

South East England Development Agency

DRAFT CORPORATE PLAN 2008-11





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1. CONTEXT

1.1 THE REGIONAL ECONOMIC STRATEGY 2006-16

This draft Corporate Plan defines SEEDA's contribution to the Regional Economic Strategy (RES) over the next 3 years. The Regional Economic Strategy for South East England 2006-16 sets the vision of a world class region achieving sustainable prosperity. Published in October 2006 following its development with more than 2,000 stakeholders at local, regional and national levels, it breaks new ground in defining practical policies for sustainable prosperity and in setting a clear direction for the journey towards the vision.

The Strategy – which has since been found at Examination in Public to be in broad alignment with the draft South East Plan – identified the three key challenges facing the South East as achieving and maintaining global competitiveness; smart growth focused on raising productivity and increasing employment opportunities to spread the benefits of competitiveness; and sustainable prosperity to ensure that competitiveness is consistent with the principles of sustainable development. To ensure that these challenges were met, the Strategy established three headline indicators to measure progress against the vision:

- 1. Achieving an average annual increase in GVA per capita of at least 3%;**
- 2. Increasing productivity per worker by an average 2.4% annually, from £39,000 in 2005 to at least £50,000 by 2016 (in constant prices);**
- 3. Reducing the rate of increase in the region's ecological footprint (from 6.3 global hectares per capita in 2003, currently increasing at 1.1% per annum), stabilising it and seeking to reduce it by 2016.**

The Implementation Plan, published in October 2007 following further consultation and development with partners, focused on the 14 targets identified in the Regional Economic Strategy. For each target it identified expected outcomes and their contribution to the 3 headline indicators; the key actions that would be necessary to deliver the outcomes and the priority places where activity would be focused. An overall target sponsor was identified for leading and coordinating progress on each target, with SEEDA identified as leading on 7 targets, namely:

- Global Business and Foreign Direct Investment
- Innovation and Creativity
- Enterprise
- Competition and Business Regulation
- Climate Change and Energy
- Sustainable Consumption and Production
- Sustainable Communities

The Implementation Plan also showed how 8 transformational actions had the potential to contribute across several targets, with SEEDA having a key role in ensuring progress alongside other partners. A commitment to creating a living RES emphasised the importance of connecting an ongoing process of monitoring the regional economy's performance with regular assessments of progress against the headline indicators and targets. The central purpose of this work is to inform and shape the plans and priorities of all those with a role to play in delivering the RES. SEEDA's Corporate Plan for 2008-11 must therefore sit squarely within the context of delivering the RES.

1.2 ECONOMIC TRENDS AND FORECASTS

With 8.2 million people the South East has the largest population of any English region. The South East is firmly established as one of the most successful UK and European regions. It is a region with one of the highest levels of activity and employment in the UK and Europe, high rates of economic growth and productivity and high rates of business formation. Between 1998 and 2003 the South East increased its GDP share of the OECD output by 4.4 percent (above any other UK region), a clear indicator of a strong overall performance of the economy.

With total output (Gross Value Added) of £167.4bn, the South East is the second largest regional economy in the UK, accounting for 14.8% of national output. Strong economic growth is highlighted by the fact that the South East share of national output had increased from 13.9% in 1996 to 14.8% by 2006.

GVA per head is the most widely used measure of economic wellbeing at regional level and on this measure the South East is the second best performing UK region. GVA per head in the region was over £20,300 in 2006, some 9% above the national average. Real (inflation adjusted) GVA per head in the region increased by around 2.7% per annum over the period 1990 - 2002, faster than in any other English region.

The South East is currently achieving economic activity rates of over 82% and an employment rate of over 78% (April 2006-March 2007), again better than any other UK region. Indicators of business performance and skills also point towards a strong performance: in 2006, 30.5% of all people of working age had an NVQ4 or higher qualification (higher than any other UK region) and there were 43.1 VAT registrations per 10,000 resident adult population (the second highest in the UK).

Strong overall performance often masks significant sub-regional disparities in output, labour market outcomes or enterprise. South East has greater disparities in GVA per head than any other UK region, ranging in 2006 from over 60% above the national average to over 40% per cent below it.

Recent performance against the three headline targets of the Regional Economic Strategy show there is no room for complacency:

- Gross Value Added per head increased by just 1% in 2005 and 1.9% in 2006 in real terms (target – average annual increase of at least 3%);
- Productivity per worker increased by around 2% in 2006 (target – increase by an average 2.4% annually);
- Independent research suggests that the ecological footprint of the region is continuing to increase at a rate of 1.1% annually (target – reduce the rate of increase from 1.1%, stabilise it and seek to reduce it by 2016).

Moreover, the evidence suggests that deprivation and polarisation within the region are increasing. The latest (2007) Indices of Multiple Deprivation imply that the number of South East residents living in deprived areas is now 490,000, up from 400,000 in 2004. Almost half of the most deprived areas identified in 2007 can be found in just 5 coastal local authority areas - Hastings, Thanet, Southampton, Portsmouth and Brighton & Hove.

There are a number of macroeconomic factors which are beyond the control of regional (and in many cases national) policy-makers that could impact on the performance of the South East economy over the Corporate Plan. The most obvious example is the recent global credit crunch resulting from the meltdown in the US sub-prime market that has impacted on the

UK and global financial sectors. This has led to tighter credit conditions for the businesses and consumers which is likely to impact on economic growth in 2008 and beyond. With the end of cheap oil (oil prices close to \$100 per barrel in early 2008) and increasing food prices, largely resulting from stronger demand from China and India, higher inflation is another factor that is likely to depress growth in 2008 and possibly longer.

1.3 POLICY DEVELOPMENTS

Developments in National Policy

A range of recent policy developments have been taken into account in shaping SEEDA's Corporate Plan for 2008-11:

- The **Stern Review** demonstrated conclusively the economic case for taking action now to halt and reverse climate change. It also concluded that tackling climate change is also the pro-growth strategy for the longer term, creating major business opportunities as new markets are created in low carbon goods and services. This requires a significant shift in emphasis from adaptation to mitigation and to accepting that up-front costs now will protect the economy and reduce costs later.
- The **Energy White Paper** responds to the needs of climate change and a secure, clean and affordable energy supply. This twin track approach is seen as critical to achieving a sustainable energy future, and highlights both the opportunities for innovation in the energy supply chain and the need to support businesses on energy and resource efficiency.
- The **Sainsbury Review of Science and Innovation** aims to coordinate funding and strategies for science and innovation at the regional, national and international level, highlighting for example the need for co-ordinated action by England's Regional Development Agencies and the national Technology Strategy Board to invest in collaborative research and development programmes.
- The **Leitch Review of Skills** demonstrates the need to invest in world class skills if the UK is to prosper in a rapidly changing global economy, with emerging economies such as China and India growing dramatically. It also recognises that low skills can hold back productivity growth and, if not addressed, will lead to increasing inequality and the marginalisation of some groups within the labour market.
- The report of the **Eddington Transport Study** identifies the links between transport and the UK's economic growth, within the context of the Government's broader commitment to sustainable development. The advocates that attention should be focused on those parts of the transport system that are currently congested and where there is clear evidence that investment will lead to improved economic performance and help manage carbon emissions.

