



SEEDA's Mission, Objectives, Role and Values

MISSION

SEEDA's mission is to work with its partners to make the South East of England a World Class region, achieving sustainable development and enhanced quality of life, as measured by:

- Economic prosperity;
- Environmental quality; and
- Social inclusion – ensuring opportunities and meaningful employment for all.

OBJECTIVES

SEEDA's five statutory objectives under the Regional Development Agencies Act 1998 are:

- To further economic development and regeneration;
- To promote business efficiency, investment and competitiveness;
- To promote employment;
- To enhance the development and application of skills; and
- To contribute to the achievement of sustainable development in the United Kingdom.

ROLE

SEEDA seeks to meet these objectives in the South East by working with partners to:

- Help businesses to create wealth;
- Ensure that all parts of the region perform to their full potential;
- Remove the barriers to higher and sustainable levels of growth and prosperity;
- Develop a skilled workforce capable of meeting the needs of the regional economy both now and in the future;
- Ensure that the benefits of increasing prosperity are socially inclusive;
- Develop sustainable and strategic regeneration and community-led development;
- Ensure that increased prosperity and environmental quality go hand in hand;
- Maximise the contribution that the region makes to the national economy; and
- Promote networks at local, sub-regional, regional and national levels, and internationally with the key knowledge-based economies across the world.

VALUES

SEEDA's values are to:

- Focus on our customers and partners – understanding and responding to their needs;
- Respect and empower our colleagues – harnessing their strengths and experience and valuing their diversity;
- Learn continually – using every opportunity to acquire new skills, knowledge and experience and share it with others;
- Communicate effectively – sharing information and knowledge to the wider benefit of SEEDA and the region;
- Take responsibility – innovating and taking initiative within our areas of competence;
- Minimise bureaucracy – achieving high performance whilst maintaining probity; and
- Create an enjoyable work environment – achieving a reasonable balance between work and home life.

North Oxford Enterprise Hub. Many of SEEDA's 15 Enterprise Hubs are based on University campuses and Science Parks utilising the existing knowledge base and technology where advanced engineering is a key sector focus.



SEEDA, Brighton & Hove City Council and Brighton & Hove Regeneration Partnership are working together to redevelop Preston Barracks in Brighton. This former Territorial Army site was acquired by the City Council in 2002. SEEDA has provided financial assistance through the Single Regeneration Budget (SRB).



The development of the Cowes Waterfront initiative, a partnership between SEEDA, the Isle of Wight Council and the Isle of Wight Economic Partnership, will allow composite manufacturers such as NEG Micon Rotors to optimise the use of waterfront sites for further growth, helping to drive forward the economy of the Island.



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Ventura Homes on St. Mary's Island, Chatham Maritime (SEEDA's flagship regeneration project), which feature a very unusual architectural style with butterfly shaped roof lines and strong use of colour and glass.

1 Chairman's Review

I took over as SEEDA's second Chairman in December 2002, having lived and worked in the region for nearly 27 years. My impression of the region has always been one of prosperity, which indeed is true with a Gross Domestic Product (GDP) of £140 billion. The challenge, however, is to keep that prosperity coming and spread it to all parts of the region without damaging the environment in which we live.

I have a six point agenda which I call my six "I"s. These six are Innovation, Investment, Infrastructure, Integration, Inclusion and Implementation. I am pleased to see that in this Annual Report, SEEDA has made progress on a number of these already, and I have noted a few examples on the following pages. I intend that we will build on these six "I"s to help to address major issues which would surprise many people - in particular, the fact that we have the 4th highest number of deprived wards in the country - 119 in all. Other statistics show we have more people than any other region with poor literacy and numeracy skills (nearly 800,000 adults), and more substandard housing than elsewhere (284,000). I am committed to addressing these issues.

"...the challenge is to keep the prosperity coming and spread it to all parts of the region without damaging the environment in which we live..."

SEEDA Chairman, Jim Brathwaite CBE (third left) with Alan McClafferty, Chairman of the Surrey Economic Partnership (second left), and Councillor Nick Skellett, Leader of Surrey County Council (far left) at a reception hosted by Surrey Economic Partnership. The reception involved a number of presentations on the subject of Key Worker Housing. Also pictured are representatives of Housing Associations, District Councils, the Health Service and Commercial Developers who led a discussion on Key Worker Housing quoting innovative examples in the Surrey area.



Innovation

We have a very inventive region, with many innovative companies and almost 30% of the UK's research and development. Our universities are some of the best in the world as seats of learning. We must turn even more of this resource of knowledge and raw talent into economic prosperity. We must encourage our people in both private and public sectors to innovate and exploit their ideas. We must increase our productivity by working smarter not harder – while we may be the most productive UK region – we lag the US average by 15%.

Our Enterprise Hub and Gateway initiatives aim to encourage innovation and enterprise, and by the end of 2002-2003 we had 15 approved Enterprise Hubs, with five more at the development stage. Enterprise Gateways will actively focus on groups and areas where entrepreneurship and business skills are low, including not-for-profit businesses and social enterprises. Also targeted at innovation are our Cluster and Sector networks, which we will continue to focus and expand.

“...this Report shows that SEEDA has invested substantially in improving the skills of the region...”

Investment

Adopting new technologies, plant and equipment and working practices are all areas to invest in for our productivity drive, but we must also invest in our people - their skills and living conditions. We must ensure that Government understands that they too must keep investing in this region if it is to continue to thrive and provide the UK with the £20 billion of surplus funds which the South East currently gives to the Chancellor each year, representing over 45% of the net UK tax contribution the Chancellor receives.

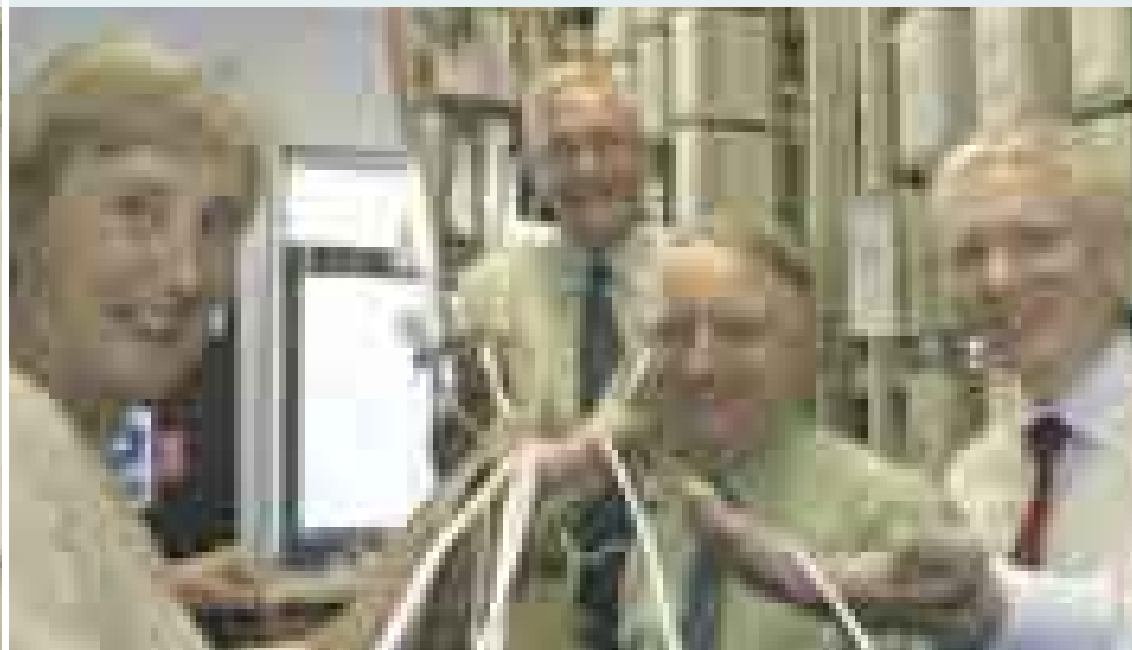
This Report shows that SEEDA has invested substantially in improving the skills of the region. The major part we played in the development and launch of the Framework for Regional Employment and Skills (FRESA) and the ongoing work on this, is indicative of our commitment to skills improvement at all levels. We are working on Basic Skills projects, to improve literacy and numeracy within the workplace to maximise the potential of all those in work, as well as reaching out to excluded communities, often within the 119 deprived wards in our region, to facilitate lifelong learning and to encourage skills development.

