In 2002-2003, SEEDA undertook various initiatives aimed at transforming town centres into vibrant places to live, enabling community participation and local leadership.

3.3 Vibrant Communities

The overall prosperity of the South East masks a highly uneven spread of wealth within the region.

The sheer size of the South East means that the actual number of excluded people in the region is comparable to and can exceed those in regions that are better known for their high levels of deprivation. Disadvantage and social exclusion are found in both urban and rural areas, and their eradication represents one of the greatest challenges to the region as a whole.

To achieve our vision for the South East we need to bring about an urban and rural renaissance.

Taken from SEEDA's Regional Economic Strategy 2002-2012

With SEEDA committing the majority of its resources to the areas for regeneration, there has been much activity and visible impact:

- Steady progress on major regeneration projects: ongoing at Chatham Maritime, and in the early stages in Hastings and Bexhill where completion of the masterplan for the area by leading international consultants gave impetus and direction to the work of the Task Force.
- £40 million paid to Single Regeneration Budget (SRB) Partnerships for local delivery of hundreds of projects to build capacity, and provide jobs and skills.
- More than 80 projects completed in rural areas to support rural communities.
- As one of seven regional partners, committing to a Regional Social Inclusion Statement, the first in the country, with joint actions agreed for the next 18 months.
- Among several best practice initiatives, the creation of the South East Regional Design Panel offering advice to significant projects to ensure design quality and long term sustainability.

Members of the Regional Design Panel, which was established in October 2002 by SEEDA and The Architecture Centre (Kent). The Panel offers free advice on the design of significant projects in the South East, focusing particularly on design quality, development team strength and long-term sustainability in their output.

Spatial Priorities and Priority Regeneration Areas

SEEDA and its partners have identified nine Priority Regeneration Areas:

- Thames Gateway, Kent
- East Kent – including the former East Kent Coalfield
- Channel Corridor
- Coastal East Sussex (including Hastings and Bexhill which has a dedicated Task Force)
- Brighton and Hove
- Coastal West Sussex
- Portsmouth and South East Hampshire
- Southampton
- The Isle of Wight

"...initiatives and programmes have been designed to complement geographic priorities..."

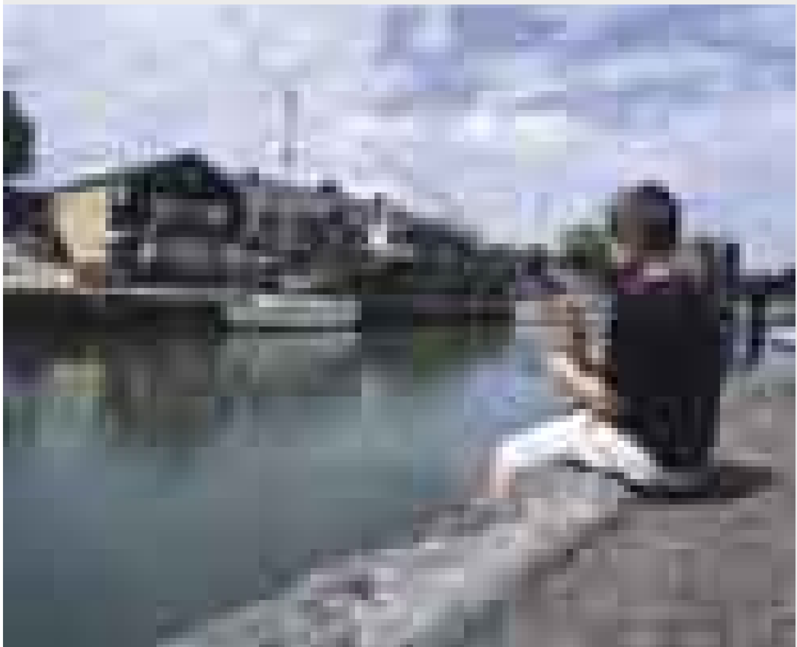
Both within and outside these areas, spatial priorities identified in the Regional Economic Strategy (RES) include:

- Emerging areas of economic success – releasing and sustaining economic potential while ensuring deprived communities share in the success.
- Leading urban areas – recognising their role as major economic drivers, while also providing a focus for urban renaissance.
- Other deprived urban areas – which share many of the attributes of Priority Areas for Regeneration, although on a smaller scale.
- Small rural towns – reviving their role as key service centres for surrounding rural communities.
- Deprived rural areas – where social and economic inclusion is a key priority.

These spatial priorities have shaped and informed SEEDA's investment, with the majority of SEEDA's programme expenditure going into the Priority Areas for Regeneration. Other initiatives and programmes have been designed to complement these geographic priorities and to target the pockets of deprivation that occur in the more prosperous parts of the region.

SEEDA acquired a 4.7 hectare site at Gosport, Hampshire. The site will be the location of the new Frater Gate Business Park and Gosport Business Centre.

Together with the Isle of Wight Council and Isle of Wight Economic Partnership, SEEDA is promoting Cowes Waterfront. A comprehensive regeneration project for the Medina Valley, it will create jobs, attract investment and bring new facilities to the communities of Cowes, East Cowes and Newport Harbour.



Partnership Working

SEEDA's presumption is to achieve delivery through partners unless there is a strong justification for direct intervention. During the year, we consulted about arrangements for delivering programmes in the Priority Regeneration Areas through partnerships who would manage the production of Area Investment Frameworks (AIFs) to inform SEEDA's investment in these areas. The proposals presented by SEEDA were generally well received. Consultees welcomed prioritisation by systematic approach rather than competitive bidding, and understood both that there will be a significant reduction in the number of delivery partnerships, and also that work and funding should be across the full range of activities including business, learning and skills as well as traditional regeneration programmes.

Devolved Delivery

SEEDA met all inherited funding commitments and continued to administer 54 existing Single Regeneration Budget (SRB) schemes under Rounds 1–6.

The lifetime funding for all SRB schemes (to 2006-2007) is £348 million, and should lever an additional £900 million. As at March 2003, £252 million of SRB funds had been distributed to local partnerships.

Oxford Prison and Castle

Oxford Prison and Castle is an historic site in central Oxford which will become a mixed-use development, delivered through the conversion and redevelopment of Oxford Prison (including a number of listed buildings) and the restoration and adaptation of the Castle (a scheduled ancient monument) with some new build elements.

The Oxford Castle Heritage Scheme will deliver a Heritage Centre and Museum, education centre, café and seven residential units. The Heritage Centre and Museum will include St. George's Tower and the Debtors' Tower, and the heritage attraction will include two cells in A Wing of the Prison.

The Oxford Prison and Castle scheme is a commercial development scheme which will provide a hotel, serviced apartments, restaurants, cafés, bars, public open space, private residential dwellings, new pedestrian access routes, 25 parking spaces and cycle parking.

During the year, revisions to the scheme were considered and analysed, in preparation for final approval of the scheme early in the Financial Year 2003-2004, with a proposed project completion date of 2005. In addition, during the year archaeological work started at the site.

The Innovative Regeneration Conference, co-sponsored by SEEDA, the British Property Federation, Southampton City Council and property consultants FPD Savills, took place at the St. Mary's Stadium, Southampton in April 2003. The one day event addressed the issue of private and public sector partnership in regeneration, emphasising the rewards of successful projects.

SEEDA contributes significantly in the South East to the funding of community regeneration projects. As at March 2003, £252 million of Single Regeneration Budget (SRB) funds had been distributed to local partnerships.

Social and Economic Inclusion

On 1 April 2002, SEEDA set up a dedicated unit to address Social and Economic Inclusion issues. Addressing exclusion is key to unlocking resources in our priority areas, reducing economic inefficiency and social impacts such as crime and drug abuse, through improving the quality of life, health, skills and potential of those who suffer exclusion.

SEEDA was one of seven regional partners who launched the Regional Social Inclusion Statement, the first of its kind in the country, in June 2002. The Statement and accompanying Action Plan explain the general principles by which the regional agencies will all work, what the issues are, and joint actions for the next 18 months.

Many of SEEDA's initiatives during the year were aimed at helping excluded individuals and communities into economic activity including social and community enterprises:

- Community Development Finance Initiatives (CDFIs) planned during the year include a pilot Employment Bond, which will raise zero interest loan finance from individuals and corporates who have an interest in tackling employment-related exclusion in North Kent, and work with experienced organisations to consider how to set up a regional Community Development Loan Fund. This would help to provide loan finance to social and community enterprises and micro-businesses in the most deprived areas, which cannot attract finance through traditional routes.
- SEEDA attended and paid for representatives from each of our Priority Areas to attend the Community Development Finance Association Conference in Glasgow. This provided practical training, working examples of CDFIs and a forum for discussion.
- Social and Community Enterprise – SEEDA commissioned research to map the incidence and scale of social enterprise across the region, to identify the potential for growth and barriers to that growth and to undertake an assessment of the potential strategies and changes needed to develop and support the sector. The work should be complete early in 2003-2004.
- Social Entrepreneurs - SEEDA let a contract to CAN (Community Action Network) to identify clusters of social entrepreneurs and their support needs in Medway, Southampton and Portsmouth, Isle of Wight, Dover and Thanet. Two sub-regional events were held.
- SEEDA worked with the South East Social Enterprise Partnership SESEP (which includes Social Firms UK, the Development Trust Association and the Co-Op movement) to develop a broad-based regional partnership to support Social Enterprise. Funding has been attracted through co-financing and the EQUAL programme.

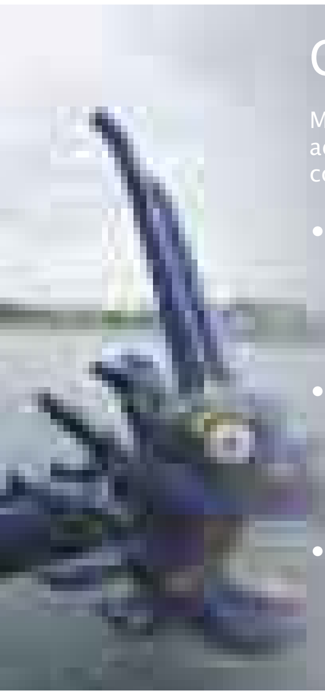
"...addressing exclusion is key to unlocking resources in our priority areas..."

