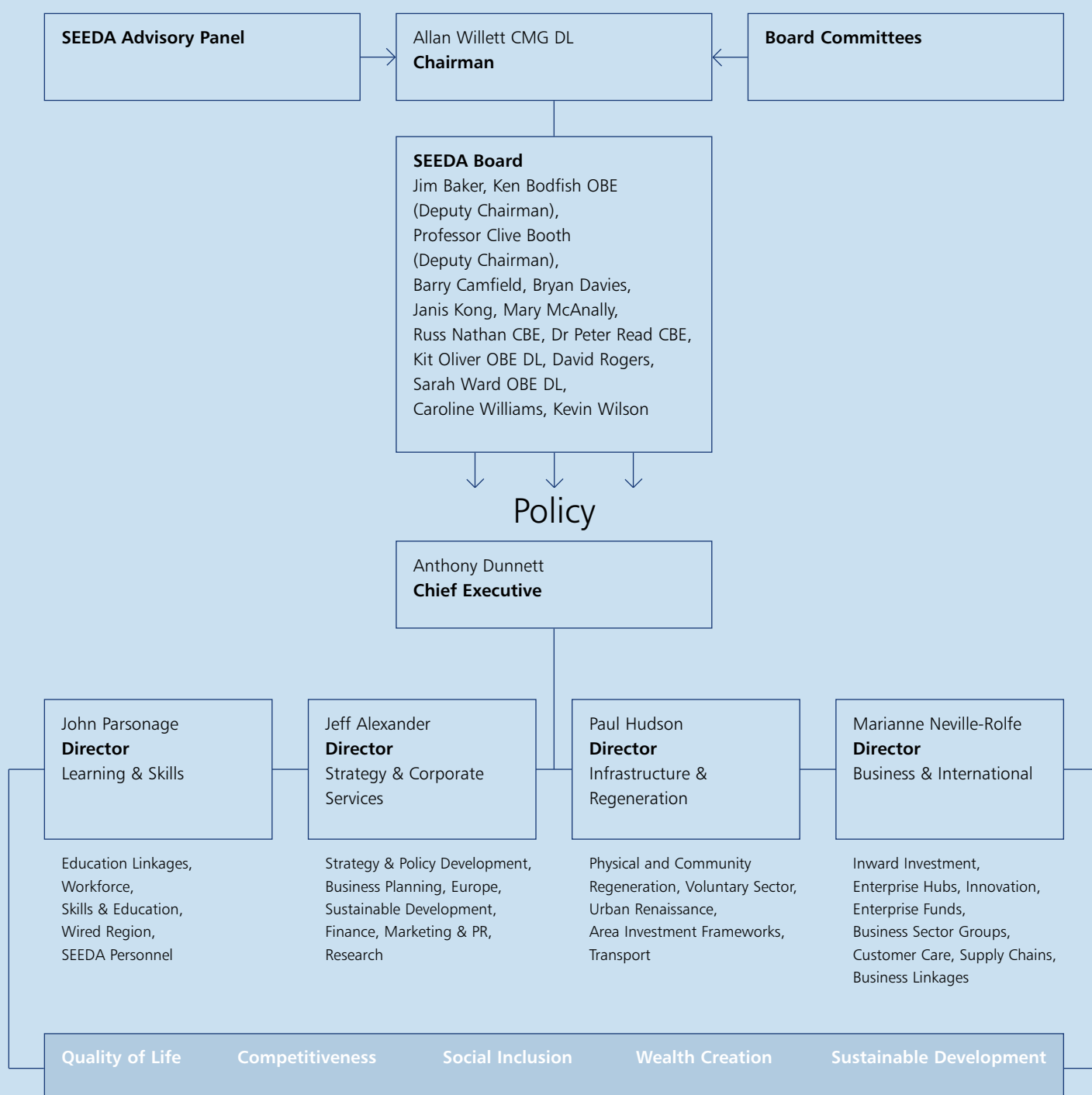
During the coming year, SEEDA will be supporting regional initiatives in the following areas:

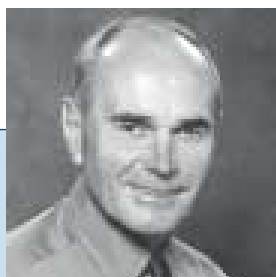
- Sustainable Development and Business - SEEDA works closely with the Business Environment Fora across the region to develop their capacity, and is supporting the Kent Sustainable Business Partnership’s e-generation initiative as an innovative web-based tool to assist small businesses in mainstreaming sustainable development issues in their everyday work.
- Water Resources - SEEDA will further support the Environment Agency’s initiative to establish a Water Resources Forum across the region, and to develop action programmes to relieve the trend of growing pressure on water resources.
- Following the report by an independent consultancy into the Sustainable Development Appraisal of the RES, Action Plans and Project appraisal system, we will be leading the way in project appraisal by introducing a stronger system.