Our investment has also included inward investment, and although in today's world economy it is not as easy as it once was to attract new companies, we remain the UK's leading region for attracting investment, especially in high value added activities such as company headquarters, and research and development.

Newbury Enterprise Hub is based at Greenham Park; and companies benefiting SEEDA's Hub network include Spino Ltd which is developing a new form of super strength thread.



The enabling of the Battle Telephone Exchange is the result of a partnership consisting of BT, the South East England Development Agency (SEEDA) and Sea Scape – Hastings and Bexhill Renaissance, the company formed to drive the regeneration of the local economy. Other partners are East Sussex County Council, Hastings Borough Council and Rother District Council. Pictured here is SEEDA Broadband Director Peter Radley (second right) celebrating the enabling of the with (from left to right), Patricia Vaz, BT; Graham Gubby, Leader Rother District Council and Keith Sadler, Deputy Director for the Hastings and Bexhill Task Force.



Infrastructure

Successive governments - in terms of investment in our trains and roads - have neglected the region. Thankfully, because the country needs our economic drive, we are seeing some of our priority schemes coming forward such as the Hindhead Tunnel and the dualling of the A21. These successes have been the result of a concerted effort by all of our partners. We must make sure we get our fair share of all transport provision and continue to press Government to take forward the results of several key multi-modal studies, including ORBIT (M25) and SoCOMMS (South Coast Multi-Modal Study).

If you are not connected in this world, you are nowhere, and a key factor in making connections and driving productivity increases, is Broadband communication. There is much still to do to make Broadband available to all at a reasonable price. We have made a start - this Report describes how we have, among other things, prepared a Broadband Strategy, completed the demand survey stage of the Coastal Superhighway, and launched our successful satellite grant service and wireless pilots across the region. Plans are also in hand for a series of projects to make Hastings Britain's first e-town, and 2,618 Broadband subscribers have signed up for ADSL Broadband services in Hastings and Bexhill.

Integration

This very large and diverse region is still finding its identity, so that all parts realise the contribution they can make to the whole. Probably the greatest of SEEDA's achievements during this year has been the co-ordinated consultation, which produced our new Regional Economic Strategy (RES), a document that brought together all our varied partners. 263 written contributions, plus a great many consultation events and discussions involving over 5,000 individuals and organisations, informed this, so it is truly an integrated strategy for the region, with widespread commitment to the action needed to push the Strategy forward.

Major projects ahead will test our regional integration to the full; the Government's Sustainable Communities Plan challenges the South East on the provision of more living space in the growth communities of Thames Gateway, Ashford and Milton Keynes, and on the need for enough affordable housing everywhere. Our greatest challenge continues to be how we can together enable those in the less advantaged areas benefit from the success enjoyed by many - those in the pockets of deprivation in the west and those suffering severe deprivation along the coast and in many communities across East Sussex and Kent.

“...probably the greatest of SEEDA's achievements during this year has been the production of our new Regional Economic Strategy...”

Gosport, Hampshire is one area where SEEDA is investing in the local business community with the development of a new Business Park and Enterprise Centre. SEEDA is providing opportunities for private sector businesses to develop and grow in the Gosport area by bringing brownfield sites back into use.



SEEDA continue to invest in sector specific skills development to help maintain competitive advantage. Peter Hartard (pictured centre), at the Swim Centre, Littlehampton, is one of SEEDA's newly appointed Sector Skills Development Managers responsible for skills development in sectors ranging from Distribution to the Public Services,



Inclusion

SEEDA must give the highest priority to economic and social inclusion, working with our partners. We have created a new Division to deal with these issues. The South East may be the locomotive of the UK economy, but I see the locomotive pulling a tender of unspent fuel, which is like the non-performing parts of our region.

The 119 poorest wards of the region, and the people who live in them, and the one in five adults throughout the region who cannot effectively read and write, are a resource we must help to make a fuller contribution and find prosperity for themselves and their families. We can help, but we must also motivate people to help themselves.

I was born in Barbados, and my parents came to the United Kingdom in 1956. Successive waves of immigrants from across the globe have faced many obstacles and discrimination; however, they have brought with them many skills and a cultural diversity that have contributed and enriched our society. We need to make the most of this. Diversity is a great strength, and by improving attitudes to providing opportunities and equality of treatment for all potentially excluded individuals, we can benefit both individuals and our regional economy.

One of the achievements in this Annual Report is the launch in June 2002 of the Regional Social Inclusion Statement, the first of its kind in the country. This explains the principles and issues on which we and our other six regional partners will work.

“...diversity is a great strength, and by improving attitudes to providing opportunities and equality of treatment for all potentially excluded individuals, we can benefit both individuals and our regional economy...”

The Barn, Blackbird Leys Estate, Oxford - SEEDA Chairman, Jim Brathwaite CBE, being interviewed by children from Windale First School, during his visit to Oxfordshire. Blackbird Leys is ranked 25th of the region's 119 most deprived wards. The estate incorporates the largest area of social housing in the city, and has a population of approximately 13,000. The main focus of the scheme is on the Leys Linx Centre where a variety of initiatives are run including IT Training and Credit Union.



Implementation

The hardest “I” of all! I have referred to the new Regional Economic Strategy (RES) - but writing the plan and executing it are two different things. We must all get things done on time and right first time. In SEEDA we are committed to being ever more businesslike in our approach, and to try to reduce the level of bureaucracy that often typifies Government while, ensuring the correct management of tax-payers funds. We need a concerted joint approach by all public, private and voluntary sector partners across the region if we are to bring the changes we all desire and deliver the priorities we have set ourselves as a region.