SEEDA awarded £1.3 million to the Netherfield Regeneration Partnership scheme in Milton Keynes to regenerate the area. This includes the Alphabet Park initiative which consists of 26 artworks where the letters of the alphabet are represented as seating, play equipment, planting and sculptures. Its launch marks the completion of a seven-year regeneration programme that has had a tremendous positive impact on the community.

- We commissioned research to gather and catalogue examples of best practice in the field of Corporate Social Responsibility (CSR) from SMEs and larger firms in the South East.

- SEEDA continued to work with regional networks such as the voluntary and community network Regional Action and Involvement South East (RAISE), the South East Race Equality Network (SEREN) and the emerging Regeneration Network.

SEEDA has also supported asset-based community regeneration, as community ownership and control of assets can offer potential for a sustainable community role in regeneration and reduce grant dependence by providing a secure and independent income stream. SEEDA's grant regimes including the Single Regeneration Budget, Community Investment Fund, and Rural Development Programme have been supportive of such projects. In 2002-2003 SEEDA commissioned consultants to review the success of these programmes and the role that asset-based community regeneration could play in SEEDA's emerging work to promote social enterprise in the region.



Chatham Maritime

Medway and Kent Thameside have been the focal point of SEEDA's direct regeneration and renaissance activities, principally through Chatham Maritime - SEEDA's largest physical development project covering 140 hectares in the heart of the Medway Towns. Activities during 2002–2003 included:

- The first new apartments at Chatham Maritime's Fishing Village were released for sale. The units were designed to reflect traditional Kentish architecture and also incorporate a range of sustainable design features.

- Construction continued of the new 14,000 sq.m. covered Dockside Outlet Centre on the site of the former dockyard Boiler Shop with SEEDA providing the essential infrastructure works for the development.

- Micro Medical, one of the leading UK manufacturers of medical electronic devices confirmed its plans to expand into Chatham Maritime. The Chatham Maritime site will be developed as Micro Medical's new international headquarters.

- SEEDA entered into a contract with Kent Police for the sale of land for construction of a new 8,000 sq.m. divisional headquarters building on a former brownfield site.

- Five hectares of land for development was prepared by demolishing redundant buildings and the provision of services.

- SEEDA sponsored a number of open-air lunchtime concerts during the summer months bringing together the working and resident populations at Chatham Maritime. SEEDA also partnered Medway Council and others in 'Jobs Match Medway' scheme to assist local people access employment at Chatham Maritime.

SEEDA's strategic intervention at Woolston Shipyard in Hampshire is to promote and secure the comprehensive regeneration of the 12.5 hectare site acquired in 2003. This major mixed-use development will comprise residential, retail / leisure and marine-related industry.

End of scheme celebrations at the Northam Community Centre, Southampton to celebrate the completion of the seven-year SRB regeneration programme to transform the inner city area. The Southampton Regeneration Partnership, working closely with SEEDA, saw the £26 million funding spent in a wide variety of ways including training local people, creating new jobs and business start-ups, building new and improving existing homes and investing in the appearance of the local area.

Urban Renaissance – Sustainable Towns and Cities

Urban Renaissance is about creating attractive, enjoyable, liveable places, and key components are careful planning and design, improving the quality and safety of the public realm, healthy town centres with a mix of attractions and the active involvement of communities in the process of change.

SEEDA seeks to be an exemplar of these principles in its own projects and programmes, and to promote best practice throughout the region. Work during the year included:

- Creating Quality Places - an initiative with the Prince's Foundation. SEEDA has started demonstration projects in Leigh Park, Havant, and Aylesham, Kent, which trial a new community enabling process in masterplan development, based on the Enquiry by Design model (EbD). The Leigh Park project was launched in August 2002 and in Aylesham the first Enquiry by Design event took place in March 2003.

Urban Renaissance in Brighton

The newly refurbished Brighton Dome complex has been restored to its Art Deco glory after a £25 million renovation project, of which £5 million was SEEDA funded. The re-opened complex is now the leading arts and conference venue in the South. In its first year of opening it received 236,000 visitors, greatly exceeding expected numbers and doubling the number of visitors for the last year of the museum's opening before refurbishments were carried out.

The extensive and comprehensive regeneration of Brighton's seafront is now complete, giving Brighton a seafront to rival almost any in Europe. The project began in 1993 and in 1996 was awarded £0.7 million of SEEDA funding, as a contribution towards a total project cost of £1.7 million. The project has been delivered in six phases, with phases one to five winning the Special Landscape Award at the 2001 Civic Trust Awards.

A key piece of research, based upon a survey of business activity and investment amongst seafront enterprises, which was completed in 2002-2003, was the Economic Evaluation of Brighton Seafront Regeneration. This evaluation addressed the amount of private investment drawn into Brighton seafront from 1992 as a response to the public investment in the seafront development initiative. The findings represent a considerable success story of public sector investment prompting a private sector revival of investment and activity.

Creating Quality Places - a joint initiative between SEEDA and The Prince's Foundation. An aerial view of the village of Aylesham in Kent, with an early draft masterplan superimposed on it. (Image courtesy of EDAW).

Creating Quality Places is a joint initiative between SEEDA and The Prince's Foundation. Leigh Park in Havant (pictured) is undergoing an Enquiry by Design type approach to its future. Members of the Warren Community present their ideas for improving the layout of the Warren. (Photo courtesy of Llewelyn Davies).

- In October, the South East Regional Design Panel, created by SEEDA and The Architecture Centre (Kent), announced the names of its Panel of 31 Members, selected for their expertise on a range of design and development skills. The Regional Design Panel will offer initial free advice on the design of significant projects, support for design projects through the early stages to ensure design quality, a strong development team, and long-term sustainability.

- SEEDA's Architecture Centre in Kent was further developed, and plans were made to develop two more at Milton Keynes and Solent.

- Other actions included developing proposals for delivering the Government's plans for RDAs to set up Centres of Excellence in their regions (we hope to launch the Centre in summer 2003) and continuing to raise awareness and understanding of the Urban Renaissance Agenda.

- In January, SEEDA co-hosted a regional follow-up to the Urban Summit - 'Urban Renaissance: Action in the South East', highlighting practical action partners could take in their areas.

- The historic built environment is important to SEEDA. Links include encouraging best practice in regulation, especially in land use planning and promoting sustainable forms of urban development. Particular work during the year has included Oxford Prison and Castle, opening the refurbished listed Brighton Dome, planning the work for restoring the listed Canteen House and Pump House no. 5 at Chatham, and acting as matched funder with English Heritage's Heritage Economic Regeneration Scheme (HERS). This scheme provides grants to help preserve or improve the character and appearance of some of the country's designated conservation areas, specifically in the most deprived communities.

The vitality of town and city centres is at the heart of Urban Renaissance. SEEDA has supported partners round the region as they respond to the full range of issues facing town and city centres including centres that have lost their traditional role due to economic and special changes, centres facing pressures to expand, or those that require work to maintain their position.

"...Urban Renaissance is about creating attractive, enjoyable, liveable places..."

The 'Urban Renaissance: Action in the South East' Conference, co-sponsored by SEEDA, The South East England Regional Assembly, the Government Office for the South East, Southern and South East Arts and RIBA Southern and South East, was held in January 2003 in Reading, Berkshire. One element of the Conference was a walking tour of Reading, looking at the past 15 years of urban renaissance.

SEEDA has invested £6 million in the Oxford Castle Heritage Projects; £4.5 million in the redevelopment of the former Oxford Prison into an 87 bedroomed four-star themed hotel, along with 40 serviced apartments, six restaurants, a café and wine bar; £1.5 million for the construction of a new Heritage Centre and Museum.

Hastings and Bexhill

In March 2002, SEEDA was successful in obtaining additional funds from the Government to implement the Five Point Plan – a strategy for the regeneration of Hastings and Bexhill.

Rapid progress has been made this year with SEEDA facilitating joint working between a range of stakeholders in Hastings and Rother to produce an agreed masterplan as the physical manifestation of the Five Point Plan. This culminated in a series of workshops in early July between key stakeholders and the masterplanning consultants to refine the initial visioning exercise before a final masterplan was put out for public consultation in November 2002.

With the direction given by the masterplan, the detailed three, five and 10-year Business Plans have been prepared for decision by the Task Force and thereafter for consideration by all other agencies, including private funders. The Executive Delivery Vehicle (EDV) to implement the plan has been agreed in principle by the Steering Group and is on target for Company Formation early in 2003-2004.The vitality of town and city centres is at the heart of urban renaissance. SEEDA has supported partners around the region as they respond to the full range of issues facing town and city centres including centres that have lost their traditional role due to economic and social changes, centres facing pressures to expand, or those that require work to maintain their position.

Five brownfield sites were acquired during the year for regeneration in Hastings.

SEEDA purchased Southmoor Park in Havant in 2002. Approximately £5 million of funding has been committed by the Agency to develop the site over three phases. Phase One, which constitutes 6.5 acres, has been sold to Priority Sites in a joint venture between English Partnerships and Royal Bank of Scotland. Pictured from left to right are: Frank Campbell, Havant Borough Council, Peter Cusdin, SEEDA's Projects Director, Development; Brian Harris, Priority Sites' Chairman, David Willetts MP for Havant, Anthony Dunnett, SEEDA's Chief Executive, Paul Barber, Chief Executive of Priority Sites and Councillor Dave Farrow.

Folkestone

A comprehensive programme of town centre environmental improvements was completed as part of the 'Believing in Folkestone' scheme. These improvements will be the catalyst for a larger commercial development including a new shopping centre. SEEDA funding also enabled the completion of a feasibility study to develop a 'Creative Quarter' for Folkestone. The study proved encouraging and set the scene for a number of projects that will provide workspace, training and support for the creative industry.