- Waste Management - SEEDA will support the establishment of a regional waste management advisory body, and will work with the Waste Resources Action Programme and innovative local authorities to support the development of markets for waste materials, together with other initiatives to relieve the pressure on the region’s landfill voids.
- Environmental Technologies Sector - we will undertake a joint study with English Nature and the Environment Agency to improve our understanding of this sector and its value to the region’s economy. This will inform action to promote the international competitiveness of the sector.

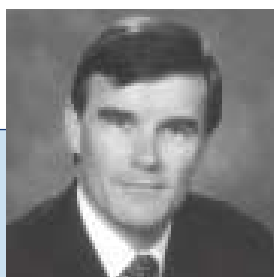
## 4. Board & Corporate Structure

### Organisation Chart





Allan Willett CMG DL  
**Chairman**



Anthony Dunnett  
**Chief Executive**

The Organisation Chart shows SEEDA's corporate structure.

#### 4.1 The SEEDA Chairman Allan Willett CMG, DL

Allan Willett is a world leader in the development, manufacture and marketing of systems providing industry worldwide with solutions for their coding and labelling needs. The Company has twice won the Queen's Award for Export as well as the Financial Times/Nat West Exporter Excellence Award and the Arthur Anderson Global Award for "Going International" - the first British company to receive this honour.

As an investor and specialist in re-organisation, Allan's career has also been associated with assisting private and publicly quoted international companies. This involved working in association with banks to reorganise companies in the packaging, plastics and printing industries based in the UK, Netherlands, Sweden and the USA. A former Deputy Chairman of Rowen and Bowden in Scotland, he was a Vice President of Compac Corporation USA, Chairman of Northampton Machinery Company UK and Group Managing Director of G D Peters Limited UK.

He has a special interest in enterprise and innovation, particularly as they are applied to small and medium sized enterprises (SMEs) and the growth of global companies. He has worked with the OECD on small and medium sized company development. He is the Founding Chairman of the Centre for Tomorrow's Company.

In the early 1990s Allan began to hand over the day to day control of Willett International and at the same time increase his public sector work. He was the Founding Chairman of the Government's Industrial Development Board for London and the South East. Until the Government appointed him Chairman of SEEDA, he was a Director of Locate in Kent, the East Kent Enterprise Agency and Chairman of the East Kent Forum as well as an Ambassador for Kent.

Allan was appointed a Companion of the Order of St. Michael and St. George (CMG) in the Queen's Birthday Honours List in June 1997 and a Deputy Lieutenant for the County of Kent in May 2001. He lives with his wife Anne in Chilham near Canterbury, Kent, England.

#### 4.2 The SEEDA Board

The SEEDA Board, appointed by the Deputy Prime Minister, comprises the Chairman and 14 members. The Board is responsible for setting the strategic direction of the Agency and for establishing its policies. With the Chief Executive, the Board ensures that the public funds with which the Agency is trusted are used appropriately to the benefit of the region and deliver value for money in meeting our objectives.

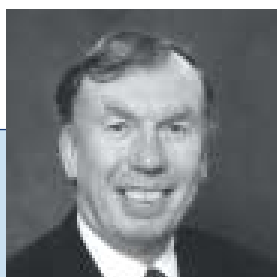
The Board is accountable to the Government, through the Deputy Prime Minister, and to Parliament. It is also required to give an account of its activities to the South East England Regional Assembly and to consult with the Assembly on the development of the Regional Economic Strategy. SEEDA values this relationship with the Regional Assembly and recognises the Assembly's role as the representative voice of the region. It looks forward to the strategic role the Assembly will play in future.

SEEDA holds a formal record of Members' interests which is available for inspection at our Guildford offices. See page 41 for biographical notes of the Board Members.

#### 4.3 SEEDA Board Committees

The SEEDA Board has a series of Board Committees to advise it on key strategic issues. Chaired by a SEEDA Board Member, each Committee draws in experts from across the region who serve in an individual capacity, together with representatives from the Regional Assembly and the Government Office for the South East. The Committees played a full and very valuable role in helping to inform the preparation of the Regional Economic Strategy.

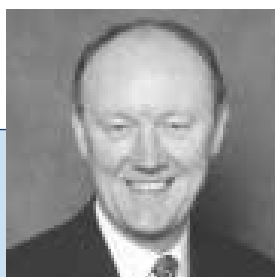
In April 2000, the Committees were restructured to assist their role in informing and monitoring the implementation of the Strategy. SEEDA has also established an Audit and Remuneration Committee and an informal panel, "Future Think", responsible for advising on key economic, social, technological and environmental issues that could have major impact on the region over a 5-15 year time frame.