Review of Sub-National Economic Development and Regeneration

Published in July 2007, the review focuses on the central challenge of ensuring that localities and regions develop their economies and work together to deliver a sustainable economic vision, set against the backdrop of globalisation and economic change. The proposed response to this challenge is based on three principles:

- Managing policy and delivery at the right spatial levels;
- Ensuring clarity of roles; and
- Enabling places to reach their potential.

The twin themes of the proposals in the review are to strengthen the role of local authorities in leading the task of place-making with stronger powers and incentives to promote economic growth and well-being, and to streamline existing regional structures and strategies to improve clarity and effectiveness. The key changes proposed as flowing from this are:

- A stronger local authority role in economic development, including a proposed new statutory economic assessment duty;
- Support for effective collaboration by local authorities across functioning economic areas, for example through Multi Area Agreements or Economic Development Companies;
- Single regional strategies to succeed the existing arrangement of separate Regional Economic Strategies and Regional Spatial Strategies, with Regional Development Agencies designated as regional planning bodies and working closely with local authorities and all relevant partners;
- A presumption that Regional Development Agencies will delegate funding to local authorities and sub-regional bodies to support sustainable economic growth and effective cross-boundary working.

Much remains to be resolved around the content and process of these proposed reforms, and this draft Corporate Plan is published in advance of the full consultation document which is expected shortly. However it is clear that, taken together, these proposals represent a major change in the role and function of Regional Development Agencies, and in the nature of their relationship with local authorities and other partners. The task of preparing for, and then implementing, these changes will span a large part of the coming Corporate Plan period. SEEDA will approach this task with a willingness to embrace change, collaborating with partners to achieve the most effective solution appropriate to the particular needs of the South East.

The Comprehensive Spending Review 2007 – SEEDA's Financial Settlement

The outcomes of the Comprehensive Spending Review determine the resources available to Regional Development Agencies for 2008-11, alongside changes in their role. The key outcomes announced in October 2007 were:

- An enhanced role for RDAs in taking on responsibility for the Train to Gain programme, resulting in a single integrated brokerage service spanning business support and skills to be managed by RDAs and delivered through Business Links from April 2009;
- New responsibilities for RDAs in leading responses to events which have the potential to create substantial economic shocks and impact substantially on businesses;
- An overall resource reflecting a 5% per annum real reduction in RDA funding;
- Specific targets for reducing the proportion of funding spent on administration by each RDA.

An overview of SEEDA's single pot budget for 2008-11 is shown below. The table at Annex 3 shows the full funding analysis. In addition to the single pot funding, SEEDA also draws in funding from a number of European programmes which support delivery of the RES. Significant programmes where funding can be anticipated over the Corporate Plan period total £53m and include¹⁰:

- European Social Fund – targeted at providing support to unemployed and inactive

beneficiaries to help them use enterprise start-up and self employment as routes back into the labour market;

- European Regional Development Fund – the Competitiveness Programme is aimed at decoupling economic growth from resource consumption, pollution generation and loss of biodiversity; the POWER and PEOPLE programmes bringing together a number of European regional partners to explore the best ways of driving Low Carbon Economies and solutions to demographic and societal changes;
- Transport projects of European significance funded through the Interreg programme.
- Rural Development Programme for England – targeted at support for capital projects and training for farmers, growers, foresters, food businesses and rural communities.

	2008-09 £m	2009-10 £m	2010-11 £m	Total 2008-11 £m
CSR 07 Indicative Allocation	160	158	154	472
Plus: Anticipated Receipts	5	7	10	22
Gives: Gross Budget	165	165	164	494
Minus: Total Commitments	115	73	33	221
Minus: Administration	23	22	20	65
Minus: Non-Cash	6	6	6	18
Gives: Indicative Headroom	21	64	105	190
In Addition: European Programmes	18	17	19	54

It should be noted that the headroom shown above would already be over-allocated if all partners' current expectations were to be met.

1.4 MEASURING PERFORMANCE – CORPORATE PLAN 2005-08

SEEDA's Corporate Plan 2005-08 identified the three objectives of **strategic influence**, **sustainable economic growth** (focusing on innovation and enterprise) and **sustainable communities** (focusing on quality places and area-based regeneration). Progress has been made against each of the key commitments in the Corporate Plan, including:

During 2005 SEEDA underwent an Independent Performance Assessment managed by the National Audit Office and was assessed as performing strongly, the highest grade possible.

The table below summarises SEEDA's achieved and forecast performance against the targets agreed for its Corporate Plan 2005-08 against the national RDA Tasking Framework.

Output Indicator	Target 2005-08	Achieved or Forecast* 2005-08
Jobs created or safeguarded	14,800	18,200
Number of people assisted to get a job	17,200	30,400
Businesses created or attracted to the region	7,000	7,600
Businesses assisted to improve their performance	100,000	130,000
Businesses collaborating with the knowledge base	2,300	3,500
Investment levered (£m)	580	630
% Investment levered from private sector	50	48
Brownfield land remediated (ha)	240	200
People assisted in skills development	88,000	124,000
Adults gaining basic skills	9,000	9,900
Adults gaining at least NVQ Level 2	1,200	1,400

*Comprises figures achieved for 2005-06 and 2006-07, together with forecasts for 2007-08 as at December 2007.

1.5 MEASURING PERFORMANCE – CORPORATE PLAN 2008-11

A new RDA Performance Framework is currently being developed by Government in consultation with Regional Development Agencies. The overall purpose of this framework is to form a clear line of sight between the work of RDAs and the Regional Economic Performance Public Service Agreement, which seeks to **'improve the economic performance of all English regions and reduce the gap in economic growth between regions'**.

The new framework will comprise:

- An overarching regional economic growth objective, measured in terms of Gross Value Added per capita;
- A set of outcome-focused performance indicators comprising:

- Productivity (GVA per hour indices)
 - Employment (employment rates)
 - Skills (percentage of working age population with basic, intermediate and higher level skills)
 - Innovation (Business Gross Domestic Expenditure on R&D as a proportion of GVA)
 - Number of VAT start-ups per 10,000 resident adults;
- Cross-cutting principles relating to sustainable development and economic opportunities for all, which RDAs must apply consistently to all aspects of their work;
 - Supporting outputs, specific to the region and to the objectives of each RDA's Corporate Plan.

SEEDA's view is that the main components of this new framework have been broadly anticipated by the framework of headline indicators and targets that were agreed with local and regional partners together with Government as part of the Regional Economic Strategy. While the new framework is yet to be finalised, Annex 1 sets out the outcomes, outputs and milestones proposed for SEEDA's Corporate Plan, showing the proposed relationship to outcomes in the Regional Economic Strategy and the RDA performance framework. The table below shows the South East's current performance against the outcome indicators adopted by Government, showing the date of latest available data in each case.