Ryde

Ryde is an example where SEEDA's support has led to substantial investment in a town centre, restoring the physical fabric of Victorian seaside resorts. The Ryde Public Realm Strategy on the Isle of Wight provided a vision for Ryde that will be used to set out a design framework, based on the special aesthetic, economic and social characteristics of the town. Consultation took place to engage the town, and a number of key priorities emerged, including Ryde Esplanade and the Interchange Area, the retail centre, and the role and place of public art.

Rural Communities

SEEDA's commitment to rural communities continues, and its work to support them includes all the different SEEDA agendas.

SEEDA supported both economic and social regeneration in the more disadvantaged rural areas of the region through more than 80 projects, delivered in rural areas to support rural communities. The support included new community infrastructure, improvements in rural services, learning and skills development and business competitiveness.

Redundant buildings in rural communities and the countryside around them continue to be brought back into use, creating new opportunities for local employment and business creation.

The most recent commitment to the region's rural towns lies at the heart of SEEDA's work with communities. The 11 market towns selected by SEEDA are continuing to put their ideas into action, and the Agency is working with the regional partnership to spread this support across the region from 2003 onwards.

SEEDA is also fully engaged with European programmes to support communities and has committed substantial resources to the Leader + programme which operates in five rural areas across the region - Oxfordshire, Hampshire, Isle of Wight, East Sussex and Kent.

SEEDA's rural support cannot operate alone. The Agency works alongside other key players who also support the rural sector; including Department for the Environment, Food and Rural Affairs (DEFRA), the Countryside Agency, the Government Office for the South East (GOSE) and the Forestry Commission.

Battle in East Sussex is one of 11 small rural towns that SEEDA is supporting as part of a rural sector initiative. Small towns such as this are vital in providing necessary infrastructure, amenities and jobs to villages and communities in the surrounding rural areas.

Elmstead Court Farm, Ashford, Kent - old farm buildings are being transformed as part of SEEDA's ongoing Farm Diversification Grant scheme. These renovated buildings provide additional revenue streams for farmers through the provision of bed and breakfast accommodation, childcare facilities and small office buildings.

The South East is the UK's international gateway, with a transport infrastructure of national and international importance. Key to this infrastructure are facilities such as the Channel Tunnel, Heathrow and Gatwick airports and the major south coast ports including Portsmouth, Southampton and Dover, plus a network of motorways.

3.4 Effective Infrastructure

Appropriate and high quality infrastructure is essential to our success as a region.

Increased provision of housing, particularly affordable housing, is one of the key challenges facing the region.

We must move towards a transport system that supports business securely and reliably. We also need to enable mobility for all in society, recognising that this means much more than simply access to a car.

Broadband just might provide a spur to new patterns of remote and home working that ease peak congestion times. And if we can unlock our brownfield land assets, we have a potential means enabling the construction of new affordable housing in sustainable urban locations.

Taken from SEEDA's Regional Economic Strategy 2002-2012

SEEDA's contribution is in the context that delivery of housing and transport infrastructure is the responsibility of others. The Agency's focus has been on initiatives to influence and enable the tackling of these vital issues.

- The 'Sustainable Communities: Building for the Future' plan is a breakthrough in the recognition by Government of the housing needs of the South East, and SEEDA immediately engaged actively in ensuring its delivery.
- SEEDA completed the purchase of its first Brownfield Land Assembly Trust (BLAT) sites, for recycling into the affordable housing market.
- As many of the region's multi-modal studies have been completed for consultation, SEEDA has prioritised those schemes that directly address economic and regeneration needs.
- 500 grants have been allocated for Satellite Broadband to ensure an early win in the push to achieve affordable Broadband access for the whole region.
- 56 hectares of remediated brownfield land were made available for development, and 29 hectares acquired for reclamation.

SEEDA's project – Finesse – is looking at freight transport services from Dover to Calais.

Housing

The South East is under intense housing pressure, and the revised Regional Economic Strategy (RES) identified housing, particularly affordable housing, as a key issue facing the region.

In February 2003, the Deputy Prime Minister's programme *Sustainable Communities: Building for the Future* identified four areas for major growth. Thames Gateway, together with Ashford, Milton Keynes, and London-Stanstead-Cambridge, were targeted to deliver substantial employment and an extra 200,000 homes (above planned levels) within the next 15-20 years.

- SEEDA sought to influence national debate, submitting evidence to the inquiry by the House of Commons Select Committee for Housing, Planning, Local Government and the Regions into Affordable Housing in September 2002. SEEDA set out the case for increased funding to provide below market rented accommodation and low cost home ownership schemes, to tackle homelessness and the shortage of affordable housing for key workers. SEEDA also emphasised its role in promoting mixed developments that incorporate good design principles and the use of innovative and environmentally sustainable construction methods.

"...SEEDA's Regional Economic Strategy identified housing, particularly affordable housing, as a key issue facing the region..."

- With partners, SEEDA commissioned research to identify the impact of affordability on the economy of the South East. This indicated that the lack of affordable housing was already starting to have a negative impact on services through the inability of the public sector to recruit and retain workers, and showed that an increasingly large area of the region was unaffordable for many employees in the public and private sectors.

- In order to ensure best use of public assets to meet housing needs SEEDA, with NHS Estates, commissioned consultants to undertake an appraisal of the potential for surplus NHS land. The initial pilot study will focus on Surrey where key worker housing is a known priority for public sector employers.

- English Partnerships is developing a new housing gap funding power, and SEEDA worked with them and other RDAs to ensure that the scheme recognises the needs of the South East.

- With the Office of the Deputy Prime Minister (ODPM), other Government departments and the Housing Corporation, SEEDA developed a model - the Brownfield Land Assembly Trust (BLAT) - for acquiring small sites in urban areas for redevelopment to provide plots for affordable and key worker housing to help both regeneration and the most expensive area. At the end of March 2003, SEEDA completed the purchase of its first four sites, for recycling into the affordable housing market during the next 12–18 months.

SEEDA Chief Executive Anthony Dunnett (right) was a key speaker at a conference organised jointly by RIBA South East and RIBA South, in Tadworth, Surrey - 'The purpose of Housing the South East'. The event was organised to share experiences and practical issues between councillors, planners, architects and other local authority and building professionals.

Transport

The revised Regional Economic Strategy (RES) identified transport as one of the three main challenges for the region, and although SEEDA is not directly responsible for transport investment decisions or funding specific schemes, the Agency has placed stronger emphasis on working with other partners to tackle the problems. During the year:

- SEEDA supported the ORBIT (M25) and SoCOMMS (South Coast) multi-modal studies by identifying economic priorities in the region and profiling those schemes that directly address economic and regeneration needs over a short-to-medium term. The studies are now complete and a Government announcement on priority schemes is expected shortly.

- SEEDA also played a key role in formulating a joint response of all nine UK RDAs to the Government's South East Regional Airports Study (SERAS) consultation. The South East is the UK's international gateway with the country's busiest airports located in or in very close proximity to the region. The response was welcomed by the Department of Transport as an example of national policy co-ordination.

- SEEDA developed two European Union Regional Development Fund (ERDF) projects addressing regional transport policy delivery in a European context. One application focused on the integration of high-speed train services into the regional economy, and the need for Channel Tunnel Rail Link domestic services, and the second sought to facilitate the re-establishment of rail ferries between Dover and France/Belgium in order to increase the UK's capacity for freight crossings.

- SEEDA has also supported a number of important rail development projects, co-operating with the East West Rail Link Consortium to support improving access between the west of our region, Milton Keynes and the east of England. SEEDA lobbied for Crossrail's extension westwards and eastwards and fully supported Airtrack. SEEDA signed up to two high profile sub-regional transport concordats, one progressing the strategic re-development of Reading Station, the other developing a sub-regional transport compact for Solent 2025.

- In support of the Hastings and Bexhill Five Point Plan, SEEDA successfully negotiated with the transport operator Connex rail service improvements between Hastings, Tunbridge Wells and London. This negotiation resulted in a two-year pilot scheme improvement to services, which will deliver part of the 'Access to Hastings' policy. SEEDA also supported the Hastings Task Force in lobbying the Highways Agency for a continuous improvement and widening of the A21 all the way to Hastings.

"...the South East is the UK's international gateway with the country's busiest airports located in or in very close proximity to the region..."

Reading Station, Berkshire. Integrated sustainable transport systems are a key element in the sustainable economic development of the South East.

The South East boasts a number of airports – including Southampton (pictured) - providing quick and easy access to both parts of the United Kingdom and overseas for businesspeople and tourists.

Broadband Strategy

Achieving affordable access to Broadband for the whole region is a major priority and a Broadband Strategy was approved during the year.

Coastal Superhighway

This proposal is for the creation of a fibre network along the coasts of East Sussex and Kent. SEEDA completed the demand survey stage, which demonstrated a positive business case, and worked towards advertising the main tender.

Hastings

Following ministerial approval of the Five Point Plan for Hastings and Bexhill, SEEDA started work on a series of projects to make Hastings Britain's first e-town. Plans have been developed for a Broadband roll-out and a Broadband demonstration centre. A rural community Internet Access Centre is proposed as a pilot in a local school ICT suite and a new on-line Ufi/LearnDirect centre has recently been opened, which will further benefit the community. Grants for Satellite Broadband connections were awarded to 55 small businesses and other organisations in Hastings during 2002.

Demand Aggregation

Following the announcement that the bandwidth for the new NHS network, N3, will be regionally procured, SEEDA worked with regional partners, the UK Broadband Task Force, and other RDAs. Best practice between RDAs is key to this. SEEDA has also made grants available to every County Council and Unitary Authority in the region for them to source their own demand aggregation consultancy.

Satellite Grants

SEEDA launched its satellite grant service across the South East, using the region's Business Links to market and administer the service. The programme has been a considerable success, resulting in all 500 grants being allocated within three months of the regional launch.

"...achieving affordable access to Broadband for the whole region is a major priority..."