The Challenge Ahead

This, then, is the challenge for SEEDA. We must build on this Annual Report, which demonstrates an amazing breadth of SEEDA activities and achievements. Using the six “I”s, we can focus on maintaining and increasing sustainable growth, maximising economic prosperity for all those in the region.

I close by expressing warm gratitude to the previous Chairman, Allan Willett CMG. His contribution over the past four years has been immense and SEEDA can move forward to build on the firm foundation that he has laid.

“...in SEEDA we are committed to being ever more businesslike in our approach, and to try to reduce the level of bureaucracy...”



James E Brathwaite CBE
CHAIRMAN

The rural economy is a major revenue generator for the South East and a key issue for SEEDA. There are an estimated 22,000 registered farm holdings in the region alone, according to the Department for the Environment, Food and Rural Affairs' (DEFRA's) 2002 Agricultural Census.



Former SEEDA Chairman, Allan Willett CMG, (right) handing over to his successor, Jim Brathwaite CBE, (left) in December 2002.





One of SEEDA's major regeneration projects - Hastings, East Sussex, won the bid to become one of the seven nationwide Millennium Communities. The Hastings Millennium Community will provide 1,000 new homes combined with mixed-use community facilities and commercial space, to create vibrant new neighbourhoods on under-used land near transport hubs.

1 Chief Executive's Review

In this, our fifth Annual Report, I am delighted to advise that SEEDA continues to meet and exceed the demanding targets agreed by Government, improve our delivery of value for money in our programmes, whilst undertaking an ever increasing range of activities and responsibilities. The achievements on jobs are especially noteworthy in a period of global downturn.

Core Targets 2002-2003	Target	Actual
Jobs created and safeguarded: SEEDA-funded projects	1,543	2,307
Jobs created or safeguarded: Foreign direct investment	1,250	1,800
Hectares of brownfield land remediated	40	56
Individual learning opportunities >30 hours	3,454	15,018
New businesses sustained after 12 months	91	105

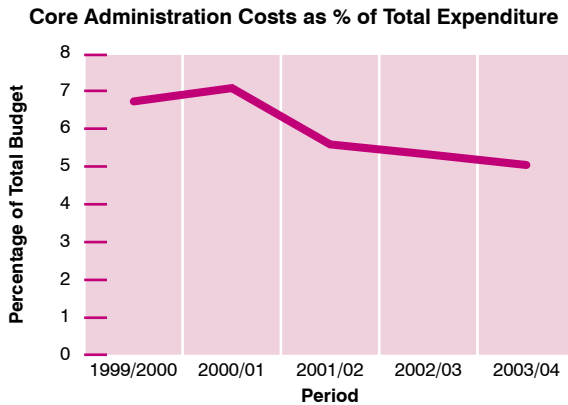
“...the achievements on jobs are especially noteworthy in a period of global downturn...”

SEEDA funded The Older Person's Conference, Winchester, which focused on the role of older people in the region. Pictured here is SEEDA Chief Executive, Antony Dunnett (front right) with conference delegates.



Making the Best Use of our Resources and Finance

We have increased our own efficiency, reducing the core administrative (central and corporate) costs as a proportion of our annual expenditure.



Over the past year, we have taken on responsibility for administering Regional Selective Assistance (RSA), a financial support mechanism for small businesses that we now administer as part of a range of tailored services to business. During the first year, £1.33 million of RSA assistance has been paid to companies, this contributes to capital investment of £12.72 million to be injected into the Assisted Areas over a three to four year period, with 660 jobs created or safeguarded.

Also, SEEDA is now a co-financer of the European Social Fund (ESF), ensuring that the limited amount of European Union (EU) funding that comes into the South East achieves maximum benefit. In 2002-2003, £0.99 million of ESF grant was paid out together with SEEDA match funding to 13 projects.

Amongst other new roles that we have taken on during the course of the year is to be one of four Regional Development Agencies (RDAs) piloting a joint approach to adult learning with the Local Learning and Skills Councils (LLSCs). We were asked to assist the merger of the two Tourist Boards and assume responsibility for reviewing and funding their project programme.

“...on the national stage, SEEDA has been given lead responsibility across the RDAs for much of the DTI agenda – manufacturing, innovation, competitiveness, clusters, science, research councils, Broadband/ICT, corporate social responsibility, energy and environmental industries...”

SEEDA is working with the business and academic communities in the region to identify key projects in the nano and micro technology field. Pictured is Multiprobe MXPS, produced for export by Omicron NanoTechnology Ltd, East Grinstead, West Sussex.



Developing our Strategic Role

Four years ago, in accordance with one of our key statutory responsibilities, we set about creating a Regional Economic Strategy (RES). Our original commitment was to review it after three years, once relationships had been firmly established with partners and the remit from Government was more defined. This we successfully accomplished during the past year. The importance of the RES is that it sets both regional and sub-regional priorities that can be further refined and detailed in the Area Investment Frameworks (AIFs). The AIFs in turn determine the priorities for SEEDA's funding.

To prepare the RES we conducted a major consultation exercise with partners, using seminars, conferences, written surveys and electronic responses. In total, over 5,000 individuals and organisations were involved, enabling us to produce a strategy that truly reflects the priorities of the region. The Regional Economic Strategy sets the policy framework for the next 10 years, and is accompanied by a series of supportive publications available at: www.seeda.co.uk/seeda_documents/index.htm.

- An Economic Profile of the South East – an 80 page analytical report on the state of the region;
- Global Index of Regional Knowledge Economies – benchmarking the South East (Robert Huggins Report) against the top 50 regions in the world;
- Future Think – a “Foresight” review looking at the range of risks and opportunities facing the South East economy over the next 20 years.

Since the publication of the RES in October 2002, SEEDA and its partners have been working to produce Action Plans, which will be published early in the new Financial Year.

In addition to co-ordinating and determining the RES, SEEDA took a leadership role setting the Framework for Regional Skills Action (FRESA). This aims to identify and prioritise the skills needs in the region, and address them on a sectoral basis. The FRESA is now being implemented through a new regional forum, Action South East, bringing together all the players in skills and learning across the region for the first time.

On the national stage, SEEDA has been given lead responsibility across the RDAs for much of the DTI agenda – manufacturing, innovation, competitiveness, clusters, science, research councils, Broadband/ICT, corporate social responsibility, energy and environmental industries. In that lead role, we co-ordinated the RDA submissions to the House of Lords Select Committee investigation into Science and Technology and to the House of Commons Select Committee on Rural Broadband. SEEDA has also made independent submissions and contributed to joint RDA submissions to various Parliamentary Select Committees, addressing issues as diverse as housing and reducing regional disparities in economic performance. SEEDA's influencing role is vital, and we contributed significantly to the RDA response to the Higher Education White Paper to protect our important research base.

(Left to right), Pat Davies from Isle of Wight Older Voices benefits from free training funded by SEEDA and learns to use a PC with the help of IT consultant Steve Fitzgerald.



The River Darent in Kent, one of the rivers studied in the SEEDA-supported research into sustainable management of river catchments.