Indicator	South East
Index of GVA per hour worked, 2005 (UK = 100)	103.7
Employment rate, September -November 2007	78.7%
% of working age population with basic skills (NVQ 1 or 2), 2006	30.4%
% of working age population with intermediate skills (NVQ 3), 2006	16.4%
% of working age population with higher level skills (NVQ 4+), 2006	30.5%
% of working age population with no qualifications, 2006	9.6%
Business Enterprise R& D as a proportion of GVA, 2004	2.1%
No. of VAT registrations per 10,000 resident adults, 2006	43.1

An effective **Evaluation Framework** is a critical part of ensuring that SEEDA delivers against the Outcomes and Outputs set out in Annex 1. SEEDA has implemented a consistent approach to evaluation practice in support of its delivery of Corporate Plan outcomes and outputs since June 2005. This work has recently been developed into a full Evaluation Framework to take account of the recommendations of our Independent Performance Assessment and the RDA Impact Evaluation Framework. The Framework includes an evaluation policy, dissemination strategy, training programme, monitoring system and an Evaluation Framework Panel which gives independent, external advice and support to our work. Key elements of the new Framework are: to focus as much on programme as project level evaluation; to develop clearer links between appraisal and evaluation so that evaluation planning is built in from the inception of a new activity; and to disseminate findings quickly and effectively through internal and external networks.

2. CORPORATE PLAN FRAMEWORK

2.1 PRINCIPLES

Given the context set out in Section 1, SEEDA has approached this Corporate Plan by developing a set of principles to describe the shift it will need to make in the way it works, and which can be used to test whether it is going in the right direction to achieve its outcomes.

Strategy

The Comprehensive Spending Review will require year on year efficiency savings, while giving SEEDA additional responsibilities. In addition the Sub National Review proposals mean that SEEDA will need to reduce its direct delivery of activity to focus on its strategic influencing role.

External Focus

This increase in strategic focus will necessitate a greater external focus across SEEDAs activities. In addition, achieving the RES will require a more joined up approach with a range of regional and local partners, and a more formally structured alignment with local authorities.

Capacity Building

SEEDA aims to use its resources and influence to ensure that there are appropriate delivery mechanisms within the region and that partners have the capacity and capability to contribute directly to sustainable economic development.

Place

More than ever, SEEDA's activities need to reflect the differing priorities across the region, forging strong and effective links between local, sub-regional, regional and national priorities.

Multiple Outcomes

The complexities of the outcomes sought for the region and a greater impetus for efficiency mean that SEEDA activity must deliver a number of outcomes across the breadth of its activities.

Cross-Team Working

Achieving multiple outcomes from SEEDA activity will require greater cross-team working within SEEDA, and in partnership with others.

Extra-Regional Outlook

Achieving the objectives of the RES will require SEEDA to have an extra-regional focus in its activities, seeking to gain wider exposure to experience and to learning from the experience of other regions, nationally and internationally.

Leverage

Achieving the objectives of the RES will require leveraging-in financial resources beyond those of SEEDA and other public funded agencies in the region; this will include looking to work more closely with the private sector and to find new ways of financing regional priorities.

These principles can be summarised into a single narrative:

SEEDA achieves added value by maintaining a strategic overview of the region through the management of the RES the development of a Single Delivery Framework for the RES and Regional Spatial Strategy (South East Plan) and by combining its resources with leverage of others' funding, ideas and capacities into delivery of the RES and Single Delivery Framework targets. Over the Corporate Plan period this strategic overview will include the movement towards a Single Regional Strategy.

This means that SEEDA must develop:

- a management framework for the RES and Single Delivery Plan that supplies a **robust evidence base**, a clear process for agreeing **accountability** with the right partners in the right **place** and a transparent approach to assessing and building the **capacities** of others;
- a Strategic Resource Plan that demonstrates how SEEDA uses its small resource to **innovate** and **take risks** as a way of catalysing the activities of others to deliver the RES and has maximum impact by ensuring that its activity has **multiple outcomes** with all activity contributing to all three headline targets;
- a Continuous Improvement programme enabling SEEDA to be clever, adaptable and flexible mainly through **externally focused cross-team working** and with an **extra-regional view** of new ideas and best practice.

2.2 VISION

SEEDA is aiming for the following outcomes by the end of the Corporate Plan period:

Managing the RES

- All RES target traffic lights are green, ie plans are being actively pursued by the right partners to deliver the RES targets;
- All RES targets are on track to achieve their outcome by 2016, ie 'policy on' graphs in the Annual Monitoring Report are going in the right direction;
- This will mean by definition that regional partners responsible for RES implementation are being held to account through an effective accountability framework.

Strategic Resource Plan

- SEEDA is clear about its role in delivering the RES and is applying its resource in a transparent way to achieve RES outcomes;
- SEEDA activity is delivered differentially in place in a transparent way understood and agreed with sub-regional and local partners;
- SEEDA activity is understood to be adding value and impact according to the central government Sponsorship Framework.

Continuous Improvement

SEEDA has implemented the improvement programme agreed with the National Audit Office as a result of its Independent Performance Assessment and so has;

- Developed our organisation to support delivery of the RES;
- Developed the skills required for delivery of the RES within the new SNR framework;
- Increased the impact of our actions through better monitoring and a more transparent investment process, improving communication and consultation with partners

These actions will put us into a good position to improve on the ‘performing strongly’ rating we were awarded in our last assessment and achieve the shifts in ways of working described by the principles underpinning this Corporate Plan. The box below shows how SEEDA will be operating by the end of the Corporate Plan period.

SEEDA's work is now mainly **strategic** with most delivery either delegated to local authorities or outsourced to arm's length bodies and special purpose vehicles;

Most staff have an **external focus**, working with local authorities, partners and partnerships to deliver the RES rather than working on direct delivery of projects;

SEEDA works with external partners to identify **capacity** issues and address them;

Most SEEDA activity happens differentially in **place** based on strong understanding of sub-regional needs and contributions to the RES;

All SEEDA activity delivers **multiple outcomes** mainly through **cross-team working**;

Much SEEDA activity has an **extra-regional outlook**, particularly work with the Greater South East and Europe;

SEEDA **leverages** new resource into RES priorities, particularly from the private sector.