SEEDA worked with the region's Business Links to deliver Broadband awareness and help demonstrate its effectiveness to businesses across the South East.

Kent Coalfield

SEEDA administers the Kent Coalfield Regeneration Programme on behalf of English Partnerships.

At Betteshanger, SEEDA gained formal approval for a £18.8 million funding package for the comprehensive regeneration of the former colliery and tip. Under the proposal, the 120 hectare site will have the capacity to accommodate up to 22,500 sq.m. of new employment space including space for small business start-ups. The tip site will focus on nature and wildlife preservation, recreation and education. Dover District Council approved planning permission for the scheme in February 2003. SEEDA has also supported the local North Deal Community Partnership in the preparation of a community renewal option analysis and action plan.

English Partnerships agreed to the inclusion of Chislet colliery in the programme, providing £1.25 million to reclaim the site. SEEDA acquired four hectares of the 12.14 hectare site for development to create a business park. The Agency has also agreed in principle to support community renewal in Hersden (the former Chislet mining community) with part funding of a new community centre with the Coalfield Regeneration Trust and English Partnerships.

It is likely that the former Snowdown colliery will be secured by mid-2003, with an eventual project investment in the region of £15 million during 2003-2006. The job creating capacity on the former colliery will balance the new residential expansion in the neighbouring village of Aylesham. Construction also started on new industrial units at Aylesham with £1.25 million of support from SEEDA, as part of an ongoing community regeneration project led by the Aylesham and District Community Workshop Trust.

The Government has awarded the Hastings and Bexhill Task Force £38 million via SEEDA to carry out the regeneration of Hastings and Bexhill.

The masterplan for Betteshanger Colliery, East Kent - where plans include a country park, a world class cycle track and commercial workspace. SEEDA and English Partnerships are bringing forward this development as part of the Kent Coalfield Regeneration Programme.

Rural Broadband

SEEDA represented the English RDAs in a submission to the Environment, Food and Rural Affairs (EFRA) Parliamentary Select Committee into the provision of Broadband in rural areas. Grants have been made available to every County Council and Unitary Authority in the region to finance the creation of wireless Broadband networks. These grants will result in up to 50 projects, delivering Broadband to mostly rural communities who are unable to get Broadband from the major carriers. A direct grant programme will make smaller awards on a more selective basis.

Teleworking

SEEDA commissioned research into the demand for Teleworking Centres in the South East of England. The results of the survey will be known in June, after which SEEDA will determine the viability of creating pilot centres in locations identified by the research.

"...grants have been made available to every county council and unitary authority in the region to finance the creation of wireless Broadband networks..."

Supported by a £10 million investment from SEEDA, the Cowes Waterfront project (formerly known as 'Project Cowes') will expand the Island's economy, create new jobs, develop new infrastructure and encourage and support business success and expansion. (Left to right), Peter Cusdin, SEEDA's Projects Director, Developments; SEEDA Chairman, Jim Brathwaite CBE; Chairman of the Isle of Wight Economic Partnership, Danny Fisher and Mike King, the Isle of Wight Economic Partnership's Enterprise and Investment Director.

Archaeological investigations at SEEDA's Ropetackle site in Shoreham-by-Sea have uncovered a number of artifacts including this aquamanile, a jug for hand washing at the table, thought to date from the 13th Century. (Picture copyright Mark Victor Leatherbarrow).

Brownfield Land

Continued growth of the South East depends on more sustainable development, including optimising use of the region's existing urban assets. The National Land Use Database (NLUD) figures for the South East show a total of 9,870 hectares of previously developed land that is unused or may be available for development.

The strong property market in areas such as the Thames Valley is a catalyst for redeveloping, upgrading and intensifying the use of brownfield sites. In contrast, Priority Regeneration Areas contain sites with redevelopment potential, but with complex physical regeneration issues making the private sector unwilling to step in unaided.

SEEDA is the lead regional agency dealing with the remediation of brownfield land, and in 2002-2003 invested well over £40 million in the South East through its direct development programme, to acquire and remediate sites and to take forward their redevelopment.

This included the acquisition of 29 hectares of brownfield land during 2002-2003, which will be reclaimed and serviced before development partners are selected.

"...SEEDA is the lead regional agency dealing with the remediation of brownfield land..."

These investments included progress on several flagship schemes described earlier in this Report including Chatham Maritime and the Hastings and Bexhill Five Point Plan. Other sites progressed included:

- The Cowes Waterfront project (formerly known as 'Project Cowes') with the Isle of Wight Council and The Isle of Wight Economic Partnership – to enable sustainable economic development of the Medina Valley, strengthen town centres, create high quality public spaces and buildings, and foster mixed waterfront development.
- Frater Gate, Gosport. This ex-Ministry of Defence site, purchased in 2001-2, was cleaned and cleared before a development partner for Gosport Business Centre was chosen. Construction should start in May 2003.
- Dunsbury Hill Farm site, Havant. A masterplan was drawn up, setting out proposed uses of the site as a business campus within a parkland landscape. The plan proposed significant structural landscaping for this site within a sensitive part of the Havant Strategic Gap, and sets the intention of using renewable sources, sustainable drainage systems and 'living' green roofs for some buildings.
- Shearway Business Park, Folkestone, and Mountfield Industrial Estate, New Romney were marketed for sale. Both sites are fully serviced enabling occupiers to purchase freehold vacant sites for development.

The Folkestone Enterprise Centre/Basepoint plc building at Shearway Business Park, a new development site servicing Folkestone and surrounding towns and villages. SEEDA is currently marketing further sites at this development.

New crops e.g. lavender – SEEDA staged a conference to explore the potential for industrial crops in the region, particularly examining oils and crops for the pharmaceutical sector.

3.5 Sustainable Use of Natural Resources

Ensuring that economic activity is not accompanied by environmental degradation is a fundamental prerequisite for achieving smart growth in the South East. It would be mistaken to view the environment simply as a constraint on growth. Instead we must recognise that investment in our environmental assets (natural, landscape and historic) is part and parcel of the infrastructure on which prosperity depends.

The costs of our inefficient use of natural resources – energy losses and ever-increasing amounts of waste, for example – are becoming more significant, and legislative and fiscal drivers are reinforcing the growing need to reassess our attitude towards resource use.

This will in turn give rise to new business opportunities.

Taken from SEEDA's Regional Economic Strategy 2002-2012

Commitment to this element of sustainability is well embedded in SEEDA's programmes. We assess all projects for any adverse impacts, and during the year we continued to promote positive action to enhance the environment:

- This was the second successful year of the SEEDA Sustainable Business Awards for the South East with 21 finalists.
- The South East Water Resources Forum has put in place a business plan to address major water issues in the region.
- The potential for new industrial crops, more than 20 other initiatives to provide sustainable land management, and 19 redundant farm buildings projects were supported.
- A major study of the Environmental Economy of the South East and the launch of an Environmental Technologies Sector Group are focusing attention on the business potential of a £7.8 billion economic sector.

Improving quality of life is a key part of the sustainable development of the South East.
SEEDA is working to help communities to access and enjoy the region's natural resources.

SEEDA Sustainable Business Awards for the South East

For the second year running, SEEDA organised the Sustainable Business Awards for the South East. The Minister for e-commerce and competitiveness, Stephen Timms MP awarded certificates to 21 finalists at a prestigious award ceremony.

Overall winners were announced for Large Businesses and Small and Medium Sized Companies. In the Large Business category, the winner was Matsushita Mobile Communications Development of Europe (Matsushita), based in West Berkshire, with SHL of Thames Ditton, and Dean & Dyball Construction of Ringwood, Hampshire as close runners-up.

Barduct Ltd., from Aylesbury, won in the Small and Medium Sized company category with ABC Family Nursery Hastings, and Renaissance Reading Hotel highly commended as runners-up.

In addition, there were new category awards for:

- *Corporate Social Responsibility*:
  Winner - Barduct
- *Waste Minimisation*:
  Winner - Dean & Dyball Construction
- *Innovation*:
  Winner - Collinda
- *Energy Efficiency*:
  Winner - SHL

Water Resources

The South East Water Resources Forum, which was established jointly by SEEDA and the Environment Agency in 2001, held its first Annual Conference in May 2002 and has published the Conference proceedings. The feedback from members and delegates has been used to develop a Business Plan to address major water issues in the region. Priorities for action include input to the development of Regional Spatial Strategies and national legislation, promoting innovation and best practice in water efficiency and consumption, and developing a Forum website to communicate with stakeholders.

Royal Holloway Institute for Environmental Research, with support from SEEDA, the Environment Agency, English Nature and Southern Water, has begun a study into the potential for economic, social and environmental benefits in river catchments in the South East. The study will identify action on the ground for sustainable land and water management within river catchments, and European Union (EU) funding will be sought for implementation programmes.

"...the South East Water Resources Forum held its first Annual Conference and feedback has been used to address major water issues in the region..."

The SEEDA Sustainable Business Awards for the South East 2002 Winners (left to right) - Managing Director of Barduct, Steve Richards, Gavin Woodruff, Chyrryl Laired and Bob Dilleyston of Barduct with Minister of State for e-commerce and competitiveness, Stephen Timms MP (second left) who presented the Awards.

Sustainable Land Management

Farming and woodland management are key sectors in the region. Although they are not the major direct contributor to the economy compared to other sectors, they are critical to maintain and manage the landscapes, which is a great economic asset to the region. SEEDA works with both these sectors. SEEDA staged a conference on the potential of new industrial crops, and we continue to explore the new opportunities through renewable energy from the region's woodlands. Several small energy initiatives have been supported. SEEDA is also working with the Government Office for the South East (GOSE) to produce the new Action Plan to deliver the Government's new policy on food and farming.

SEEDA continues to work with the local produce sector. Networks between producers and the rest of the food chain are being encouraged. This includes the ongoing role to support the livestock sector working with farmers, abattoirs and outlets. We have supported several local marketing initiatives to promote the region's produce.