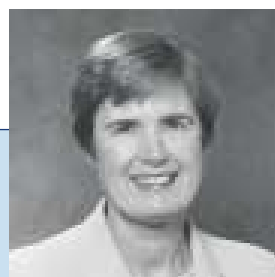
John Parsonage  
**Director**  
Learning & Skills



Jeff Alexander  
**Director**  
Strategy & Corporate Services



Paul Hudson  
**Director**  
Infrastructure & Regeneration



Marianne Neville-Rolfe  
**Director**  
Business & International

The Board Committee structure is as follows:

- Infrastructure Committee
- Learning and Workforce Committee
- Regeneration and Communities Committee
- Rural Development Committee
- Sustainable Development Committee

#### 4.4 The SEEDA Advisory Panel

The SEEDA Advisory Panel provides a forum for harnessing a wider range of experience and expertise to inform SEEDA's thinking. As well as leading influential figures from business, local government and academia, the Panel includes individuals from interests not traditionally involved in the consideration of regional economic development such as the police, and religious leaders.

#### 4.5 Regional Business Sector Groups

As described in section 3.1, SEEDA is working with its private sector partners to identify and provide solutions to key competitiveness issues facing the region's businesses. The regional Business Sector Groups we have established are each headed by a business leader and comprise a panel of other leading business experts.

#### 4.6 The SEEDA Executive

The SEEDA Executive comprises four main teams as shown on the Organisation Chart. The Executive Directors are responsible for driving forward the implementation of the relevant elements of the Regional Economic Strategy and for delivering the programmes through which we support the activities of our partners.

Members of the SEEDA Executive:

Anthony Dunnett - Chief Executive  
Jeff Alexander - Director, Strategy and Corporate Services  
Paul Hudson - Director, Infrastructure and Regeneration  
Marianne Neville-Rolfe - Director, Business and International  
John Parsonage - Director, Learning and Skills

#### 4.7 SEEDA's employment policies

##### Employee volunteering

SEEDA is supportive of staff becoming involved in voluntary work within the region as this not only provides benefit to the region but can also be an effective means of self-development. To this end SEEDA allows staff to accommodate voluntary commitments within its flexible working arrangements and will additionally give all employees the equivalent of one day's paid time to volunteer. During 2001/02 SEEDA will further promote the benefits of volunteering to employees through teach-ins and information sessions, and we have signed up to the Prime Minister's Active Communities Challenge.

##### Voluntary sector compact

The Regeneration Committee were impressed with the Compact between government and the voluntary sector nationally and are anxious to develop a similar model for the South East.

##### Investing in our staff

SEEDA staff come from a wide range of both public and private sector backgrounds, and we aim to bring together the best practice from both sectors. We also invest in our staff through training, which is linked into business and individual needs. Everyone is encouraged to undertake relevant training and development.

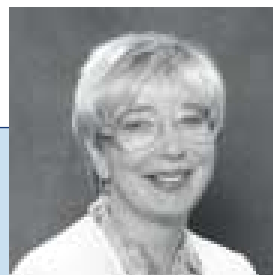
##### Investors in People (IiP)

SEEDA committed to working towards the IiP standard in June 2000 and developed an action plan based on the gap between current practice and the requirements of the standard. SEEDA regards the IiP standard as a framework for good business practice and has implemented a number of activities, including:

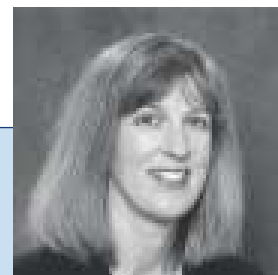
- Bringing together cross-functional teams
- Defining core competencies
- Strengthening the employee induction programme
- Simplifying the process for requesting and evaluating training
- Issuing a Development Opportunities Pack to all employees
- Drawing up a Corporate Training Plan for 2001/02 with an increased training budget.



David Tucker  
**Finance Director**



Debbie Catt  
**Head of Marketing  
and PR**



Helen Mead  
**Head of Personnel  
Services**

### Service Standards

SEEDA is committed to best practice standards of working in all areas. This includes high standards of clear, well-written English. All SEEDA employees receive training in customer service and are familiar with SEEDA's published service standards.

SEEDA employees make every effort to answer telephone calls as quickly as possible and during 2000/01 76% of calls were answered within seven seconds. SEEDA's service standards state that all written requests for information are responded to within 10 working days of receipt unless the sender has set a different timescale for response. Where written correspondence requires a more substantial or complex answer, a response is sent within five days of receipt informing the writer of this and giving an indication of when the response can be expected. SEEDA has a post-logging system in place which demonstrates that this standard is adhered to.

### Equal Opportunities

SEEDA wholly supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on grounds of gender, colour, marital status, race, nationality or ethnic/national origin, religion, sexual orientation, disability, membership of a trade union or atypical working arrangements. To this end, SEEDA adheres to the requirements of the Codes of Practice issued by the Equal Opportunities Commission and Commission for Racial Equality as well as the requirements of the Race Relations Act 1976, Sex Discrimination Act 1986, Disability Discrimination Act 1995, and Part-time Workers Regulations 2000.