3. CORE STRATEGY FOR SEEDA'S CORPORATE PLAN 2008-11

3.1 OVERALL APPROACH

SEEDA's overall approach will be to achieve five major shifts over the life of this Corporate Plan:

1. **Simplification and refinement of strategy** under RES Objectives where SEEDA has a major delivery role, such as Global Business and Foreign Direct Investment; Knowledge Transfer; Innovation; and Enterprise;
2. **Development of policy and delivery interventions** under RES Objectives where SEEDA is leading the region into new areas of work, particularly Climate Change and Energy; and Sustainable Consumption and Production;
3. **Aligning resources and catalysing new approaches** under RES Objectives where other partners have a leading delivery role, including Expenditure on Research and Development; Employment and Skills; Infrastructure, Transport and Physical Development; Natural Resources and the Environment; and Sustainable Communities;
4. **Development of new approaches to investing in place-making**, ensuring that SEEDA's resources and expertise are focused on interventions that deliver both regional and local priorities, and developing new mechanisms to delegate funding to local authorities and sub-regional bodies as appropriate;
5. **Preparing for new responsibilities and new ways of working** which are currently expected to pass to Regional Development Agencies, principally their establishment as Regional Planning Bodies from 2010 and the expectation to delegate funding where appropriate to local authorities.

These are expressed in more detail in terms of 6 Corporate Plan portfolios. The first of these – **Strategic Influence** – focuses on the role of SEEDA in implementing the Sub Regional Review and in particular on the need for a new approach to working with localities and sub-regions. The next three - **Global Competitiveness**, **Smart Growth** and **Sustainable Prosperity** - reflect the objectives of the Regional Economic Strategy. **Enabling Infrastructure and Development** captures SEEDA's work in this area, which underpins all 3 Regional Economic Strategy objectives. **Developing SEEDA** focuses on the organisational development required to support all of these portfolios.

3.2 STRATEGIC INFLUENCE - IMPLEMENTING THE SUB NATIONAL REVIEW

The current role of Regional Development Agencies is described by Government as being strategic drivers of regional economic development. The reforms set out in the Sub National Review represent a major change in SEEDA's role and function. Very substantial new responsibilities will transfer to SEEDA as it takes on executive responsibility for developing a **single regional strategy**, with **additional responsibilities** around spatial planning, housing and transport. The move to **delegating funding to local authorities** will require major shifts in skill sets and business processes for SEEDA and its partners.

Overarching all of this will be the need to establish **new working relationships** with local government and other stakeholders, building on the strong foundations that already exist while recognising the need to adopt **new standards of openness and transparency**, working closely with partners throughout the strategy development and delivery process and responding to strengthened arrangements for scrutiny by Parliament and local authorities.

SEEDA has embraced these proposals and has already agreed to:

- i. Adopt Local Area Agreements and Multi Area Agreements as the central focus of delivering the RES at sub regional level, and promote Multi Area Agreements as a mechanism for taking forward work in the Diamonds for Investment and Growth:
- ii. Commit to use and work with partners to develop Local Area Agreements and Multi Area Agreements as the route through which to delegate place-based investment to mainstream partners and special purpose vehicles;
- iii. Work with local authorities to develop new or revised partnership arrangements that embed business priorities within these mechanisms in order to deliver RES outcomes.

Through its new Corporate Plan, SEEDA is now **gearing up to implement major changes** which are necessary to support significant increases in funding delegated to local and sub-regional levels. SEEDA's Area Directors are supporting the development of **refreshed Local Area Agreements underpinned by sound economic priorities** throughout the region.

SEEDA anticipates working with local partners throughout the South East, drawing on involvement Local Area Agreements (including inclusive arrangements embracing both District and County Councils in parts of the region characterised by two tiers of local government) to ensure alignment of local and regional priorities. SEEDA will look to bring particular focus and priority to its work in the following areas:

- The Growth Areas of Thames Gateway Kent; Milton Keynes and Aylesbury Vale; and Ashford;
- The remaining Diamonds for Investment and Growth that lie beyond the Growth Areas (Basingstoke; Brighton & Hove; Gatwick Diamond; Oxford / Central Oxfordshire; Reading; and South Hampshire), working closely with individual areas as they progress towards developing and implementing a cohesive strategy for sustainable prosperity and with inclusive governance arrangements;
- Major continuing regeneration programmes in coastal areas – Hastings and Bexhill; Dover and Margate.

In order to address these priorities effectively, SEEDA is developing a greater focus on cross-Agency working as described in the boxes below.

SEEDA is working with the **Partnership for Urban South Hampshire**, one of 13 national Multi Area Agreement pathfinders, and has established an **internal task group** to ensure that SEEDA's proposed investments in South Hampshire connect regional and sub-regional priorities. **Further proposals for Multi Area Agreements will also be supported as they come forward**, particularly in the Diamonds for Investment and Growth where functional economic areas straddle local and sometimes regional administrative boundaries.

Alongside the other two Greater South East RDAs, East of England and London, SEEDA is working with the Communities and Local Government department to develop and deliver the **Thames Gateway Economic Development Investment Plan (EDIP)** which will help to unlock £12bn GVA from a currently underperforming area. A £275m strategic investment fund is being established to support the plan to which SEEDA's contribution over the Corporate Plan period will be £30m. A cross-SEEDA team has been working with teams from the other two RDAs to develop a co-ordinated approach to the priorities to be funded through the EDIP. Our current thinking on the top five priorities for the SEEDA funding in the Thames Gateway is as follows:

1. The International Institute for Sustainability at Kent Thameside, Dagenham Dock and London Gateway, and the Thames Gateway Institute of Urban Renaissance, both of which will have links to the eco-city of Dongtan in the Shanghai region of China. This will link to a Sustainable Construction Academy at Ebbsfleet.
2. Strategic site acquisition for mixed use, low carbon development, including Kent Thameside Waterfront; Dartford Town Centre and Northern Gateway; Rochester Riverside; Chatham Maritime; and Queenborough and Rushenden.
3. Employability and skills initiatives delivering locally identified priorities.
4. Enhanced enterprise development, including a focus on environmental technologies and renewable energy. This will link to a region-wide challenge fund for renewables.
5. An innovation and creativity team again delivering locally identified priorities.

New delegation arrangements will be agreed with local authorities and other partners to succeed and build on the previous structure of Area Investment Frameworks and Area Programmes, ensuring that all SEEDA policy and investment is defined in terms of achieving regional and local economic priorities. In the mean time, **investment totalling at least £18 million in 2007-08 will be assigned to priorities set by local partners**, maintaining the level of locally-determined investment achieved at the conclusion of the 2005-08 Corporate Plan. SEEDA will approach the new Corporate Plan period with a **firm ambition to delegate funding to the lowest appropriate level wherever this is appropriate**. SEEDA's initial proposals for approaching delegation of funding are highlighted in the following sections, embedding this approach across the full range of SEEDA's operations.

Within the overall context of the Sub National Review, SEEDA will need to be prepared to respond to **additional new responsibilities and policy changes**, carrying forward the work of ongoing programmes such as Business Support Simplification and preparing with partners for major events such as the 2012 Games. SEEDA will continue to support the **South East England Brussels Office** which it currently manages and funds jointly with the South East England Regional Assembly, ensuring that South East England is represented by a visible and effective presence in Brussels. The management of the **2007-13 European Regional Development Fund Competitiveness Operational Programme** has now transferred from the Government Office to SEEDA. Effective implementation arrangements are now being put in place, working to advice provided by the Programme Management Committee. A robust performance management framework is also being established to ensure that the South East meets its annual spend targets, while bringing forward projects that deliver outputs and outcomes in line with the agreed Operational Programme.