Adding Value through our Programme

SEEDA has limited direct financial resources, so has to target its interventions to achieve maximum benefit. This we could not do without close co-operation from and with our partners. During the year, we have continued to build on our productive relationships with the South East England Regional Assembly, Parliamentarians, Small Business Service (SBS), Local Learning and Skills Councils (LLSCs), Business Links, Business organisations, the Unions and the Higher and Further Education sectors and many others.

One way in which SEEDA is increasingly seen as adding value to the work of its partners is from its ability to influence and to catalyse networks. The majority of business in the South East is conducted by small companies, many with fewer than 50 employees. Companies like these are unlikely to have all the various facets of business expertise 'in-house'. For them to flourish, it is vitally important that they can link into like-minded companies and gain that essential critical mass of skills. Similarly, for the major problems facing the region, SEEDA has helped to bring together the right mix of knowledge to cover all aspects of the problem in order to propose a viable and sustainable solution. SEEDA's Business Sector Groups; the networks surrounding our Enterprise Hubs; the working parties in Skills Action South East; the South East Water Resources Forum and the SEEDA Waste Market Group, are all examples of SEEDA bringing people together for mutual benefit. In February 2003, we held the first meeting of the South East Science and Technology Advisory Council, bringing together our top Universities, research institutions and industry to develop the region's leading science base.

This past year has shown the value of careful groundwork as some of our early projects have moved vigorously into delivery phase. Some have been so successful that it has been a challenge to deliver them fast enough to an insatiable market. For example, Computer Clubs For Girls, which aims to excite teenage girls into becoming engaged with IT through an imaginative programme of pop culture based IT and web-based projects, has been enthusiastically taken up during its pilot phase. 24 schools are now involved with a further 100 commencing in September 2003. Each of those individual clubs has a waiting list of eager pupils.

"...SEEDA is increasingly seen as adding value to the work of its partners from its ability to influence and to catalyse networks..."

(Left to right, back row), Pop group 3SL, SEEDA's former Head of Learning and Skills Development, Kathy Slack (now Area Director for Hampshire and Isle of Wight), (front row), Langleywood (Berkshire) pupils participating in the scheme, (front right), CC4G Project Manager, Debbie Warren.



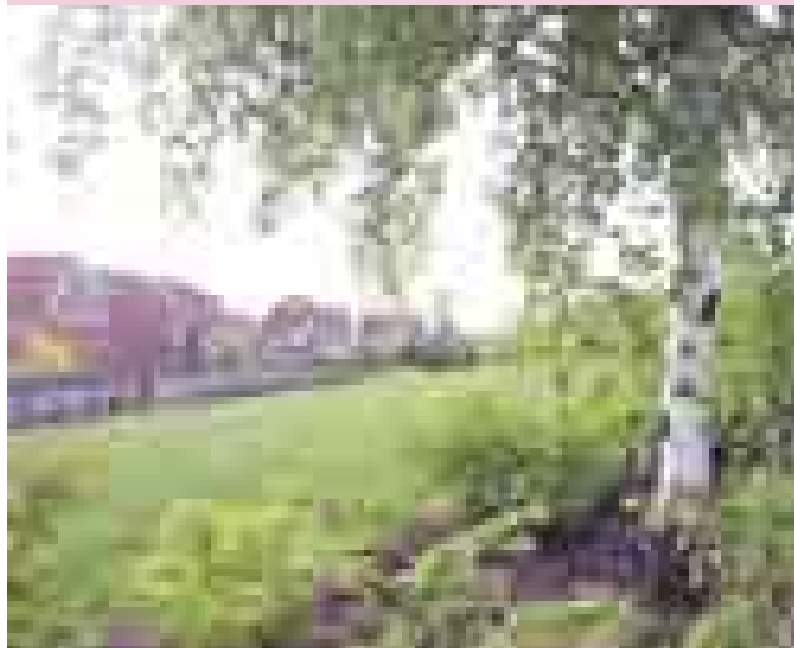
From a long list of other successful projects, I will highlight just a few:

- **Enterprise Hubs** - one of our first flagship projects. This year the number has grown from five to 15, incubating or providing facilities for 522 companies;
- **Enterprise Gateways** – providing the same level of incubation as Enterprise Hubs but aimed at a broader business market. The emphasis is towards rural areas, deprived wards, social and community businesses, female entrepreneurs and those from ethnic minorities. Six Gateways are now under development.
- **Hastings** - this major regeneration project is taking shape, following the master planning consultation exercise. Several key sites have been acquired for redevelopment and courses are in preparation for a new University centre due to open in September 2003. Over 50 companies are now benefiting from satellite Broadband as a result of the SEEDA pilot. New business support capability and demand stimulation from roadshows have resulted in more exchanges in the Hastings and Rother area being ADSL enabled, with over 1,800 subscribers now taking up Broadband - the highest penetration of a regeneration area in the UK.
- **Chatham** – the development at Chatham Maritime continues to set the standard for high quality design. The Fishing Village has been recognised in four prestigious design award competitions. Chatham Maritime now comprises the largest project of Eco-rated homes in the country, with the houses in recent phases improving from a 'good' to 'very good' rating.
- **Basic Skills** - SEEDA was the first RDA to address the issue of low levels of literacy and numeracy amongst those in work. Adapting learning opportunities to the specific needs of businesses and reluctant learners has encouraged over 13,000 adults to increase their basic skills. 2,250 of those achieved the Government Basic Skills National Test.
- **Sustainability** – the SEEDA Sustainable Business Awards for the South East is now one of the biggest events we put on each year. Sustainability is central to our urban design agenda through projects such as 'Building for Nature' on biodiversity; 'Building Quality Places' with the Prince's Foundation at Aylesham and Leigh Park; and the work of the new Regional Design Panel. SEEDA is also a lead or major partner in the regional water and waste fora.

"...Chatham Maritime now comprises the largest project of Eco-rated homes in the country..."

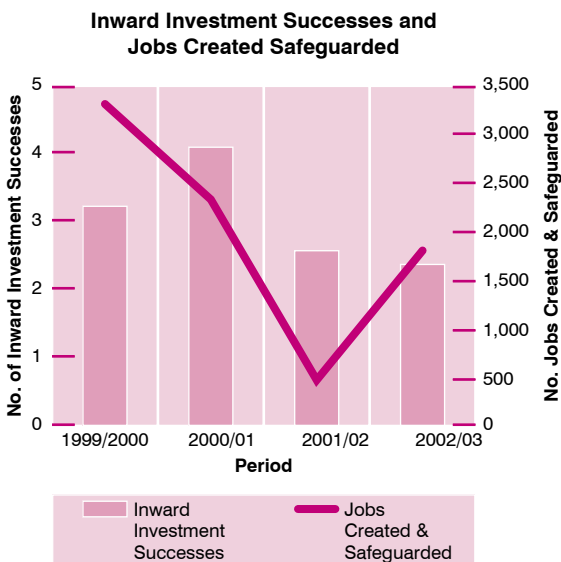
Information security is an increasingly important sector; Royal Holloway is a world centre in this field and is part of SEEDA's Surrey Enterprise Hub. One of the Hub companies; I-TRACK, has developed a cutting edge active tracking luggage system and has recently signed a contract for Berghaus and Official Airline Guide club.