SEEDA has also taken on board the general duties set out in the Race Relations (Amendment) Act 2000 which came into force on 1 April 2001 to avoid direct or indirect discrimination and victimisation and to promote race equality. SEEDA monitors its workforce for ethnic origin and, during the year 2000/01, 5% of its staff identified themselves as being of ethnic minority origin. This compares with an ethnic minority population of 1.8% in Guildford, where SEEDA's headquarters is located, and 2.8% in Surrey (source: 1991 Census Survey County Report). Throughout the whole of the South East there is an ethnic minority population of 3.3% (source: Estimates of the Population by Ethnic Group and Area of Residence, 1999, Great Britain, Office for National Statistics). Along with the other RDAs, SEEDA has contributed to government consultation on implementation of the Act and will comply with the new Commission for Racial Equality Codes of Practice when these come into force in November 2001.

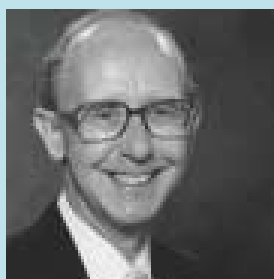
## 5. The SEEDA Board



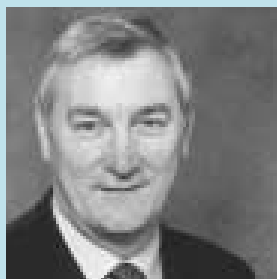
Jim Baker



Ken Bodfish OBE



Professor Clive Booth



Barry Camfield



Bryan Davies



Janis Kong



Mary McAnally



Russ Nathan CBE



Kit Oliver OBE DL



Dr Peter Read CBE



David Rogers



Sarah Ward OBE DL



Caroline Williams



Kevin Wilson

**Jim Baker**

Jim Baker is Chief Executive of North West Kent Council for Voluntary Services, Vice Chair of SAVAGE (Southern Association of Voluntary Action Groups for Europe), a Trustee of Kent Community Foundation and Kent Business Link, an active member of the South East Racial Equality Network and a Trustee of Kent People's Trust. He has previously been a Housing Officer in Sheffield, a Director in Local Government in London, Trade Union Branch Chairman in South Wales and Chair of the National Association of Race & Equality Advisers. Since 1990 he has lived in the South East working as a self-employed consultant and within the voluntary sector. During that period he was also a Southampton City Councillor (Labour) and a Steering Group Member of the South East Voluntary & Community Sector Regional Network.

**Ken Bodfish OBE**

Ken Bodfish is the Leader of Brighton and Hove Council. He Chairs the UK Delegation to the European Union's Committee of the Regions and is a Vice President of the Committee. As Chair of the Local Government Association's European and International Executive he is the lead spokesperson for English local government on these matters. He is a former Chairman of Sussex Police Authority and is currently a Member. He has extensive local government experience serving previously on East Sussex County Council and Preston Borough Council in Lancashire. He was also a Member of the Board to the Central Lancashire Development Corporation (appointed by the Secretary of State). Formerly a member of the academic staff of The Open University, he took early retirement in September, 2000.

**Professor Clive Booth**

Professor Clive Booth is Chairman of the Teacher Training Agency, the Review Body for Nurses and the multi-media education information company ECCTIS 2000 Ltd. He is also a Senior Education Adviser to the British Council and a Consultant to the World Bank and Council of Europe. He is the Chairman of the Oxfordshire Lifelong Learning Partnership and an Editorial Board Member of the Oxford Review of Education. He was Vice-Chancellor of Oxford Brookes University (1986-97), Vice Chairman of the UK Committee of Vice-Chancellors and Principals (1992-95) and Director of Business Link Heart of England (1996-98).

**Barry Camfield**

Barry Camfield is Assistant General Secretary of the Transport and General Workers Union, Britain's largest general union. He is a member of the General Council of the TUC. He is also a member of the Kent and Medway local Learning and Skills Council. He has been a T&G Official since 1975, covering industrial, education and organising responsibilities in the South East & East Anglia Region of the Transport & General Workers Union, before being appointed as its Regional Secretary (1995 - 99). He was a long serving Executive Member of the Southern and Eastern Regional Council of the TUC (SERTUC), its Vice President and also Chair of its Economic Task Group.

**Bryan Davies**

Bryan Davies is a former Non Executive Director of Pirelli General plc (retired April 2000). He is a Board Member of the Industrial Development Board for the London and South East regions and a member of the Council of Southampton University. Mr Davies is a Chartered Engineer and Fellow of the Institute of Electrical Engineers with more than 40 years of 'hands-on' industry and technology experience both in the UK and abroad from apprentice to Board Director and from R & D to total operations.

**Janis Kong**

Janis Kong has been the Managing Director of BAA Gatwick since 1997, and employed by BAA (formerly the British Airports Authority) since 1973. She has held a wide variety of management posts within the company which was privatised in 1989. Her roles have included General Manager at Heathrow's Terminal 4 and Operations Director at Gatwick. She is also Chairman of Southampton International Airport, is a member of the BAA Airports Board, and is a Non-Executive Director of Portmeirion Holdings. She holds an honorary Doctorate with the Open University.