Influencing Government policy and articulating the needs of the region's economy will continue to be key themes of SEEDA's work. This will include working with local and regional partners on behalf of the South East, collaborating with London and the East of England across the

Greater South East and as part of the **national RDA network**. Work with other RDAs will include maintaining SEEDA's lead roles on enterprise, innovation, **energy, waste, Corporate Social Responsibility, ICT and Broadband**, and **RDA best practice** in coastal towns.

3.3 GLOBAL COMPETITIVENESS

SEEDA's Corporate Plan 2005-08 made the decisive shift to focusing on the Global Competitiveness agenda, for example increasing investment in innovation and knowledge transfer from around £11m in 2004-05 to over £30m in 2007-08. The challenge for the next Corporate Plan period is to maintain this momentum while changing the composition of SEEDA's activities to reflect the new Regional Economic Strategy and developments in Government policy.

SEEDA's overall approach to developing this portfolio is guided by three principles:

1. **Simplification** - SEEDA is fully committed to the Government's Business Support Simplification Programme, which aims to rationalise the way in which businesses, from global corporates to SMEs, access publicly funded support, including reducing the number of business support products to fewer than 100 by 2010. SEEDA leads the contribution of England's RDAs to this programme. Within the new national business support framework, SEEDA will have flexibility to ensure that the support provided in the South East meets the particular needs of our businesses.
2. **Greater Inter-Regional Working** - In the Thames Gateway, the three RDAs have developed a joint Economic Development Investment Plan and have agreed with Communities and Local Government a joint Strategic Investment Fund to resource key initiatives within this Plan. As well as taking this approach further for the Thames Gateway, we will consider with partners how it can be adapted for other areas spanning regional boundaries, such as Milton Keynes South Midlands and the wider Greater South East and Oxford to Cambridge Arc initiatives.
3. **Local and Sub-Regional Focus** – the programme of integrated, place-based local Innovation Teams proposed below recognises that intervention may often best be focused below the regional level. The process of moving to this sub-regional model will be staged and we will respond to the desire and readiness of local partners to work with us.

The Global Competitiveness portfolio will comprise 3 main elements:

1. **Global Business and Foreign Direct Investment** – the existing network of **Investment Development Managers** and **International Trade Sector Advisors** will be maintained and strengthened as a key source of advice, expertise and networking for existing businesses in the region. SEEDA's support for **promoting and supporting inward investment** by global businesses of all sizes into the region will be maintained at current levels. A key part of this will be an increasing focus on working with local partners to fully capture the 'offer' that different parts of the region have for potential inward investors. This will include working with local authorities to strengthen the role of sub-regions in developing their inward investment offers across the South East, and particularly in those parts where there is potential to lift economic performance through securing new inward investors. As part of its support to inward investors and major existing businesses, SEEDA will continue to operate the **Selective Finance for Investment in England** programme to make grants available to businesses committing to job-creating investments. However, this will be at a reduced level, reflecting reductions in extent of the eligible areas in the region (now confined to parts of East Kent for larger businesses).

2. **Knowledge Transfer and Expenditure in Research and Development** – this element includes SEEDA's commitment to two of the transformational actions identified in the Regional Economic Strategy. **Science and Innovation Campuses** will build on internationally recognised research clusters, capitalising on the trend towards collaboration between businesses in pre-competitive research and development. First priorities for this Corporate Plan period will be development of Harwell/Chilton and the proposed international Institute of Sustainability in the Thames Gateway, The **environmental technologies programme** will support the growth of a vitally-important cluster by promoting international links with global leaders, building practical collaboration between existing businesses and supporting demonstrators and practical research in key areas. This programme will also help to deliver the reduction in the South East's ecological footprint, SEEDA will also support the **Innovative Collaborations** programme through a strengthened programme of knowledge networks; knowledge partnerships; and collaborative research programmes including **Innovation Platforms** both within the South East and at the pan-regional level. Informed by the South East Science and Technology Advisory Council, SEEDA will work increasingly closely with the national Technology Strategy Board (TSB) and the Research Councils in line with the agreement of the RDAs to invest £180m funding over the next 3 years alongside the TSB's own funds.
3. **Innovation and Creativity** – SEEDA will develop a broader approach to promoting innovation in the service and creative sectors as well as technology and science driven innovation. SEEDA has developed a number of regional programmes designed to address the particular needs of the South East. These include Enterprise Hubs, Designing Demand, High Growth SME Coaching and the Innovation Advisory Service. Working with local partners, SEEDA proposes to reshape these programmes into a locally-based **integrated service** focused through **Innovation Teams** on specific places and particularly the Diamonds for Investment and Growth, shaped by local priorities and local partners. Through the course of the Corporate Plan period, SEEDA will seek to agree priorities with local authorities and delegate funding for these Teams to them, particularly where collaboration across local administrative boundaries allows a focal point to address the particular needs of a functional economic area. The contribution of Business Link to this approach will be enhanced by the wider role it will play as the prime access point for all publicly funded business support. The **Manufacturing Advisory Service** and **Grants for Research and Development** will be maintained as regional programmes. As national RDA lead on innovation, SEEDA will work with the Department for Innovation, Universities and Skills on the development of the new national Innovation Strategy which is expected to be published during Spring 2008.

3.4 SMART GROWTH

Smart Growth is about raising productivity through development and smart use of technology, knowledge and skills and tackling the economic polarisation in the South East which results in pockets of deprivation, worklessness and a lack of community cohesion. This is the area of greatest direct relevance to many of the outcomes sought in the LAAs.

SEEDA will therefore maintain and build on its previous work on business support, skills and employment whilst focusing it more directly on particular gaps and priorities for lifting under-performance.

Since 2006 SEEDA had a leading role in stimulating enterprise through its work funding and managing the region's locally based Business Link service. Working with regional partners to

deliver the conditions for business success, SEEDA will tackle the enterprise gaps that exist between groups of the population and areas of the region; increase the prospects for small businesses to grow; and support delivery of the new national Enterprise Strategy, expected in spring 2008.

In skills and employment, SEEDA's role is to complement the work of the Learning and Skills Council, HEFCE, Local Authorities and Jobcentre Plus to catalyse new and integrated approaches to encouraging economic activity and raising skills levels, to avoid duplication of effort and to address market failure.