The use of redundant buildings on farms has continued to help farmers diversify their activities and secure an additional source of income as well as create new businesses and jobs across the region. Several schemes have delivered new farm Bed and Breakfast or self-catering accommodation – a boost to the rural tourism sector.

SEEDA has worked with a range of stakeholders on the potential for rural tourism across the region and an Action Plan is being developed alongside the policy framework being undertaken by the South East England Regional Assembly.

The Environmental Economy

SEEDA, English Nature, the Countryside Agency and the Environment Agency jointly commissioned and published a report on the Environmental Economy of the South East. The study identified that the environment is one of the region's major capital assets, contributing 230,000 jobs and £7.8 billion to the economy in 2000, and that there is significant potential for further development. A sector-based approach is now being developed to take forward the report's recommendations with regional partners, including the newly formed SEEDA Business Sector Group for Environmental Technologies.

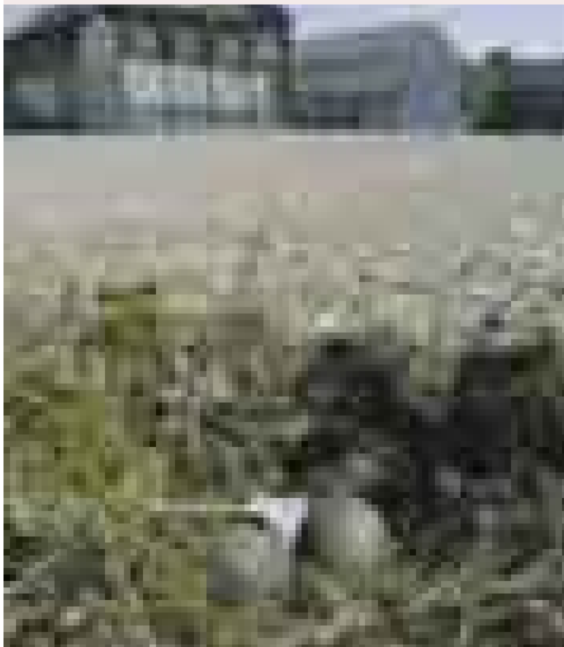
Engaging Business in Sustainable Development

The Building for Nature Project has completed its first full year. This initiative, which is led by SEEDA and supported by private, public and voluntary sector partners, aims to deliver best practice for biodiversity in the construction and development sectors across the South East. The Project Officer has been working with builders, other professionals and in particular on SEEDA's own developments, to incorporate high standards of provision for wildlife into the built environment. A range of case studies is being produced from these examples and will be promoted along with standards and guidelines for planners and developers.

"...farming and woodland management are key sectors in the region and are critical to maintain and manage the landscapes..."

SEEDA is working with the livestock sector encouraging local producer groups that link the farmer, the meat processor and the local food outlets.

Buckland Paper Mill, Dover, Kent - physical developments and local flora and fauna do not have to compete with each other. SEEDA leads the Building for Nature Project, which focuses on best practice for biodiversity in construction and development.



The Atomium, Brussels, where SEEDA has its European office.

3.6 Involvement in Europe

Five regional events were held in South East England House in Brussels, including:

- *FP 6* (the new European Union (EU) research programme)
- *2004 Year of Education through Sport*
- *European Transport Policy and the South East*
- *Waste and Renewable Resources*
- *Sustaining Success in the Cultural Industries*

The purpose of the meetings was to inform regional partners of policy, legislation and funding opportunities and to promote the South East to the European institutions. The meeting on Education through Sport led to a highly successful regional meeting at the National Sports Centre at Bisham Abbey, which was sponsored by SEEDA. The day was organised in collaboration with the South East England Regional Assembly, Sport England and the Regional Sports Board.

In addition, several meetings were held with the region's Members of the European Parliament to exchange information on issues affecting the South East.

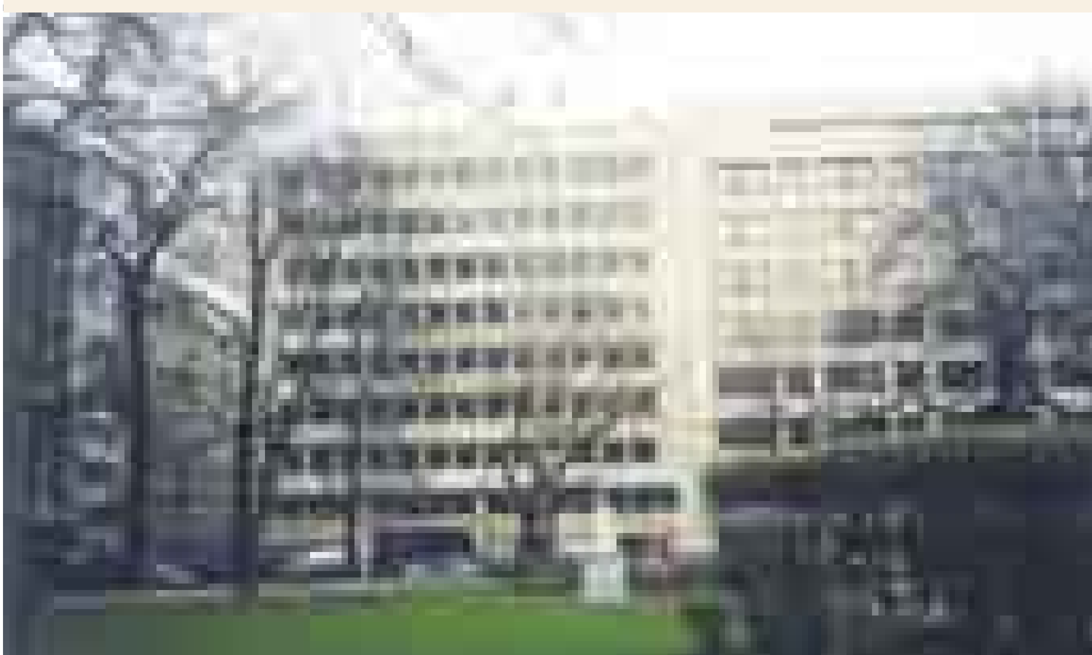
Joint European Committee (JEC)

The Joint European Committee (JEC) has been restructured, so that it more fully represents the interests of the sub-regions, which have offices in South East England House. Working closely with the South East England European Officers group, the JEC developed a regional position paper on the impact of enlargement on EU structural funds entitled 'Building a Bigger Europe'. This paper will form a strong basis for lobbying in Brussels, and will inform the region's response to the UK Government's consultation paper on the future of regional policy in the enlarged European Union.

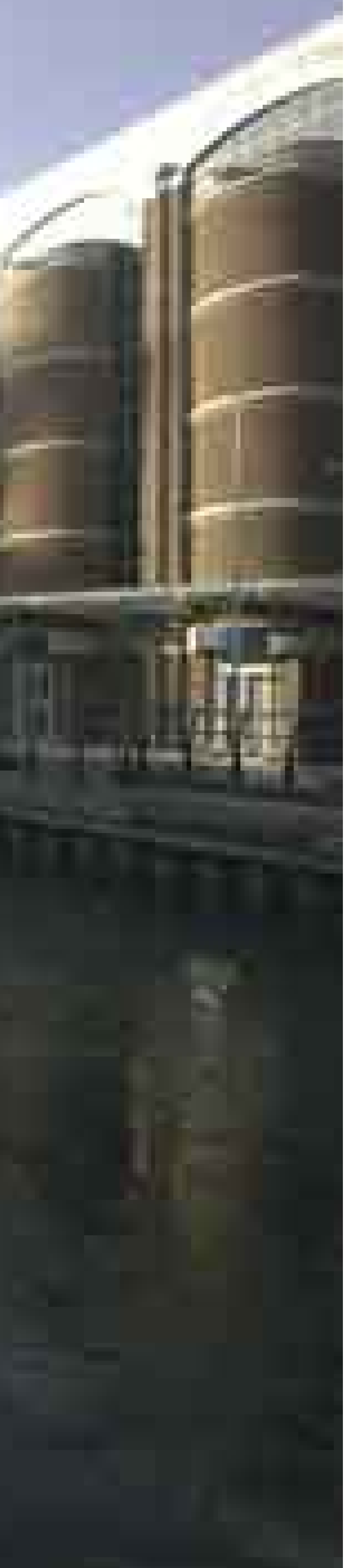
Innovative Actions

SEEDA and partners developed a successful bid totalling £4 million under the Innovative Actions programme, which aims to transfer best practice to Objective 2 areas from the rest of the South East and to try out new approaches to supporting innovation in some of the most deprived wards in the region.

SEEDA, local authorities, the South East England Regional Assembly and other regional partners operate through a small team located in Brussels. This team monitors developments in the European Union (EU), hosts fact-finding delegations and generates intelligence on future policies and funding programmes that may affect the South East. The team is located in an office within South East England House pictured here.



Reading - where the ‘Urban Renaissance Conference’ sponsored by SEEDA, the South East England Regional Assembly, the Government Office for the South East, Southern and South East Arts, and RIBA Southern and South East was launched in January 2003 (pictured). The Conference disseminated examples of good practice in urban renaissance throughout the South East and provided delegates with details of tools and techniques to apply in their areas.



3.7 Working with the South East England Regional Assembly

Developing the Regional Economic Strategy

SEEDA is required to consult the South East England Regional Assembly on the development of the Regional Economic Strategy (RES), and involvement of the Assembly in consultation has been an important element of the year's work, with several Assembly sessions addressing the Strategy as it evolved. The Assembly formally endorsed the Strategy before its publication and submission to the Government.

Reporting on SEEDA's Progress

SEEDA is accountable to the South East England Regional Assembly, and following on from the RES, the Assembly was involved in liaison and debate on SEEDA's Corporate Plan 2003-2006. SEEDA has reported regularly on progress to the Assembly's Executive Committee and participates in all the Advisory Groups of the Assembly in its work as the regional planning body. Also, Assembly Members participate in SEEDA Board Advisory Committees.