### **Mary McAnally**

Mary McAnally is Managing Director of Meridian Broadcasting Ltd. which holds the ITV franchise for the South and South East of England and is part of the Granada Media Group. Mary began her career at BBC Television joining Thames Television in 1969 What It's Worth. In 1987 becoming 1989 Head of Features at Thames Television. In 1996 she was appointed Managing Director and Director of Programmes at Meridian Broadcasting - her title changed to Managing Director in 1997. Her awards include the Freedom of Information Media Award, New York Festivals Award, San Francisco Gold Award, BMA Gold Award and Glenfiddich Food Writers Award. Mary was a government appointed Member of the National Consumer Council from November 1987 to September 1997. She is a Fellow of the Royal Society of Arts and of the Royal Television Society. She is a Director of the Southern Screen Commission and of Skillstrain. She also chairs the Creative Industries Taskforce for the South East England Development Agency (SEEDA) and is a member of the Government's Advisory Committee on Advertising.

### **Russ Nathan CBE**

After an initial period in the aircraft industry, Russ Nathan, a Chartered Engineer, transferred his production and design engineering skills to the development of production control IT systems in 1964 leading to project management and then consultancy in such companies as Hoskyns (now CAP Gemini), Scicon (now EDS) and EDS; he was the first UK Marketing Director for EDS in 1980. Subsequently, he founded Romtec, a specialist IT/telecoms/e-commerce research and marketing services company in 1982. Subsequent to the acquisition of Romtec by Total Research Corporation in 2000, Russ is Chairman and CEO of Total Research Europe. Russ is a past chairman of the British Market Research Association, Thames Valley Enterprise (a Training and Enterprise Council), Business Link Thames Valley, and Thames Valley Economic Partnership and was a member of a national task force led by John Major to reduce red tape for business in 1996. In 1997 he was awarded a CBE in the Queen's Birthday Honours list for services to training and enterprise. He currently holds non executive board positions with The Marketing Council and Thames Valley Economic Partnership.

### **Kit Oliver OBE DL**

Kit Oliver, is a member of Mole Valley District Council and was Chair of the Council 1997-1998. Trained as an Economic Geographer, she has taught geography and been an examiner in the subject. She has also worked as a financial consultant. A leader on environmental matters, she initiated and chairs an Environmental Business Award, a partnership between business and local government. Having worked as a volunteer supporting families for many years, she founded the charity Family Line - Surrey in 1994. She remains its Chairman and also chairs the Surrey Parenting Education Strategy Group. She is a member of a Surrey Panel working with Youth and Crime Prevention and is a Deputy Lieutenant in the County of Surrey. Kit was awarded her OBE in 2000 for services to business and the environment in Surrey.

### **Dr Peter Read CBE**

Dr Peter Read is the former Chairman of Hoechst Group of Companies in the UK, including pharmaceuticals, chemicals and agriculture. Medically qualified, Peter has spent most of his professional and business life in industry, initially in clinical research. He is a past President of the Association of the British Pharmaceutical Industry, a past Chairman of the Centre for Medicines Research International and a former member of the council of The Chemical Industries Association. Peter's current appointments include Non Executive Director of Celltech Group plc, the Vernalis Group plc and Synaptica Ltd. He was awarded the CBE for services to the Pharmaceutical Industry and is a Fellow of the Royal College of Physicians and the Faculty of Pharmaceutical Medicine.

### **David Rogers**

David Rogers is a Councillor and former Leader of East Sussex County Council ; he is also involved at a senior level with the Local Government Association. He has Board level experience with the Sussex Rural Community Council, the East Sussex, Brighton & Hove Health Authority, the Sussex Police Authority and the South East England Tourist Board. He is Vice-chair of the East Sussex Economic Partnership, and has acted as Chair of the SRB-funded Newhaven Economic Partnership. He was involved in the formation of the South East Regional Forum, the precursor of the South East England Regional Assembly.

**Sarah Ward OBE DL**

Sarah Ward runs an eight hundred acre family farming business at Horton Kirby in Kent. She was a Countryside Commissioner from 1991-1998 with special responsibility for Areas of Outstanding Natural Beauty and now chairs the Joint Advisory Committee for the Kent Downs. She was on the Central Executive Council of the Women's Food and Farming Union from 1983-1991 and is an Associate of the Royal Agricultural Society. She is a member of the MAFF Plants and Seeds Tribunal (unpaid) and is on the Heritage Lottery Fund Committee for England (appointed 1999). She was a member of Kent County Council from 1991-1997 and served as Chairman of the Environment Committee. Sarah was awarded an OBE in 1998 for services to the countryside and appointed a Deputy Lieutenant for the County of Kent in May 2001.