SEEDA's approach to developing this portfolio is guided by three principles:

1. **Simplification** - the Business Support Simplification Programme already described in the Global Competitiveness portfolio is central to the Smart Growth portfolio, creating route maps of support for Enterprise. The principle also applies to the employment and skills areas where SEEDA will work with its major regional partners to achieve 'individual support simplification' by aligning regional actors and funding in a transformational way through the Skills Escalator in order to make the link between skills attainment and employability.
2. **Leverage** – SEEDA's role on employment and skills is to work in support of the Regional Skills for Productivity Alliance and through it to ensure that the funds of major partners such as Jobcentre Plus, the Learning and Skills Council, the Sector Skills Councils, Higher and Further Education are aligned to deliver the RES outcomes. Work on Education-led Regeneration will focus this leverage on geographic areas lacking opportunities and attainment to gain wider economic development benefits out of the development of Further and Higher Education facilities.
3. **Local and Sub-Regional Focus** – the development of local Employment and Skills Boards and the further development of Business Links as the primary access to publicly funded business support demonstrate the importance of focusing Smart Growth interventions at the sub-regional and local levels to connect local and regional priorities. ESBs, with the involvement of local employers and business representatives will advise on the effectiveness of local employment and skills services in meeting local and sub-regional priorities. We expect that the major areas of need across the region will be in the Diamonds for Investment and Growth and the coastal area, subject to testing with local partners.

The Smart Growth portfolio has 3 main elements through which this central agenda is delivered:

1. **Enterprise** – SEEDA has both a leadership and a delivery role in this area. We will act as the regional lead in developing the **Business Support Strategy** in support of the national Enterprise Strategy and we will deliver the primary access to publicly funded business support through the six **Business Link** Providers. Main areas of development during this Corporate Plan period include: integrating **Train to Gain** brokerage into Business Link; focusing activity on supporting those in particular groups including women, young people, those aged over 50 and those from BME and rural communities to start and grow businesses; and mainstreaming business resource efficiency into the work of Business Link. **Enterprise Gateways** have a critical role to play in fostering a culture of enterprise in local, disadvantaged communities. Following an independent review of the programme we now place a greater emphasis on community outreach work, focusing on providing an intensive pre-start up service which will be mainstreamed into Business Link by 2010.

We will work with our business support delivery partners who provide business support, including local authorities and organisations who represent business, to establish a **Business Support Board**. The first task of the Board will be to oversee the development of a plan setting out how business support in the region will be transformed so that it is both fully compliant with the national framework and responsive to the particular needs of South East businesses. This plan will be completed by the end of May 2008 and the Board will go on to steer the preparation, by the end of 2008, of a fully integrated business support strategy in line with recommendations made by the Regional Assembly's Select Committee.

2. **Employment and skills** - SEEDA works in support of the **Regional Skills for Productivity Alliance** to deliver the two RES targets on employment and skills. SEEDA's role is one of facilitative leadership whereby regional actors and funds are brought together through **Local Employment and Skills Boards** to work in a transformational way in making the link between employability, skills attainment and productivity. SEEDA funding in this area will be used to pilot new approaches to delivery, to facilitate regional and local partnerships and to support local priorities identified through Local Area Agreements and other local development frameworks and strategies. A programme of **Education-led Regeneration** will use SEEDA funding to provide feasibility and intelligence on future demand for jobs and skills in order to align national partners' funding on achievement of wider regeneration and economic development outcomes.
3. **Competition and Business Regulation** – this is a new area of work in the Regional Economic Strategy and SEEDA will provide initial leadership in working with regional partners to develop a strategic approach to it in support of the national Enterprise Strategy. This will include work on influencing key fiscal and regulatory changes and developing a regional approach to public procurement through a new **South East Public Procurement Forum**.

3.5 SUSTAINABLE PROSPERITY

The context that drives sustainable development and economic inclusion and wellbeing in the Corporate Plan is both the challenge posed by the Ecological Footprint RES target and the fact that deprivation, particularly in the coastal area but present in pockets throughout the region, remains stubbornly persistent. Polarisation is increasing, as demonstrated by the new 2007 Index of Multiple Deprivation statistics. The likelihood is that carbon targets will be tightened as the Climate Change Bill passes into legislation, and while energy prices will encourage low-carbon solutions, it will not be fast enough to decouple carbon from the economy in a manner that allows the South East to retain its globally competitive position.

This context puts a premium on SEEDA providing better evidence and frameworks for investment decisions; visible leadership to focus attention at regional and local level; and making a shift from small-scale flagship projects and demonstrators to a more mass-market approach that will both reduce ecological footprint and give SE companies a global market edge, including through the environmental technologies programme mentioned earlier.

SEEDA's approach to developing this portfolio is guided by two principles:

1. **Local and sub-regional focus:** The Sub National Review and development of Local Area Agreements, especially as they begin to include a climate change objective, provide a huge opportunity for SEEDA to work more closely with local authorities on both ecological

footprint and sustainable communities alongside and in conjunction with our work with the business sector on carbon efficiency, renewables and environmental technology.

2. **Strategic leadership:** In terms of ecological footprint, the big and early wins are not yet being delivered through SEEDA's current portfolio of leadership work, flagship projects, capacity-building, and providing the evidence and know-how as a resource to the whole region. Over the Corporate Plan period we need to lead a step-change in understanding and activity such that the evidence base of all targets is understood, resulting strategies and actions have been agreed with major regional and local actors and new delivery programmes are being piloted at a sufficiently large scale to address the deep challenges faced by the region over the 3 year period.

The Sustainable Prosperity portfolio has 5 main elements by which this central agenda is delivered

1. **Climate Change and Energy** – SEEDA will provide leadership to bring partners together to deliver **large-scale energy and water retrofitting** of existing buildings and the **take-up of mass market renewables**. Rather than small-scale individual projects, the aim will be to saturate a local area, for example in Urban South Hampshire, Kent Thameside, Ashford, or Milton Keynes showing that local retrofitting and renewables approaches can work, and stimulating the supply chain. We plan to set up a Renewables Panel and Fund, seeking priority bids not giving grants on a one-by-one basis, and a revolving fund for large-scale basic retrofitting.
2. **Sustainable Consumption and Production** – SEEDA will provide leadership to bring partners together to move from **small scale recycling projects to becoming a Zero Waste Region** – a programme supported by the Environment Agency, and involving the private sector in focusing on turning waste into profit. SEEDA will also mainstream the **Business Resource Efficiency** pilot into the work of the Business Link and **stimulate innovative solutions** such as smart- or home-based working.
3. **Natural Resources and Environment** – SEEDA will work in support of Natural England to develop the business case for maintaining and enhancing ecosystem services in the regional landscape.
4. **Sustainable Communities** – SEEDA activity will major on linking priorities with the anticipated new National Regeneration Framework. We will draw together South East expertise, as well as good practice elsewhere, to identify, pilot and disseminate **solutions to worklessness and polarisation** in communities. Building on growing evidence that culture and the creative industries can provide an important driver for economic and social regeneration, we will develop a **framework for cultural investment** with partners, that contributes to innovation, new markets, distinctiveness of place, aspiration, economic inclusion and quality of life. A priority will be to support local partners to develop strong proposals for the Department of Culture Media and Sport's **Seaside Resorts Fund** where culture is a priority in their Sustainable Community Strategies and Local Area Agreements. The South East already has a partnership framework and a strong, well-defined offer to **make the most of 2012**, and SEEDA will contribute to making the **Cultural Olympiad** Programme of festivals and events a success, as well as the South East proposal to the Legacy Trust Fund. Recognising that collaborations between business and third sector can play a significant role in delivering sustainable communities, SEEDA will continue to chair and provide strategic guidance at a regional level through the new **Corporate Cabinet**, which brings major corporates together to generate leadership and action on

Corporate Social Responsibility.