The Green Lung on St. Mary's Island, Chatham Maritime – where care has been taken to integrate nature with this major building project and provides attractive open spaces for current and future residents.



- International Activity** – at the end of the year, SEEDA was independently rated as the top ranking inward investment agency in a Global Development Benchmarking Study. This was an international comparison of 72 inward investment agencies, including five English RDAs. Inward investment successes in the South East are now at their highest level since before the global recession with SEEDA directly involved in an increasingly higher percentage of the successes.

The national trend, since the global slowdown in 2001-2002, reflected in the South East, is for fewer projects involving smaller numbers of jobs.



Our aspirational schemes from when we were established are beginning to show definite progress. Early talk of a 'Wired Region' is becoming a reality with the Broadband team working with the industry to ensure that there is a Broadband connection available to every business and individual in the South East. We are not satisfied with the market's aim to enable 85% of the population having access. We cannot allow a digital divide and are actively piloting a mixture of technologies to develop and promulgate best practice, with our aim as 100% coverage across the South East. Our Broadband Satellite Programme has provided 514 grants to rural businesses – over a third of the UK total. The Wireless LAN Rural Programme is about to start, with approval already granted for the first 12 grants to counties and unitaries who had submitted schemes for community Broadband usage.

SEEDA's Global Regions project has moved from discussions to reality with representatives supporting the work of SEEDA in Washington, San Diego, Berlin, and Tokyo/Yokohama. Ongoing discussions with leading city and business organisations and academics in those and other comparator regions – Shanghai, Seoul, Sydney, Singapore - are crystallising into promising areas for future co-operation, knowledge transfer and exchange of best practice.

Omniperception Ltd., is located at SEEDA's Surrey Enterprise Hub - based at the Surrey Technology Centre. Omniperception is a company developing and producing automatic face recognition solutions for security and personalisation applications.



Committed to high standards. SEEDA is a signatory of the e-Skills Charter - held here by SEEDA Board Member Professor Sir Clive Booth (far left) and SEEDA Head of Human Resources, Helen Mead. Chair of the Surrey Learning and Skills Council and SEEDA Board Member Rob Douglas (centre left) and SEEDA Chief Executive, Antony Dunnett, holding The Investors in People Award.



Our Greatest Asset is our People

None of these achievements could have materialised without the continuing enthusiasm and originality of all our staff. We have built on our Investor in People status by encompassing open government, with a significant increase in the number of our policies and papers now available on our website. We practise a diversity policy, and work with regional partners to ensure equality of opportunity for all is a mainstream consideration across the region. We have produced a regional portal – SEEOonline – as a signpost to and for services and partners.

To ensure we continue to serve the various needs across the region, we have had an internal restructuring during the year with four new Area Teams established to drive the delivery of the RES at sub-regional level and to support the devolved delivery partnerships delivering the Area Investment Frameworks (AIFs). Two new Divisions have also been created. The Economic Inclusion and Sustainability Division, under Charlotte Dixon, brings all SEEDA's economic inclusion, social enterprise, corporate social responsibility, sustainability and rural policy and delivery together. Development and Infrastructure Division, under Paul Hudson, focuses on major project developments, urban renaissance and physical infrastructure. Our new structure will enable the Agency to respond to the additional challenges and opportunities presented by the Government's Sustainable Communities Plan with three of the four designated Growth Areas (Milton Keynes, Ashford and part of the Thames Gateway) located in the South East.

Every year is busier and more varied than the last, and the pace of 2002-2003 has often been frenetic. It says much for our staff that they have responded so well to every challenge we have faced. After a year of great achievements and also of long term planning both with our partners and internally, we are in a strong position to build on our successes. The new RES Action Plans give us a clear focus for our determination to improve the economic performance of the South East to the benefit of everyone living and working in our region.

“...at the end of the year, SEEDA was independently rated as the top ranking inward investment agency in a Global Development Benchmarking Study...”



Anthony Dunnett
CHIEF EXECUTIVE

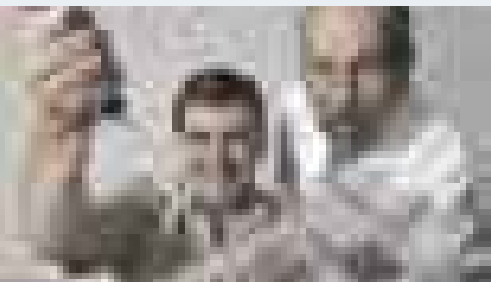
The Active Communities Charter Commitment is held here by SEEDA Board Member Liz Brighouse and SEEDA Enterprise Hub Project Officer, Sarah Roach (far right).



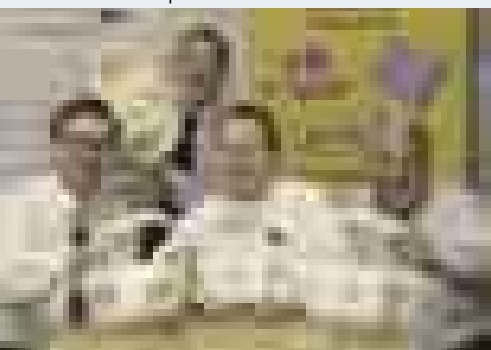
(Left to right), Anthony Dunnett, SEEDA Chief Executive and Andrew Turner, MP for the Isle of Wight, at the launch of the Ryde Business Park, one of SEEDA's many regeneration projects across the Island.



Various prototypes and finished product of a magnetic bead separator rack, designed, developed, engineered and assembled for DRI Ltd. by Imagineering, a design and prototyping company located at SEEDA's Sittingbourne Enterprise Hub.



The SEEDA-initiated Rapid Product Development (RPD) Group - educates and provides services to companies in the skills required to undertake RPD.



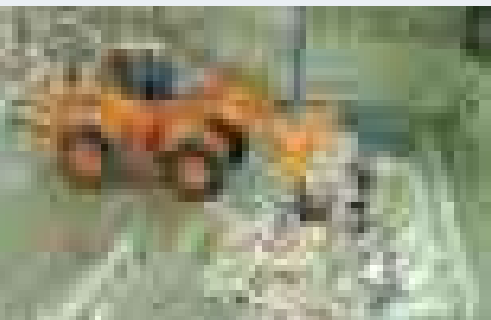
The De la Warr Pavilions, Bexhill – a focus for regeneration by the SEEDA-led Hastings and Bexhill Task Force.



Integrated sustainable transport systems are a key element in the sustainable economic development of SEEDA's region.



The Materials Recovery Facility (MRF) at Portsmouth - SEEDA actively supports waste market development in the South East. This will create new business opportunities and raise levels of recycling in the region.



“A prosperous region delivering high quality of life and environment for everyone, now and in the future.”