**Caroline Williams**

Caroline Williams is a Solicitor who acts as a consultant and business adviser particularly to small and medium sized owner managed and entrepreneurial companies. For 20 years she was a partner with Blake Lapthorn, ending as Managing Partner of a business with over 400 staff in three locations in the South East and London. She acts as a Non Executive Director for a number of companies and until recently was Chairman of the Board of the University of Portsmouth. She is also a member of the Southern Regional Council of the CBI.

**Kevin Wilson**

Kevin Wilson is the former Leader of Milton Keynes Council and was first elected to Milton Keynes Council in 1978. He is also a member of LGA Social Affairs and Health Committee and Chair of the LGA's Urban Commission Steering Committee. He is former Chair of the South East Regional Forum and served previously as Chair of the Technical Services, Finance, Policy & Resources, and Community Services Committees at Milton Keynes. He has also served as a member of the Woughton Parish Council since 1983.

## 6. Summary Financial Statement

### Summary Foreword

The summary financial statement is only a summary of information in the South East England Development Agency's financial statements and does not contain sufficient information to allow a full understanding of the results and state of affairs of the Agency. For further information the full annual financial statements should be consulted. These are available from the SEEDA Finance Department, Cross Lanes, Guildford GU1 1YA.

This summary financial statement has been prepared in accordance with the Companies Act 1985 Section 251 and the Companies (Summary Financial Statement) Regulations 1995 (SI 1195/2092) and was signed by Anthony Dunnett, the Chief Executive and accounting officer, on 10 July 2001.

#### Principle Activities

During the year, the Agency's principle activities were as follows:

- to further the economic development and the regeneration of the South East
- to promote business efficiency, investment and competitiveness
- to promote employment
- to enhance the development and application of skills relevant to employment
- contribute to the achievement of sustainable development

#### Business Review

SEEDA is actively involved in the implementation of the Regional Economic Strategy, published in 1999, including accountability plans to develop world class Learning and Skills, Environment, Business, Transport, Rural Economy, Communities and Urban Renaissance for the South East region. The Regional Economic Strategy and the accountability plans determine current and future activities for the agency.

For the financial year 2000 - 2001 SEEDA made no deficit or surplus.

#### Future Developments

SEEDA will continue to deliver the objectives as set out in the Regional Economic Strategy and accountability plans. The introduction of single pot funding will provide more flexibility in the way resources are used to achieve the output and outcome targets that are to be agreed with Government. SEEDA shall continue to work very closely with our partners in developing strategies and delivering individual projects for economic progress of the Region.

#### Post Balance Sheet Events

As from 1st April 2001, the Agency took direct control of the Partnership Investment Programme (PIP) on transfer from English Partnership, involving 159 projects. In future all grant related expenditure for PIP will be accounted for by the Agency.

In April 2001, SEEDA disposed of development asset land at Chatham, amounting to £4 million. This disposal included the sale of the following companies:

- Chatham Maritime J3 Development Ltd
- Chatham Maritime J3 Construction Ltd

These companies protect the Enterprise Zone status of the land.

Under the machinery of government changes announced by the Government on 8 June 2001, responsibility for the sponsorship of the Agency was transferred from the Department of the Environment, Transport and the Regions to the Department of Trade and Industry.

## Income and Expenditure Account for the Year 31 March 2001

|                                                  | 2001<br>£'000 | 2000<br>£'000 |
|--------------------------------------------------|---------------|---------------|
| <b>Income</b>                                    |               |               |
| Government grant received                        | 71,067        | 60,681        |
| Other Government grants                          | 164           | 95            |
| Sale of development assets                       | 8,852         | 3,555         |
| Interest                                         | 395           | 221           |
| Other income                                     | 592           | 406           |
| <b>Total Income</b>                              | <b>81,070</b> | <b>64,958</b> |
| <b>Expenditure</b>                               |               |               |
| Government grants paid                           | 59,931        | 43,741        |
| Assets sold and written off                      | 12,255        | 13,522        |
| Salaries and Wages                               | 4,680         | 3,438         |
| Other administrative costs                       | 3,853         | 3,379         |
| Depreciation and other expenditure               | 330           | 197           |
| Notional cost of capital                         | 2,184         | 2,016         |
| <b>Total Expenditure</b>                         | <b>83,233</b> | <b>66,293</b> |
| Deficit on ordinary activities before Taxation   | (2,163)       | (1,335)       |
| Taxation                                         | (21)          |               |
| Deficit on ordinary activities after Taxation    | (2,184)       | (1,335)       |
| Reversal of notional cost of capital             | 2,184         | 2,016         |
| <b>Financial result / Surplus for the period</b> | <b>0</b>      | <b>681</b>    |