5. **Rural** - the Regional Economic Strategy recognised a specific rural contour as part of its focus on 'place'. Regional partners have agreed that there will be one unified rural action plan supported by a single rural strategy, embracing social and environment issues in addition to economic issues. The main principle for delivery of rural support will be through **mainstream activity**. The activity under Business Links; Enterprise Gateways; major site development; Tourism and Culture; Skills and Inclusion and Diversity are mainstream approaches where we seek to strengthen the rural dimension and would expect rural issues to be part of considering the distinctiveness of each place in our work with local partners.

However there are 3 areas where a specific approach is needed:

- **Encouraging new business in rural areas** using existing assets such as redundant buildings which both create local jobs and reduce travel and improve the regions ecological footprint;
- SEEDA is now fully responsible for the economic delivery elements of the **Rural Development Plan for England** (representing £30 million in additional EU funding over the Corporate Plan period), working closely with land-based industry groups to make the most effective use of this new funding;
- Ensuring that rural communities are places where people both live and work through our catalyst role to test better access to services and our **Small Rural Towns** programme which seeks to make them 'capitals' for their rural hinterlands.

3.6 ENABLING INFRASTRUCTURE AND DEVELOPMENT

Progress against RES objectives across each of the Corporate Plan portfolios described above requires a supportive physical environment which provides the highest quality of built and natural environment, access to global markets, local connectivity and community cohesion. In a region as prosperous as the South East, many of these benefits can be provided by the market but market failures exist, particularly around the provision of infrastructure, holistic economic development of disadvantaged areas creating thriving communities where people will work as well as live and, as the Stern Review identified, around mitigating and adapting to climate change.

In some localities and sub-regions and for some strategic regional transport priorities, there is a need for both expertise and funding to be applied to deliver particularly important, difficult or strategic projects. The proposed Strategic Development Fund and enabling work on infrastructure, transport and physical development provide a concentration of funding and professional expertise that can be deployed to support localities and sub-regions to meet this challenge.

This means that the major shift for this Corporate Plan period will be away from smaller projects towards a portfolio focusing on fewer, big, critical projects which are expected to have a transformational effect in delivering RES objectives. This shift brings great challenges and difficult choices around priorities across the region and we will work with partners to make those choices and achieve funding to deliver transformational developments that are both local priorities and influential in the wider market.

SEEDA's approach to developing this portfolio is guided by three principles:

1. **Local and sub-regional focus:** SEEDA's enabling role is an important resource by which local, sub-regional and regional priorities can be met through drawing together local authorities and other partners, sometimes into special purpose vehicles.
2. **Strategic leadership:** SEEDA's development and infrastructure work will pilot, and then seek to mainstream, cutting edge approaches to regeneration and infrastructure, aiming particularly to identify ways of achieving a reduction in the region's ecological footprint.
3. **Leverage:** The funding necessary to transform the physical environment of the South East to support the RES objectives is of a magnitude whereby public and private sector funding must be levered in through the Regional Infrastructure Fund, special purpose vehicles and the Brownfield Land Acquisition Company.

The Enabling Infrastructure and Development portfolio has 3 main elements by which this central agenda is delivered:

1. **Strategic Development Fund** – SEEDA's capital investment will be brought together into a single Strategic Development Fund which will allow more efficient and flexible portfolio management of what are often complex projects characterised by large peaks in resource requirements over time. The existing portfolio of projects will be reviewed to bring increasing focus to fewer, more critical projects and to ensure that they align with RES objectives and address sub-regional and local priorities.
2. **Enabling Infrastructure, Transport and Physical Development** – SEEDA will work closely with the Regional Assembly, Regional Transport Board and Regional Housing Board to ensure the delivery of key infrastructure and transport projects, particularly through the leverage of European funding. Through **South East Excellence** SEEDA will also work to build the capacity of local partners and the construction industries to deliver the highest quality of design and construction standards in new development.
3. **Regional Infrastructure Fund** – For the South-East to maintain and increase its global competitiveness, barriers to the timely provision of infrastructure need to be addressed. With the Regional Assembly, SEEDA will lead on the development of a Regional Infrastructure Fund, which is designed to unlock critically important infrastructure schemes and bring forward the timing of regionally significant projects, such as major employment or housing programmes. Subject to agreement on partners' funding, SEEDA proposes to invest £0.5m on planning in 2008/9 and commit £5m in each of the following years to the Regional Infrastructure Fund over the coming Corporate Plan period to put alongside investment from the Homes and Communities Agency, the Department for Transport and other contributions to an expanded Regional Funding Allocation. The aim is for the fund to leverage public and private sector funding to reach a size of £350m by the end of the plan period, which can only be achieved through partnership working, with key partners such as the Department for Transport and Communities and Local Government, to attract the seed investment required of some £50 million over 3 years, which can then enable further borrowing as part of a revolving fund.

3.7 DEVELOPING SEEDA

SEEDA was very pleased to be recognised as a strongly performing RDA in its first Independent Performance Assessment carried out by the National Audit Office. In particular, our top rating on achievement is regarded as a significant success. We recognise however that capacity in the organisation needs to be built further, and that the clarity of our prioritisation and performance management needs to be improved both to enhance partners' understanding and buy in to the initiatives that SEEDA will be involved with, but also to improve the effectiveness and efficiency of our handling of projects throughout their lifecycle.

Building on the Improvement Plan agreed with the NAO, and in recognition of the new challenges which the current RES provides, SEEDA has been moving forward with a programme of Organisational Development to tackle the above issues. The immediate areas of focus are, (i.) to put in place the right system infrastructure to support the effective management of our organisation, (ii.) to shape the organisation to fit the new RES and the changes that will bring about in our work, and (iii.) to improve SEEDA's own capacity to lead, influence and contribute within the region and across regional boundaries.

SEEDA has already refocused its management structure to be aligned with the main themes of the new RES. We have also recruited a new Executive Director to lead the development of our role in Sustainable Prosperity. We are in the process of strengthening the Area Teams and their coverage of the region to support increased focus on Place and engagement with local partners.

The Corporate Plan recognises the need for SEEDA to change in order to deliver more effectively under the new RES and in line with the Improvement Plan. To do this we will need to become more strategic, to have an enhanced external focus particularly on working with partners in relation to appropriate delivery in their areas, and to seek to ensure multiple outcomes from each of the projects or programmes which we undertake.

Work is underway to enhance both the managerial and leadership capacity in the organisation through specific coaching, support, and selective recruitment. Performance management systems have already been improved but will continue to be a major focus for development during the early part of the Corporate Plan, as will the transparency and clarity of the necessary reporting with our partners. In addition to this change programme which is already well underway, the still developing implications of the Sub National Review will also be addressed in the plan.