Scrutiny

During the year the South East England Regional Assembly developed its processes for scrutiny of SEEDA's performance, initiating the use of Select Committees to investigate issues of interest to its members. Three Select Committees reported or largely took place within the year:

- SEEDA impact on areas of economic success;
- SEEDA impact on the diversification of the rural economy;
- Examination of the extent to which SEEDA policies and activities have harnessed, and can in future harness, arts and sports projects for regeneration.

SEE-iN

The South East England Intelligence Network (SEE-iN) is an informal network of regional organisations, which provides access to key regional data and intelligence to support policy development, monitoring and decision making in the region. Partners include SEEDA, the Government Office for the South East (GOSE), the South East England Regional Assembly, the South East Public Health Observatory (SEPHO), Skills Insight and the Environment Agency.

SEEDA hosts the SEE-iN Portal and the position of the SEE-iN Regional Intelligence Co-ordinator, who manages and administers the SEE-iN website. The SEE-iN Portal has been developed with SEEDA's SEEOnline initiative to combine resources. SEE-iN is a member of the Association of Regional Observatories (ARO), which was set up to co-ordinate and promote the work of Regional Observatories/Intelligence Networks across England.

During the year, SEEDA consulted with key regional partners over the development of the SEE-iN Portal, contributed personnel, resources, data and intelligence to SEE-iN, brought together details of research carried out by partners, and dealt with preparations for the launch which took place on 1 May 2003.

Two historic buildings in Chatham Maritime, SEEDA's flagship regeneration project. In the foreground is the former No.8 Machine Shop. The clock tower in the background is part of the Early Victorian Grade II listed former Boiler Shop, which was redeveloped and opened in 2003 as the Dockside Outlet Centre.

3.8 Financial Review

SEEDA is mainly funded by Central Government via the Department of Trade and Industry (DTI) as the sponsoring department. The funding resource for RDAs is indicated in the Treasury three year Expenditure Spending Review (presently the SR 2002). A single pot funding formula is applied by the DTI, which provides the total allocation of the annual resource - including direct grant in aid, a share of pooled capital receipts, and central contingency fund. In addition, each RDA is allowed to retain extra capital receipts achieved above the pooled amounts. The DTI resource allocation is provided in a ‘single pot’ including the known ring fenced amounts for the Regional Selective Assistance, Broadband, and Regional Centres of Manufacturing Excellence programmes.

The contingency fund is however still ring fenced, for example the SEEDA projects for Rochester and Hastings. Also, from 2003-2004 the DTI will be allocating to RDAs a share of the central Performance Fund.

Apart from the DTI resource allocation described above, SEEDA acts as an accounting body for a number of funding streams. These include the Kent Coalfields programme, which is administered by SEEDA on behalf of English Partnerships, plus the European Social Fund (ESF). SEEDA has also applied to Government for an allocation of further funds to be provided from the new Sustainable Communities Fund, recently announced by the Deputy Prime Minister.

It is important the spending commitments do not the exceed the indicative level of funding as laid out in the Treasury Spending Reviews as notified by the DTI, without an agreed funding stream. This is necessary because many of the grant-funded initiatives undertaken by SEEDA are more than year in duration. Commitments entered into by SEEDA are below the level of indicative future funding.

The capital structure of SEEDA is by way of a reserve of net balance sheet assets, mainly funded by the DTI annual resource allocation. The attached audited Financial Statements provide more information about the specific figures for SEEDA as at 31 March 2003. The value of net Balance Sheet reserves, as at 31 March 2003 is £78.1million. There is an increase of the reserve from last year mainly as a result of development site acquisitions.

During 2002-2003, SEEDA received and applied a resource allocation amounting to £113.7 million, including the use of cash grant in aid, capital receipts and sundry income. The Coalfields expenditure is £3.6 million and the use of the European Social Fund a further £0.7 million (SEEDA was not significantly exposed to the Euro and other foreign currency exchange rate transactions during the year). SEEDA can apply the available funds to achieve performance targets and operation requirements as stated in the Regional Economic Strategy (RES), in the Corporate Plan and as reported. To provide flexibility of planning, any allocated resource funding not used in one year is identified, confirmed with the DTI and rolled over into the following year.

The overall financial control regulations are contained in a document issued to all RDAs each year by the DTI. This document is called the Financial Memorandum and is published by the DTI under authority provided in the RDA Act 1998. Under the Act and as stated in the Financial Memorandum, SEEDA must comply with various constraints including borrowing and lending above given limits, without the approval of the Secretary of State. The accounting policies followed by SEEDA are in accordance with Government Accounting guidance and the international Generally Accepted Accounting Practice (GAAP).

Woodlands – cultivation and maintenance of woodlands such as this are key elements of SEEDA's support for the rural economy in the South East.

The SEEDA Chairman James E Brathwaite CBE

Jim is Chairman of SEAL Ltd, an environmental company based in Burgess Hill, whose equipment is used to test nearly all the drinking water in the UK. He is also Chairman of three other small businesses in Sussex. He formed Epic Interactive Media in Brighton in 1989, which he built up to become one of Europe's largest multi-media companies, and a listed company, employing 150 staff. He floated the company in 1996 becoming Britain's first Black CEO of a publicly quoted company.

He was appointed to the Board of SEEDA, the Development Agency for the South East of England in December 2001 and in December 2002 took up his appointment as Chairman of SEEDA. Jim is a member of the national Small Business Council, with responsibility for dealing with the Inland Revenue, and of the Government's Export Advisory Committee for the 'Americas'. He also became a director of Sussex TEC Ltd in April 1993 and was elected to the Board of Sussex Enterprise in 1995. He was the founding Chairman of Business Link Sussex, and also a founding Director of Wired Sussex. He is the former Treasurer of the Caribbean Advisory Group at the Foreign and Commonwealth Office. His former positions include Chairman of the Arundel Festival, Governor of Brighton & Hove 6th Form College, and Member of the Council of the University of Sussex. He was awarded the CBE for services to the Sussex economy in the New Year's Honours 2001.

James E Brathwaite CBE
Chairman

The SEEDA Board

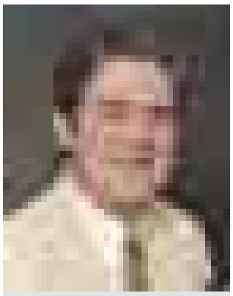
The SEEDA Board, appointed by the Secretary of State for Trade and Industry, comprises the Chairman and 14 members. The Board is responsible for setting the strategic direction of the Agency and for establishing its policies. With the Chief Executive, the Board ensures that the public funds with which 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 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 (RES). SEEDA values this relationship with the South East England Regional Assembly and recognises the Assembly's role as the representative voice of the region.

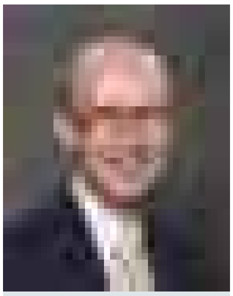
SEEDA holds a formal record of Members' interests, which is available for inspection at our Guildford offices.

SEEDA complies with the standard RDA Code of Best Practice for Board Members.

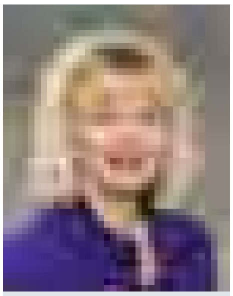
In addition to the Chairman, James E Brathwaite CBE, the SEEDA Board Members are:



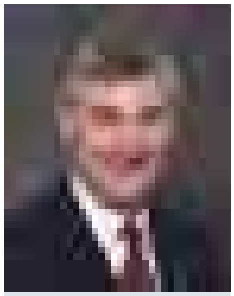
Ken Bodfish OBE
Deputy Chairman



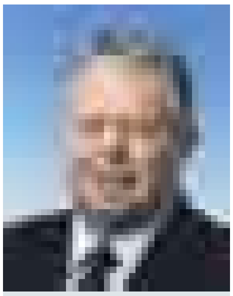
Professor Sir Clive Booth
Deputy Chairman



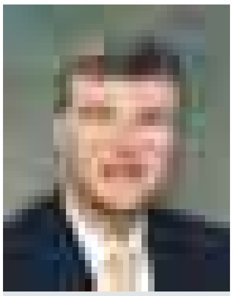
Elizabeth Brighouse



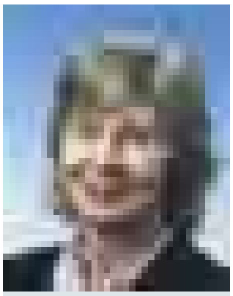
Barry Camfield



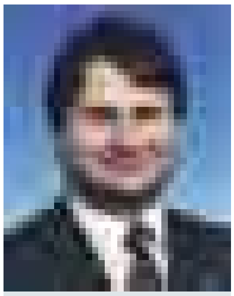
Poul Christensen CBE



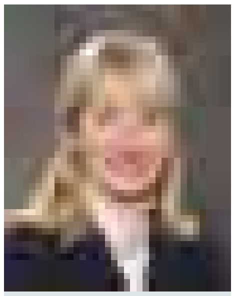
Robert Douglas



Sarah Hohler

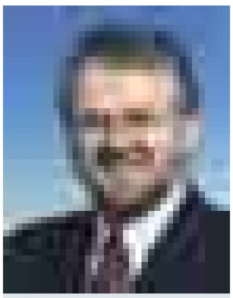


Keith House



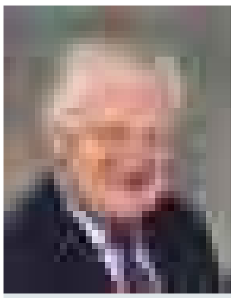
Janis Kong OBE

Mary McAnally

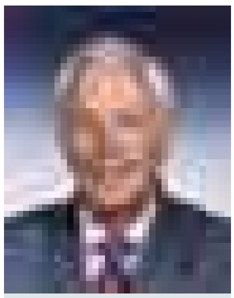


Terry Mills

John Peel



Dr Peter Read CBE FRCP



Thomas Ken Thornber CBE

Biographical notes of the Board Members can be found on the SEEDA website **www.seeda.co.uk.**

SEEDA Board Committees

The Board Committees were first reviewed in April 2000 and were subject to a further review following the appointment of the new Chairman. The Committees retain their key role, which is to assist in informing and monitoring the implementation of the Regional Economic Strategy (RES), but a clearer distinction has been established between the 'Advisory' SEEDA Board Committees and those Committees that assist in the management of the Agency.