## Emoluments of Board Members

| Name                   | Position        | Aggregate<br>Remuneration<br>2001<br>£ | Aggregate<br>Remuneration<br>2000<br>£ | Date of<br>Appointment |
|------------------------|-----------------|----------------------------------------|----------------------------------------|------------------------|
| Allan Willett, CMG DL  | Chairman        | 53,240                                 | 53,955                                 | 14.12.98               |
| Ken Bodfish OBE        | Deputy Chairman | 14,406                                 | 14,000                                 | 06.01.99               |
| Prof. Clive Booth      | Deputy Chairman | 14,406                                 | 14,000                                 | 14.12.98               |
| Jim Baker              | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Barry Camfield         | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Bryan Davies           | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Janis Kong             | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Mary McAnally          | Board Member    | 3,001                                  |                                        | 01.11.00               |
| Russ Nathan CBE        | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Winifred Oliver OBE DL | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Dr. Peter Read         | Board Member    | 3,001                                  |                                        | 01.11.00               |
| David Rogers           | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Sarah Ward OBE DL      | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |
| Caroline Williams      | Board Member    | 7,203                                  | 7,008                                  | 14.12.98               |
| Kevin Wilson           | Board Member    | 7,203                                  | 7,000                                  | 14.12.98               |

## Emoluments of Chief Executive and Directors

| Name                                                           | Age | Salary & Bonus<br>2001 | Benefits &<br>Pension | Aggregate<br>Remuneration<br>2000 | Date of<br>Appointment |
|----------------------------------------------------------------|-----|------------------------|-----------------------|-----------------------------------|------------------------|
|                                                                |     | £                      | £                     | £                                 |                        |
| Anthony Dunnett<br>Chief Executive                             | 48  | 120,964                | 20,951                | 134,943                           | 01.01.99               |
| Jeff Alexander<br>Director of Strategy &<br>Corporate Services | 45  | 65,665                 | 16,142                | 65,570                            | 01.04.99               |
| Barrie Giles<br>Director of Enterprise<br>Development          | 54  | 44,718                 | 11,379                | 62,380                            | 21.06.99               |
| Paul Hudson<br>Director of Regeneration &<br>Infrastructure    | 54  | 74,360                 | 18,037                | 63,224                            | 01.07.99               |
| Marianne Neville-Rolfe<br>Director of Business &<br>Enterprise | 56  | 29,256                 |                       |                                   | 01.01.01               |
| John Parsonage<br>Director of Learning & Skills                | 53  | 66,609                 | 15,582                | 19,012                            | 01.01.00               |
| Karen Yeomans<br>Director of International<br>Development      | 37  | 71,698                 | 10,037                | 47,846                            | 01.04.99               |

Anthony Dunnett is on a fixed-term contract and Executive Directors are on permanent contracts. The Chief Executive's contract states that he is not entitled to any compensation or redundancy on loss of office. Marianne Neville -Rolfe is a senior Civil Servant, who is on a four year secondment to SEEDA from the DTI. Barrie Giles left SEEDA in December 2000.

## Balance Sheet

|                                                       | 2001<br>£'000 | 2000<br>£'000 |
|-------------------------------------------------------|---------------|---------------|
| <b>Fixed Assets</b>                                   |               |               |
| Tangible operating assets                             | 909           | 1,060         |
| Investment assets                                     | 28            | 25            |
| Long term loans                                       | 544           | 679           |
|                                                       | 1,481         | 1,764         |
| <b>Current Assets</b>                                 |               |               |
| Stock of development assets                           | 34,715        | 34,390        |
| Debtors                                               | 7,338         | 1,601         |
| Cash at bank and in hand                              | 2,059         | 352           |
|                                                       | 44,112        | 36,343        |
| <b>Creditors:</b> Amounts falling due within one year | 8,932         | 1,953         |
| <b>Net Current Assets</b>                             | 35,180        | 34,390        |
| <b>Total Assets Less all Liabilities</b>              | <b>36,661</b> | <b>36,154</b> |
| <b>Provisions for Liabilities and Charges</b>         | -             | -             |
| <b>Reserves</b>                                       |               |               |
| Government Grant Reserve                              | 36,336        | 36,154        |
| Inward Investment Reserve                             | 325           | -             |
|                                                       | <b>36,661</b> | <b>36,154</b> |

The certificate and report of the Comptroller and Auditor General on the full financial statements for the year ended 31 March 2001 was unqualified and did not contain a statement made under either section 237 (2) of the Companies Act 1985 (accounting records or returns inadequate or accounts not agreeing with records or returns) or section 237 (3) (failure to obtain necessary information and explanations).

Anthony Dunnett  
Chief Executive / Accounting Officer  
10 July 2001

## Chief Executive / Accounting Officer

### 10 July 2001

#### **The Report of the Comptroller and Auditor General to the Houses of Parliament and South East England Development Agency**

I have examined the summary financial statement of the South East England Development Agency set out on pages 2 to 4 which have been prepared in the form and on the basis set out in the summary foreword on page 1.

#### **Respective responsibilities of the Agency, Chief Executive and Auditor**

The Agency and Chief Executive are responsible for preparing the summary financial statements. My responsibility is to report to you my opinion on its presentation and consistency with the full financial statements and foreword.