Responding to the Sub National Review

Implementing the key proposals contained in the Sub National Review will represent the most substantial programme of change SEEDA has undergone since it was established in 1999. The development of a Single Regional Strategy will considerably broaden SEEDA's strategic role, in terms both of the scope of the Strategy and the imperative to increase ownership, engagement and accountability. Alongside this, the delegation of programme funding to local authorities will require new business models to be developed, alongside significant changes to appraisal and evaluation processes. Where local capacity may not be appropriate to facilitate delegation, SEEDA will need to find ways of working with partners to build the necessary capacity.

Both of these developments will require changes in legislation prior to their full implementation, indicating a period of change and development that will span much of the next 3 years. It is also clear that the relationship between SEEDA and local government lies

at the heart of both these changes. SEEDA has since its inception sought to build strong and constructive relationships with local government, and we can point to many successes both in strategy development and in programme delivery. However this relationship will now need to change and deepen. Local government leaders will need to see clear accountability and will expect to work closely with SEEDA from the outset if they are to own the Single Regional Strategy. This is also true for other stakeholders. SEEDA has worked closely with local authorities and regional partners to begin the process of preparing for the move to a Single Regional Strategy, and is ready to develop proposals working closely with others once the forthcoming SNR Implementation Consultation Document is published.

In the meantime, SEEDA's Area function has been strengthened considerably to anticipate the shift to delegating funds to local authorities. The number of Area Teams has been expanded from 4 to 5, and are being re-configured to connect local and sub-regional priorities with the full breadth of SEEDA's work. Analysis underpinning this draft Corporate Plan will allow a clearer focus on the totality of SEEDA's proposed investment in given areas.

SEEDA's Communications function will also be strengthened to support a joined-up organisation working with partners to high standards of openness and transparency. Underpinning this will be a corporate communications strategy, setting standards for both internal and external communications.

4. FUNDING AND OUTCOMES

4.1 FUNDING ANALYSIS

The table below summarises the proposed broad allocation of funds, including forecast receipts, against the programme portfolios and elements described in the previous section. It includes headroom for new opportunities and as-yet unplanned functions and developments.

PROGRAMMES	2008/09	2009/10	2010/11	2008-11
	(£,000)	(£,000)	(£,000)	(£,000)
Global Competitiveness				
Global Business and Foreign Direct Investment	4,680	4,560	4,780	14,020
Knowledge Transfer and Expenditure on R & D	16,440	16,000	16,790	48,230
Innovation and Creativity	15,680	15,270	16,010	46,960
ICT/Broadband	1,800	1,490	1,660	4,950
Total	38,600	37,320	39,240	115,160
Smart Growth				
Enterprise	27,890	28,560	27,280	83,730
Employability and Skills	5,400	5,260	5,520	16,180
Competition and Business Regulation	900	870	920	2,690
Total	34,190	34,690	33,720	102,600
Sustainable Prosperity				
Climate Change and Energy	650	2,240	2,900	5,790
Sustainable Consumption and Production	2,010	3,870	3,790	9,670
Sustainable Communities/culture	5,640	6,270	7,830	19,740
Rural/Natural Resources and the Environment	4,410	4,210	4,140	12,760
Total	12,710	16,590	18,660	47,960
Enabling Instructure and Development				
Strategic Development Fund	42,280	35,910	33,060	111,250
Housing, Infrastructure and Transport	4,660	8,920	10,010	23,590
Total	46,940	44,830	43,070	134,840
Strategic Influencing*				
Strategic Partnerships	1,800	1,760	1,840	5,400
Communications	900	880	920	2,700
Research/Evaluation	900	880	920	2,700
Total	3,600	3,520	3,680	10,800
Programme Total	136,040	136,950	138,370	411,360

* Does not take account of resources needed to take on proposed new responsibilities

4.2 PATTERN OF FUNDING BY AREA

SEEDA has a strong history of investing in place, with budgets in early years dominated by Single Regeneration Budget (SRB) schemes and physical infrastructure projects. SRB projects concentrated on deprived areas mainly along the coast but with significant pockets of investment in Reading and Slough. Over time, SEEDA's investment has become more balanced with a greater emphasis on regional and cross regional programmes. SRB has now largely ended, although some residual projects will be completed by March 2008.

The Area Investment Framework (AIF) programme was introduced in 2004-05 and was followed the next year by area programmes in Milton Keynes, Oxfordshire, Buckinghamshire and Berkshire with the objective of addressing pockets of deprivation away from the coast. SEEDA's funding for AIF and area programmes has totalled £46.4 million during the 2005-08 Corporate Plan period with £18m allocated to it in 2007-8.

SEEDA will allocate its funding during this Corporate Plan period, in a way which supports the particular focus and priorities set out in section 3.2 above:

- The Growth Areas of Thames Gateway Kent; Milton Keynes and Aylesbury Vale; and Ashford;
- The remaining Diamonds for Investment and Growth that lie beyond the Growth Areas (Basingstoke; Brighton & Hove; Gatwick Diamond; Oxford / Central Oxfordshire; Reading; and South Hampshire), working closely with individual areas as they progress towards developing and implementing a cohesive strategy for sustainable prosperity and with inclusive governance arrangements;
- Major continuing regeneration programmes in coastal areas – Hastings and Bexhill; Dover and Margate.

4.3 CORPORATE PLAN OUTCOMES

The table which follows in Annex 1 summarises work in progress on outcomes to be achieved through this Corporate Plan, aligned against RES targets and the new performance framework for Regional Development Agencies.

4.2 CORPORATE PLAN PRIORITIES

The summaries which follow in Annex 2 show in more detail how SEEDA will prioritise its investment by theme and by place in order to deliver the outcomes and outputs set out in Annex 1.

5. NEXT STEPS

This draft Corporate Plan was approved by the SEEDA Board on 31st January and is now published for consultation for a six week period between 1st February and 14th March 2008. Following this a final Corporate Plan will produced and signed off by the SEEDA Board by the end of March 2008 for submission to the Secretary of State. The document will be published once it has secured approval from the Secretary of State.

The document will be available of SEEDA's website throughout this period. Copies of the document have been forwarded to BERR who will coordinate the dialogue with central government departments, and to regional and local partners including the Regional Assembly, regional local government groupings, other public agencies and stakeholder groups.

The centrepiece of the consultation process will be a Select Committee hearing conducted by the Regional Assembly on the 13th February and agree it recommendations at its Plenary Meeting on 5th March. This will be augmented by meetings and presentations involving SEEDA staff as required.

If you require a hard copy please contact Rob Nolan on **robertnolan@seeda.co.uk** or **01483 484242**. Electronic copies are available from the SEEDA website on www.seeda.co.uk.

We would welcome comments from stakeholders and partners on the overall direction the plan is taking and on specific issues of concern. Please provide us with your views by

Email to: **corporateplan@seeda.co.uk**

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