This is the vision of the Regional Sustainable Development Framework, published in 2001. The Regional Economic Strategy (RES) completed and published last year, sets a 10-year framework for delivering the economic aspirations of that vision.

The principles of Sustainable Development require that economic growth must be of a particular type, pattern and spread. This is “smart growth”, reflecting the particular opportunities and challenges of the South East. It is the cornerstone of the RES, and of SEEDA's activities in support of its delivery. It comprises five objectives:

Competitive Businesses: a dynamic, diverse and knowledge-based economy that excels in innovation and turning ideas into wealth creation.

Successful People: a skilled, motivated, inclusive and highly productive workforce that anticipates and embraces change.

Vibrant Communities: an inclusive society characterised by strong, diverse and healthy communities enjoying ready access to high quality jobs, education, homes, health and other services, and free from high levels of crime and discrimination.

Effective Infrastructure: transport, communications, housing and health infrastructures that support and enable continued economic growth and improved quality of life for all.

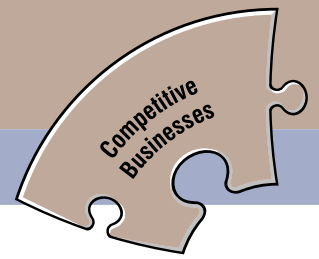
Sustainable Use of Natural Resources: environmentally efficient and high quality development demonstrating that quality of environment is a key asset that underpins economic success.

While this RES was only in place for the last five months of 2002-2003, SEEDA's work since it was set up in 1999 has been laying sound foundations for contributing to these challenging objectives. The activities of the last year summarised in this Annual Report, are clearly focused on these objectives, and can demonstrate real achievement and growing impact.



Modern Jet Support Centre Ltd, Manston, Kent received a SEEDA Regional Selective Assistance (RSA) Grant of £210,000 - to create/safeguard 47 full-time permanent positions over the next two years. The grant was to fit a new Tail Dock and alter the Hangar to accommodate larger aircraft and purchase new tooling, plant and machinery.

3.1 Competitive Businesses



The success and prosperity of the South East depends on the performance of its businesses and the starting point for the South East is a pool of assets that is the envy of most other regions. Many of the world's most successful businesses have already chosen the South East as the European centre for their activities.

However, across all sectors and in all parts of the region, the performance gap between the average and the best is substantial.

Businesses across the region, whatever their product, market or level of technical sophistication, must be equipped to innovate and to apply technological advances alongside or ahead of the world's best.

Taken from SEEDA's Regional Economic Strategy 2002-2012

The year has seen a step change in SEEDA's capacity to engage with business to deliver practical support for improved business performance:

- With 15 approved Enterprise Hubs, and a further five more under development, the target of 20 Hubs is in sight a year ahead of plan. Incubation space available in the Hubs is up by 50 percent, and the total number of companies incubated under the initiative is 522.
- Over 11,000 companies received advice and help from SEEDA-supported projects and networks.
- The Manufacturing Advisory Service (MAS) in the South East reached 1,200 manufacturing firms in its first year, delivering measurable and significant productivity benefits to its clients.
- Through its Global Regions initiative, SEEDA is accessing international best practice and providing links for the region's businesses into the highest performing regions around the world.

“...the success and prosperity of the South East depends on the performance of its businesses...”

SEEDA Chairman, Jim Brathwaite CBE (right), visits Sharp Laboratories of Europe Ltd., Oxford. Sharp employs over 60 scientists and engineers at its site on the Oxford Science Park, where it develops future electronic technologies leading to tomorrow's products. The facility has close links with Sharp's other facilities, including laboratories in the USA, India and Japan as well as university researchers.



Incubation Services

SEEDA continued its work in business incubation, evolving and improving its Enterprise Hub model for business and incubation networks. Applying international best practice, the Hubs act as catalysts, encouraging innovation and enterprise, and stimulating the start-up and growth of high-tech small businesses, including university spin-outs. They provide flexible workspace, access to specialist technology, mentoring and other support services for innovative entrepreneurs in their local communities.

- By the end of 2002-2003, the initiative had created 366,680 sq. ft. of flexible workspace for high-tech companies and 522 companies had been incubated. There are currently 15 approved Hubs, of which 13 are operational. A further five Hubs are at the development stage.
- The Hubs provide an effective mechanism for supporting the commercial exploitation of the knowledge and expertise in the region's universities: the Hubs are closely linked to more than 12 of the region's Higher Education Institutions (HEIs), with half located on campuses or science parks.
- Hubs each have sectoral specialisms and provide an important focus for the development of business clusters.
- SEEDA has continued to support close networking between the Hubs, and the development of services to incubating companies, including provision of Broadband, and improved access to early stage finance.

Enterprise Gateways

These were launched by SEEDA in 2002, in recognition of the need to provide high quality incubation support for entrepreneurial opportunities not confined to high-tech, with a particular focus on the highest priority deprived areas within the region, and rural areas. Developed in association with local Business Links, Enterprise Gateways will actively focus on groups and areas where entrepreneurship and business skills are low, including not-for-profit businesses and social enterprises. Six Enterprise Gateway projects were developed and approved in 2002-2003.

"...the Hubs provide an effective mechanism for supporting the commercial exploitation of the knowledge and expertise in the region's universities..."

Tasting chocolate at SEEDA's Surrey Enterprise Hub. Part of the Hub is situated on the site of Leatherhead Food International, a world renowned food research organisation which offers particular expertise in the field of food technology.



SP Systems, based at SEEDA's Isle of Wight Enterprise Hub at St. Cross Business Park, Newport is one of the world's leading developers and producers of advanced composites technology. Its products are used in a number of high specification, high performance automotive, marine and wind energy applications.



Sectors and Clusters

The Cluster and Sector networks provide the means for SEEDA to support businesses to work together to improve productivity and competitiveness. The Business Sector Groups, like SEEDA's other partners, informed the new Regional Economic Strategy by providing the issues and concerns they wished to see addressed. Each Sector Group has an agreed work plan for delivering and promoting projects focusing on the main issues that affect their sectors. Many projects require extensive cross-sector and cross-regional border working. A new Cluster Fund has already supported nine clusters in priority sectors to enable small businesses to improve their sales, profits and market share.

Key achievements of SEEDA's Business Sector Groups include:

- **Aerospace and Defence** - led by Sir Donald Spiers, Chairman of Farnborough Aerospace Consortium

This group, with representatives of the region's leading aerospace and defence organisations, focused on technology transfer, e-business and the promotion of engineering.

The task force is working with the Farnborough Aerospace Consortium to develop this important industry which is experiencing difficult times as a result of the international situation.

- **Marine** - led by Iain Shepherd, Chief Executive of Marcom Defence

Major issues identified by this group include growth, productivity and innovation. Projects are in place to promote this important South East industry, develop effective networks to assist with workforce and recruitment projects, and to capitalise on growing opportunities particularly those resulting from the defence sector.