I read the other information contained in the Annual Report and consider whether it is consistent with the summary financial statement. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

#### **Basis of Opinion**

We conducted my work in accordance with Bulletin 1999/6 "The auditors statement on the summary financial statement" issued by the Auditing Practices Board for use in the United Kingdom.

#### **Opinion**

In my opinion the summary financial statement is consistent with the full financial statements and foreword of South East England Development Agency for the year ended 31st March 2001 and has been properly prepared on the basis set out in the summary foreword to the summary financial statement.

John Bourn  
Comptroller and Auditor General  
July 2001

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

## 7. Outputs Summary Table



|                                                                         | 1998/1999         | 1999/2000         | 2000/2001         |
|-------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| <b>Gross Output Measure</b>                                             |                   |                   |                   |
| 1. Jobs created/safeguarded                                             | 5,421.00          | 8,310.50          | 16,476.50         |
| 2. Industrial/commercial floor-space created/improved (m <sup>2</sup> ) | 158,074.00        | 137,541.00        | 197,338.00        |
| 3. Land reclaimed                                                       |                   |                   |                   |
| (a) for development (ha)                                                | 53.00             | 70.43             | 139.54            |
| (b) for soft end use (ha)                                               | 69.00             | 162.00            | 85.26             |
| 4. Businesses supported/advised                                         | 2,654.00          | 4,286.00          | 7,223.00          |
| 5. Skills training opportunities                                        | 8,048.00          | 18,156.00         | 16,927.00         |
| 6. Inward investments secured                                           | 19.00             | 34.00             | 41.00             |
| 7. Housing units facilitated on brownfield land                         | 76.00             | 158.00            | 190.00            |
| <b>Match Funding Secured £000s</b>                                      |                   |                   |                   |
| (a) public                                                              | 59,145.00         | 77,876.00         | 80,574.00         |
| (b) private                                                             | 95,751.00         | 83,674.00         | 221,444.00        |
| (c) EU                                                                  | 40.00             | 40.00             | 1,084.00          |
| <b>Total match funding</b>                                              | <b>154,936.00</b> | <b>161,590.00</b> | <b>303,102.00</b> |

Final Version 03/07/01

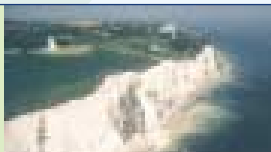
### Guide to the Summary Table

Output definitions for RDA programmes are currently in the process of being revised and harmonised. In the meantime this table should be read in conjunction with the following caveats.

1. Outputs have been amalgamated from all funding programmes and definitions for some outputs are not standardised across or within programmes.
2. Outputs for some programmes are appraisal-based forecasts for all years, for others the outputs are actuals based on monitoring data. In the case of SRB, outputs for 2000/2001 are based on forecasts provided by individual SRB partnerships to SEEDA and reflect information available at 30th June 2001.
3. Outputs are mainly direct outputs, although some indirect outputs are also included.
4. Outputs do not generally take account of deadweight, displacement, multipliers or leakage.
5. Outputs for some programmes have not been allocated between public sector funders. Therefore there may be some double counting.
6. Other public, private and EU funding has been amalgamated for some programmes.
7. Spending sources shown in each year are not necessarily 'matched' against each other or against the outputs shown as occurring in that year.
8. Spending includes some 'in kind' contributions.

The outputs shown are those for projects approved by SEEDA (or a predecessor body) for which a contract has been signed before 31 March 2001.

## 8. The South East Region - Local Authority Boundaries



Appropriate transport infrastructure is vital to securing sustainable economic development. SEEDA works closely with GOSE, local authorities, the Regional Assembly and other partners conducting multi-modal studies to ensure that the region identifies the optimum transport solutions.



SEEDA staff welcome cyclists at Guildford Castle as they arrive from London on the day of the opening of the National Cycle Network.



**Infrastructure**

SEEDA continued to work with the Regional Assembly, GOSE and other partners to identify and address the critical issues of physical infrastructure across the region, alongside initiatives targeted at the particular needs of less economically successful urban and rural communities. In the Regional Economic Strategy, SEEDA drew together the views of our partners about regional transport priorities, and work has concentrated on carrying these forward.

For example, SEEDA provided substantial input to the Government’s 10 year Transport Strategy, at meetings with the Deputy Prime Minister and Minister for Transport. We also supported the Thameslink 2000 Consortium. The Strategic Rail Authority (SRA) accepted our invitation to join SEEDA’s Infrastructure Committee, and SEEDA was able to input to the train operators’ franchise process. SEEDA also participated in the programme of multi-modal studies through membership of the Steering Groups for Hastings, London Orbital, London to Reading and the South West.

We believe that clear vision and priorities for investment that we were able to distil with GOSE, the Regional Assembly, local authorities and other partners had a real impact on Government. This was reflected in their announcement of a £300 million funding package for the regional transport priorities we had together identified and championed.