The Board Committee structure is as follows: -

Advisory Committees
- *Business Development*
- *Economic Inclusion and Corporate Social Responsibility*
- *Learning and Workforce*
- *Infrastructure*
- *Sustainable Development*
- *Rural*
- *Social Dialogue Forum*
- *Joint Europe Committee (joint Committee with the South East England Regional Assembly)*

Management Committees
- *Audit*
- *Remuneration*
- *Human Resources*
- *Major Projects*

In addition, Board Members take a lead on geographic responsibilities and a lead system has been established for key issues, which include Broadband, Waste Management, Design and Arts, Culture and Sports.

The SEEDA Advisory Council

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

The SEEDA Executive

At the end of the Financial Year, the SEEDA Executive comprised five main Divisions. The Executive Directors are responsible for driving forward the implementation of the relevant elements of the Regional Economic Strategy (RES) and for delivering the programmes through which we support the activities of our partners.

SEEDA is also growing the links between regional activities and priorities and strategies across the region. In addition to their functional responsibilities, the Directors therefore have geographical responsibilities, in which they are supported by other staff within the organisation.

Members of the SEEDA Senior Executive including functional and geographic responsibility:

Anthony Dunnett – Chief Executive.
Jeff Alexander – Director, Strategy and Corporate Services, with geographical responsibility for Hampshire and Isle of Wight.
Charlotte Dixon – Director, Economic Inclusion and Sustainability.
Paul Hudson – Director, Development and Infrastructure, with geographical responsibility for Kent.
Marianne Neville-Rolfe – Director, Business and International, with geographical responsibility for Berkshire, Buckinghamshire, Oxfordshire.
John Parsonage – Director, Learning and Skills, with geographical responsibility for Surrey, West Sussex and East Sussex.

Jeff Alexander and Marianne Neville-Rolfe swapped their functional roles (but not geographical responsibilities) from 1 February 2003.

Human Resources and Service Standards

Recruitment
During the year the Human Resources (HR) team managed the recruitment and selection of over 60 employees and a number of secondees from partner organisations. The majority of this recruitment was to new posts since staff turnover during 2002-2003 dropped to under 8% from a figure of over 15% during the previous year. During 2002-2003 SEEDA made greater use of web-based advertising. Contacts were also made with local schools to offer work placements within the organisation.

Learning and Development
SEEDA is committed to the Investors in People standard as the framework to achieve best practice in managing its people. SEEDA's Corporate Learning and Development Plan for 2002-2003 linked closely to business objectives and greater emphasis was placed on evaluating the quality of training received and the business benefits. A key investment during the year was a management development programme for around 36 SEEDA managers, developed and run in conjunction with Roffey Park Institute and based around SEEDA's identified management competencies. Work was also undertaken on drawing up a broad programme of Sustainable Economic Development training for SEEDA staff, which will be delivered in conjunction with a selected Higher Education Institution (HEI) during 2003-2004.

The HR team continued to encourage staff to learn from a range of activities outside traditional courses and a range of short learning activities designed to encourage learning amongst SEEDA staff was rolled out for Learn at Work Week in May 2002.

Pay and Pensions
The majority of SEEDA staff was eligible to move to a new version of the Principal Civil Service Pension Scheme at 1 April 2003. The HR team ran a series of workshops during 2002-2003 to give information and answer questions on the new scheme.

An equal pay audit was undertaken during the latter part of 2002-2003. The analysis did not indicate any widespread problems; however, work is being taken forward during 2003-2004 to further develop SEEDA's pay structures to better address issues of equality, fairness and career development.

Staff Welfare
During 2002-2003 SEEDA appointed consultants (FOCUS) to provide an Employee Assistance Programme (confidential telephone help line and face-to-face counselling service) for all SEEDA staff and their dependents. The programme was launched at the beginning of April 2003.

Staff Consultation
SEEDA's Joint Staff Council met regularly during 2002-2003 to discuss a range of employee-related issues and training was provided by ACAS for new staff representatives.

Equal Opportunities
SEEDA wholly supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination.

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, Part-time Workers Regulations 2000 and Race Relations (Amendment) Act 2000.

SEEDA monitors its workforce for ethnic origin and, during the year 2002-2003, 5.3% of its staff identified themselves as being of ethnic minority origin. This compares with an ethnic minority population of 4.9% in the South East region (source: 2001 Census, Office of National Statistics). In addition, SEEDA has 6% white non British staff.

Equality and Diversity
In accordance with the specific duties for public sector bodies set out in the Race Relations (Amendment) Act 2000, SEEDA prepared, published and consulted on a Race Equality Scheme stating the functions and policies assessed as relevant to the general duty to promote race equality and setting out arrangements for meeting that duty. It also continued to monitor existing staff and applicants for jobs, promotion and training by racial group. Taking this further, in early 2003, SEEDA appointed consultants Diversity International to develop an equality and diversity framework for the Agency in its roles both as an employer and as a Development Agency. This will be completed during 2003-2004.

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. 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 received one request for information under the Freedom of Information Act during the year.

Risk Management

Strategy

SEEDA has in place a well-established strategy for risk management. The essential features include the following: -

- Compliance with the Treasury (Orange Book) guidance.
- Embedded in planning, operational, monitoring and review stages of all SEEDA activities.
- Delegated responsibility to Divisions within the agreed strategic framework and procedures.
- Risk management concentrates on achievement output performance targets.
- Linkage to the 10-year Regional Economic Strategy, the three-year Corporate Plan and the Annual Business Plan.
- Risks are assessed at project appraisal stage before any commitment is undertaken.
- Risk registers list the identified risks, the accountable and responsible persons.
- A matrix of the wider risk framework relationships is included in the strategy document.
- Risk registers are reviewed by a Performance Group and higher risk issues reported to the Executive Directors, the Accounting Officer and the SEEDA Board as necessary.
- Legal and other professional advice is taken on all significant contractual matters.

Policy

Risk cannot and should not be eliminated from SEEDA business and advantage will be taken of opportunities to maximise operational advantage to the achievement of objectives. Every reasonable action will be taken to reduce risk to the organisation, this will be achieved by a combination of risk identification and positive action to manage and/or reduce or transfer risk of undertakings.

Subsidiaries and Joint Ventures

During the last year, SEEDA has obtained permission from Government to participate in two new corporate bodies under Section 5 of the RDA Act 1998. These two companies are as follows.

- East Kent Spatial Development Company Ltd. – this is a guarantee company without a share capital but majority owned and controlled by SEEDA. Other members of the company are Dover District Council, Thanet District Council and Kent County Council. Local Authorities can legally only take a combined 20% interest in a corporate body, the SEEDA control is therefore 80%. The main purpose of the company is to use grant funding from SEEDA (SRB) and Europe (ERDF), to initiate and finance the utilities infrastructure to large identified development sites in East Kent.
- Finance South East Company Ltd – this is also a guarantee company without a share capital and jointly owned 50% each by Business Link Wessex Ltd. and SEEDA. The Board is controlled by a majority of independent non-Executive Directors. The main purpose of the company is improve the co-ordination and provision of investment capital for small companies using private and public funding.

A list of all the SEEDA companies is included in the full Financial Statements.

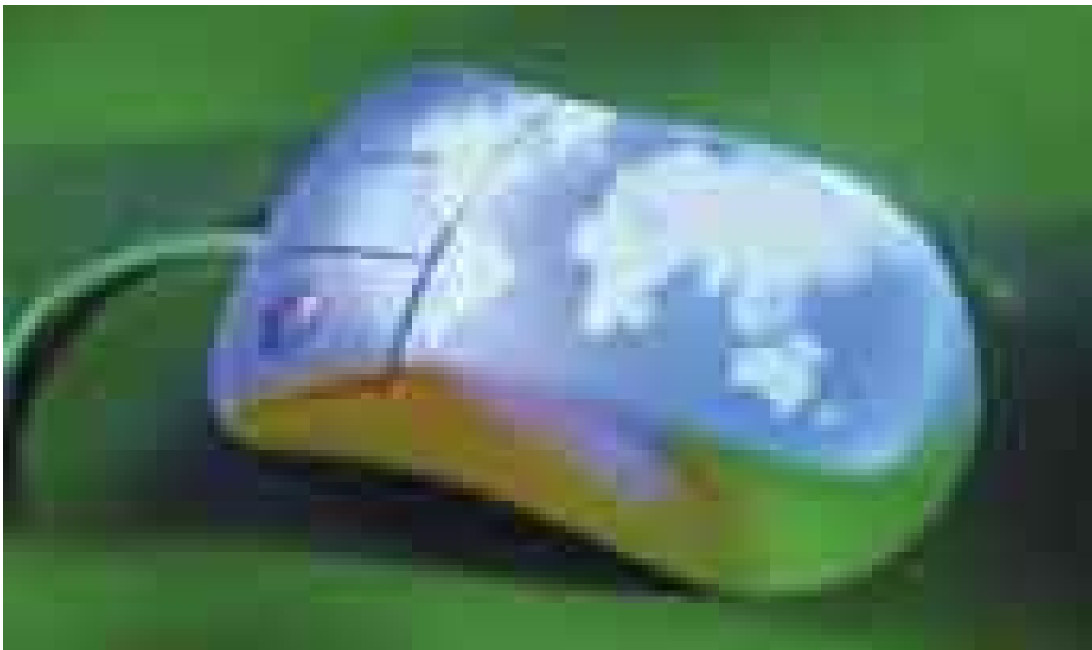
SEEDA's activities are aiming to safeguard the future for everyone in the South East region.