- **Pharma Bio and Healthcare** - led by Bill Fullager, past Chairman of Novartis UK

An international task force has been put in place to promote the region's export potential and its attractions as a leading international location for this sector. A skills taskforce has been working with training providers to ensure appropriate training and education provision for the industry. Working with Business Links in the South East, SEEDA has also supported the region's bio and medical networks as a source of support and expertise especially for young and growing businesses.

... "the Cluster and Sector networks provide the means for SEEDA to support businesses to work together to improve productivity and competitiveness.."

SEEDA, Trade Partners UK and Farnborough Aerospace Consortium partnered at the Paris Airshow 2003, enabling 16 aerospace companies, most small and medium sized enterprises, to exhibit and arrange meetings on the South East England stand.



PharmaBio and Healthcare is an important sector for SEEDA. Many of its Enterprise Hubs host clusters of companies in this area. With SEEDA investment, wet labs and space for new plant growth are being developed for the network; this offers expensive specialist equipment that many small companies would be unable to afford.



- **Technology, Media and Telecoms** - led by Nigel Hartnell, Director of FFast Fill, an AIM listed software and services company

The SEEDA supported wired initiatives, including Wired Sussex, Wired Wessex, Oxford MediaNet, and Wired Berkshire, are working with over 1,500 companies in this fast growing sector and, together with SEEDA, lobbied for more extensive Broadband provision, and for improvements in skills provision for the media sector. The South East Media Forum was held in Southampton in March 2003, where senior executives from the industry discussed new developments and opportunities for growth of the media industry, which currently faces difficult times.

- **Tourism** - led by Nigel Walmsley, Chairman of Tourism South East, and former Chairman of Carlton Television

The most important development was the amalgamation of South East England Tourist Board and Southern Tourist Board into a single new Tourist Board to support tourism throughout the region. This took place on 1 April 2003.

SEEDA, together with the other RDAs, has been given strategic responsibility for tourism development in the region by the Department for Culture, Media and Sport, and significant support is being provided to the tourist industry. The VISIT project, which networks all Tourist Information Centres in the South East, continued to make excellent progress.

- **Property & Construction** - led by Mark Whitby, Whitby Bird & Partners

This group was newly established during the year. It has worked with the key built environment networks to address and improve business performance, profitability, regeneration, sustainability, and learning and skills of the sector.

A dozen projects have been launched to engage with business to improve supply chain integration, procurement, waste minimisation and impact on the transport system.

- **Environmental Technology** - led by Tim Bruton, Executive Director, BP Solar

This is another new sector group, which has carried out extensive research into the size, potential and economic significance of the sector. The group is now well established with task forces focused on Specialised Business Support, Product Development and Supply Chain Development.

- **Transport and Logistics** - led by John Speakman, Consultancy Director, BAA International

The transport sector group is focused on logistics, supply issues and freight industry. Its inter-modal report on freight facilities has contributed to the review of the Regional Transport Strategy. The Group has also scrutinised the region's performance against other UK and European regions.

The SEEDA tourism sector group has a series of activities based on rural cluster projects in Areas of Outstanding Natural Beauty, to enable rural businesses to be more productive and competitive in the tourism market. Hambledon Village in Buckinghamshire is one of the South East's areas of exceptional beauty.



Manufacturing

SEEDA responded to the Government's Strategy for Manufacturing with the development of its own strategic document, setting out a wide range of support mechanisms for the region's manufacturing.

The South East's Manufacturing Advisory Service (MAS) is a joint venture with the Department of Trade & Industry, and managed by Engineering Employers Federation (EEF) South. During the year, over 1,200 firms received manufacturing advice and in this, its first year, the Manufacturing Advisory Centre has added over £2 million of value to the region's manufacturing industries as a result of process improvements delivered within companies.

Working with partners, SEEDA raised over £5 million to launch a Lean Manufacturing Initiative in the South East, which it aims to introduce to six sectors and over 300 companies. The main objectives are:

- To achieve a minimum of 10% improvement in productivity per company after the first year; and
- To enable at least 50% of companies involved to improve their turnover and profit by the end of the second year.

Rural Businesses

SEEDA continued to work with both Business Links and the Local Learning and Skills Councils (LLSCs) to ensure that rural-based businesses can get easy access to their services. Twenty four per cent of businesses in the region are based in rural towns, villages and the countryside, most of them small and needing encouragement to use support services to improve competitiveness. The first two Enterprise Gateways, Faringdon and Chiltern Woodworks, are rural-based, demonstrating SEEDA's enhancement of support for rural business.

"...SEEDA has developed a wide range of support mechanisms for the region's manufacturing..."

The Lean Manufacturing Programme is a SEEDA initiative designed to increase the competitiveness of manufacturing in the South East. The family-owned Hand Made Cake Company in Maidenhead, Berkshire has increased packaging productivity by almost 50% following a three day 'lean' change programme.



SEEDA sponsored the Sussex Cattle Class of judging at the Kent County Show, demonstrating its ongoing support for the rural sector.



Inward Investment

SEEDA and its partners have achieved a healthy amount of investment across the region, exceeding targets and securing 24 successes creating or safeguarding over 1,263 jobs including 400 additional jobs to be created over a five year period, an overall better result than the previous year.

This is a strong performance in view of the dramatic decline in new projects resulting from the continued slowdown in the US and other major economies. Notable examples included:

- TSL – The Irish ICT company TSL has established a sales and customer support centre in Reading, Berkshire creating 20 new jobs.
- O’Keeffe & Swartz – South African financial services company is setting up a client sales and support operation (call centre) in Guildford creating 35 new jobs.
- MDS Pharma Services – Canadian Life Sciences Corporation is establishing a new bio analytical research laboratory in Sittingbourne Research Centre creating 50 new jobs.
- Samsung has increased its commitment to the South East region by confirming its decision to consolidate the UK facilities of Samsung Electronics (UK) Ltd, Samsung Semi-conductors Europe Ltd and Samsung SDS Europe Ltd into one site in Chertsey, Surrey.
- Independent Distillers - The New Zealand company established a distribution facility in Stanford in the Vale, Oxfordshire creating 45 new jobs.
- Greenman Toners – This UK company, which specialises in environmentally friendly printer and toner cartridges, approached SEEDA to find a cost effective location outside London for a new assembly facility. SEEDA worked closely with Locate in Kent and the company has established an operation in Rochester, which should create up to 31 new jobs.
- MSPI – Software development company from India has set up a sales and customer support operation in Milton Keynes. This project was sourced from SEEDA attendance at the IT.com trade show in Bangalore in November 2001. SEEDA worked closely with its partners Invest in Milton Keynes in securing their move to Milton Keynes, which should create up to 50 new jobs.
- Steris – The large US healthcare corporation formally opened a new customer support, display and training centre in Basingstoke in July 2002. This long running project, that originated through Invest UK, should create up to 80 new jobs.

“...SEEDA and its partners have achieved a healthy amount of investment across the region, exceeding targets...”

Independent Distillers, Oxfordshire - SEEDA's Inward Investment team assisted this New Zealand company by identifying suitable properties for its UK distribution facility.



Steve Malloy from Greenman Toners – a UK company, which specialises in environmentally friendly printer and toner cartridges, approached SEEDA to find a cost effective location outside London. The company's new assembly facility in Rochester should create up to 31 new jobs.