5 Summary of Outputs 2002-2003

Core Milestones	Target	Actual
Jobs Created / Safeguarded (net)	1,543	2,307
Jobs Created / Safeguarded (gross)	2,066	3,071
Jobs through Foreign Direct Investment	1,250	1,800
Brownfield land (Ha)	40	56
Learning Opportunities (over 30 hours)	3,454	15,018
Business Start Ups Created and Sustained for 12 months (net)	91	105
Business Start Ups Created and Sustained for 12 months (gross)	123	141

Supplementary Milestones	Target	Actual
Businesses located in / using facilities of incubator units	230	448
Businesses leaving incubator units	80	60
Businesses receiving specialist advice	8,419	9,854
Businesses active in cluster, technology or learning network	1,375	2,273
Adults receiving basic skills training	8,818	13,342
Individuals receiving ICT training	1,673	15,855
Adults receiving higher level skills training	2,176	3,797
Individuals and businesses receiving Broadband access	392	490

Other Milestones	Target	Actual
Learning opportunities (3-30 hours)	-	67,892
Regional Selective Assistance		
- Jobs Created / Safeguarded	-	722
- Jobs through Foreign Direct Investment	-	311

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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 free of charge 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 1995-2092) and was signed by Anthony Dunnett, the Chief Executive and Accounting Officer, on 1 July 2003.

Principal Activities

During the year, the Agency's principal 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 (RES), 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 RES and the accountability plans determine current and future activities for the Agency. The Regional Economic Strategy was reviewed and updated in 2002. For the Financial Year 2002-2003 SEEDA made no deficit or surplus.

Future Developments

SEEDA will continue to deliver the objectives as set out in the revised Regional Economic Strategy and accountability plans. A three-year Corporate Plan has been approved and is now being implemented. This Plan builds on the requirements of the revised RES and achievement of the outcome targets. The sub-regional priorities have been identified and geographic Area Investment Frameworks (AIFs) are being established, including a special project for the Hastings redevelopment. Application has been made seeking approval to create a new company for the Hastings redevelopment partnership. In addition SEEDA will play a major role in the implementation of the recently announced Communities Fund for Ashford, Thames Gateway and Milton Keynes.

Post Balance Sheet Events

In the 2001-2002 financial statements, an explanation was given that a £3 million damages claim had been received from the purchaser of a site at the former colliery site at Tilmanstone, East Kent. This dispute has now been resolved and the resulting financial settlement of £465,000 is included within the 2002-2003 trade creditors amount.

Board Membership and Directors

For a list of Directors and Board Members see page 77.

Income and Expenditure Account for the Year to 31 March 2003

	2003 £'000	2002 £'000
Income		
Government and other grants released	84,467	88,202
Proceeds from disposal of assets	5,148	5,800
Other income	2,872	1,738
TOTAL INCOME	**92,487**	**95,740**
Expenditure		
Book Value of assets sold and written off	11,205	9,427
Administrative costs	15,059	10,825
Government grants paid	66,589	75,841
TOTAL EXPENDITURE	**92,853**	**96,093**
Operating Deficit	(366)	(353)
Interest received	371	376
Notional Cost of Capital	(3,814)	(2,627)
Deficit for the period on ordinary activities	(3,809)	(2,604)
Taxation	(5)	(23)
Deficit for the period after taxation	(3,814)	(2,627)
Reversal of notional cost of capital	3,814	2,627
Surplus for the period carried forward	**0**	**0**

Emoluments of Board Members

Name	Position	Aggregate Emoluments 2003 £	Aggregate Emoluments 2002 £	Date of Appointment	Date Contract Expires
James Brathwaite CBE	Chairman	15,933	0	14.12.02	13.12.05
James Brathwaite CBE	Board Member	6,306	2,164	14.12.01	Expired
Allan Willett, CMG	Chairman	40,930	54,598	14.12.98	Expired
Ken Bodfish OBE	Deputy Chairman	15,208	14,838	06.01.99	13.12.03
Prof. Sir Clive Booth	Deputy Chairman	15,208	14,838	14.12.98	13.12.04
Elizabeth Brighouse	Board Member	7,604	2,164	14.12.01	13.12.04
Barry Camfield	Board Member	7,604	7,419	14.12.98	13.12.03
Robert Douglas	Board Member	7,604	2,164	14.12.01	13.12.04
Janis Kong OBE	Board Member	7,604	7,419	14.12.98	13.12.04
Mary McAnally	Board Member	7,604	7,419	01.11.00	31.10.03
Dr. Peter Read CBE FRCP	Board Member	7,604	7,419	01.11.00	31.10.03
Thomas Ken Thornber CBE	Board Member	7,604	2,164	14.12.01	13.12.04
Keith House	Board Member	2,218	0	14.12.02	13.12.05
Terry Mills	Board Member	2,218	0	14.12.02	13.12.05
Poul Christensen CBE	Board Member	2,218	0	14.12.02	13.12.05
Sarah Hohler	Board Member	2,218	0	14.12.02	13.12.05
John Peel	Board Member	2,218	0	14.12.02	13.12.05
Winifred Oliver OBE DL	Board Member	5,386	7,419	14.12.98	Expired
Sarah Ward OBE DL	Board Member	5,386	7,419	14.12.98	Expired
Caroline Williams	Board Member	5,386	7,419	14.12.98	Expired
Kevin Wilson	Board Member	5,386	7,419	14.12.98	Expired

Emoluments of Chief Executive and Directors

Name	Position	Age	Salary & Bonus 2002 £	Benefits & Pension 2002 £	Aggregate Emoluments 2002 £
Anthony Dunnett	Chief Executive	50	155,461	6,202	148,937
Jeff Alexander	Director of Strategy & Corporate Services	47	77,134	18,000	85,110
Paul Hudson	Director of Development & Infrastructure	56	86,812	18,726	95,086
John Parsonage	Director of Learning & Skills	55	81,886	16,699	89,228
Marianne Neville-Rolfe	Director of Business & International Development	58	96,781	0	91,721
Charlotte Dixon	Director of Economic Inclusion & Sustainability	53	36,184	0	0

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. The Chief Executive is not a member of PCSPS. His contract entitles him to a payment at a rate which is equivalent to the PCSPS employers contribution (£21,499). The Chief Executive bonus has to be agreed by the Department of Trade and Industry. The maximum bonus he could receive in 2002-2003 was 15% of salary. All other SEEDA staff, including Executive Directors are covered by the annual pay remit, approved by the DTI and the Treasury. Bonuses are determined following reviews based on individual's performance against agreed objectives and competencies. The maximum amount payable for 2002-2003 was 10%. Marianne Neville-Rolfe is on secondment from the DTI - £13,875 of pension contributions reimbursed to the DTI for her are included in salary. Charlotte Dixon is on secondment from the Department of Transport - £5,223 of pension contributions are included in salary. Jeff Alexander joined the PCSPS in 1978. The main benefit in kind receivable by the Chief Executive and Directors is the provision of a lease car.

Balance Sheet as at 31 March 2003

	2003 £'000	2002 £'000
FIXED ASSETS		
Intangible operating assets	503	0
Tangible operating assets	1,268	972
Investment assets	5	5
Long term loans	309	419
	2,085	1,396
CURRENT ASSETS		
Stock of development assets	74,943	46,376
Debtors	16,203	16,549
Cash at bank and in hand	6,915	379
	98,061	63,304
CREDITORS: Amounts falling due within one year	15,532	15,655
NET CURRENT ASSETS	82,529	47,649
CREDITORS: Amounts falling due after one year	6,537	0
PROVISIONS FOR LIABILITIES AND CHARGES	0	0
TOTAL ASSETS LESS ALL LIABILITIES	**78,077**	**49,045**
RESERVES		
Government Grant Reserve	78,077	48,822
Inward Investment Reserve	0	223
	78,077	**49,045**

The certificate and report of the Comptroller and Auditor General on the full financial statements for the year ended 31 March 2003 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
July 2003

The Certificate and 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, comprising a summary Foreword, a summary Income and Expenditure Account, a summary Balance Sheet and details on Board Members and the Chief Executive and Director's emoluments, which have been prepared in the form and on the basis set out in the summary foreword.

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 statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

The maintenance and Integrity of SEEDA's website is the responsibility of the Accounting Officer; the work carried out by the auditors did not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Basis of Opinion

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

Opinion

In my opinion the summary financial statement are consistent with the full financial statements and Annual Report of the South East England Development Agency for the year ended 31st March 2003 and have been properly prepared on the basis set out in the summary foreword to the summary financial statements.

John Bourn
Comptroller and Auditor General
July 2003

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

Local Authority Boundaries

SEEDA's partners who have co-located to SEEDA's Guildford Headquarters:

Association of South East Colleges (AoSEC)

Groundwork

Higher Education South East (HESE)

Jobcentre Plus

Learning & Skills Development Agency

National Training Organisation South East Regional Hub (five NTOs)

New Opportunities Fund

Regional Action and Involvement South East (RAISE)

Skills Insight

Small Business Service (SBS)

South East Chambers of Commerce

South East England Regional Assembly

Trade Partners UK

Large front cover picture	Gunwharf Quays, Portsmouth. SEEDA, through its Fund for Regeneration (formerly the Single Regeneration Budget) has assisted finance initiatives and Savers Credit Unions in the Portsmouth area, helping the local community to access more affordable financial services.
Small front cover picture	The Netherfield Estate, Milton Keynes. A key area where SEEDA has made considerable investment to tackle social exclusion. Activities include improving the physical environment, supporting community development and providing new opportunities for employment.
Back cover picture	Historic buildings at Chatham Maritime, Kent. SEEDA's flagship regeneration project and one of the largest Government-supported projects outside London, covering 140 hectares.

Printed on totally chlorine-free paper, 75% recycled and 25% from sustainable forests.

SEEDA SOUTH EAST ENGLAND DEVELOPMENT AGENCY

Working for England's World Class Region

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For more information, please visit SEEDA's website **www.seeda.co.uk**