Global Regions

During the year 2002-2003, SEEDA commenced a more dynamic and focused development of the region's relationships with SEEDA's Global Regional Partners. These partners are based in diverse locations - Greater Washington DC, Massachusetts, San Diego/Los Angeles, Ottawa/Toronto, Helsinki, Stockholm, Nord Rhine Westfalia, and Kanagawa, with Shanghai, Seoul, Singapore and Sydney being given serious consideration.

Joint activities with our Global Regional Partners during the last year have included:

- US roadshows in Washington and San Diego/Los Angeles;
- Incubator competition with Fairfax County, Virginia;
- Partnering seminars with Nord Rhine Westfalia;
- Joint receptions with NRW and Fairfax County at the Cebit trade fair in Hanover Germany.

At the end of the Financial Year, we had representatives in Washington, San Diego, Berlin and Tokyo to provide 'on the ground' SEEDA support for these international programmes and the needs of South East partners and companies.

The Global Regions programme has also highlighted the importance of working with academic institutions, and regional and international collaborations are being developed to add even more value.

Investor Development

SEEDA's eight Investor Development Managers have been operational for over a year now. Working closely with the sub-regional Economic Partnerships, each Investor Development Manager has now begun work with over 400 key companies within the region.

Working to identify key issues or constraints of company operations in the region, and utilising a network of public sector agencies and private companies to resolve these issues. The aim is to ensure that these companies continue to be a vital part of the regional and national economy. Issues tackled include:

- Relocation to new facilities;
- Access to grant assistance and other sources of capital;
- Workforce skills training;
- Process and product innovation;
- Travel plans;
- Corporate Social Responsibility.

"...SEEDA is working to identify key issues or constraints of company operations in the region, and utilising a network of public sector agencies and private companies to resolve these issues..."

SEEDA's Chief Executive, Anthony Dunnett (centre), officiated at the opening of SEEDA's new Business Information Centre in Yokohama City in the Kanagawa prefecture.



SEEDA's Investment Development Manager for Milton Keynes, Oxfordshire, Buckinghamshire and Berkshire, Phil Clement (centre) visiting Marc McAllister (left), International Supplier Liaison at Harley-Davidson's European Headquarters in Oxford and Stephen Daniels, the Economic Development Officer for Oxford City Council. SEEDA's region-wide Investor Development Programme assists key companies in the South East in developing their business.





Access to Finance

Improving access to finance is critical to achieving greater levels of enterprise in the South East.

In partnership with the region's Business Links, SEEDA established Finance South East (FSE) in June 2002 to launch an Early Growth Fund (expected autumn 2003) and improve the co-ordination and provision of investment support for growth companies in the South East. WM Enterprise was selected by SEEDA as the fund manager for the South East Growth Fund providing 'equity gap' funding to SMEs in the South East, which became operational in 2002.

"...SEEDA continues to work with a range of business support providers and business membership organisations exchanging best practice in business support and knowledge on business needs..."

Business Support and Policy

SEEDA continues to work with a range of business support providers and business membership organisations through its Business Development Committee and Regional Business Support Board, exchanging best practice in business support and knowledge on business needs.

SEEDA delivered a series of Broadband Breakfasts in conjunction with the Institute of Directors South East branch, when over 600 business people learnt about the use and benefits of Broadband.

In 2002-2003, SEEDA became involved in national networks looking at the promotion of women's enterprise support. SEEDA sits as an Advisory Member on the Board of Prowess, the national trade association of organisations promoting support for women's enterprise. In this initiative, SEEDA works with the Small Business Service South East team and Business Links in the South East.

Science and Innovation

As the lead RDA for a range of DTI issues, SEEDA has led the development of joint RDA positions on manufacturing, on innovation in response to the DTI Innovation Review and the Lambert Review, and on Broadband.

The South East Science and Technology Advisory Council was formed, with senior representatives from Vice Chancellors, the public science base and the private sector, to give strategic direction to using and expanding the science and technology base of the region. A Steering Group has been set up between the RDAs and the Research Councils (UK) to facilitate knowledge transfer from basic research.

Finance South East team. In partnership with the region's Business Links, SEEDA established Finance South East (FSE) in June 2002 to improve the co-ordination and provision of investment support for growth of companies in the South East.



The Cultural Sector – working in partnership

Initiatives involving the cultural sector feature strongly across a wide range of SEEDA's activities. Joint work with the cultural agencies and the South East England Cultural Consortium on an action plan for the Cultural Strategy has resulted in a close alignment between that and the Regional Economic Strategy (RES).

The creative industries are a major driver of the South East economy, supported through the work of SEEDA's Business Sector Groups for Technology, Media and Telecoms, and for Tourism, and through several skills development projects. In November 2002, the Cultural Consortium and SEEDA organised an event for the cultural business sector entitled The Business of Culture. The aims of the day were to:

- Recognise the cultural sector and celebrate its success;
- Have a clear understanding of the strengths of the sector;
- Encourage the sector to improve its contribution to economic success;
- Identify the barriers to future economic success.

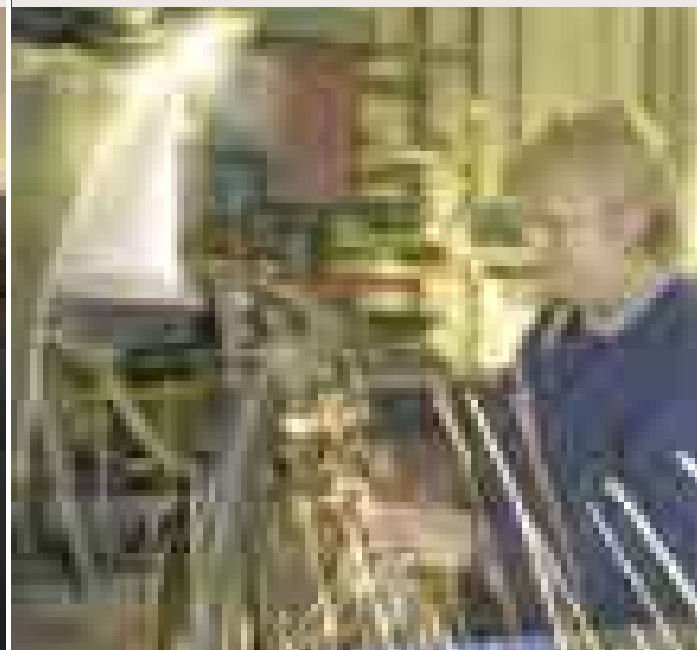
Attended by 180 delegates, the Conference was a success, identifying actions for SEEDA to further the cultural agenda with partners.

In regeneration and urban renaissance, the value of arts and sport-based projects in community capacity building, and role of the region's built heritage as an asset in physical regeneration, are key themes in many places. The full extent of SEEDA's engagement with the cultural sector emerged in the evidence prepared by SEEDA for the South East England Regional Assembly's Select Committee scrutiny of this issue.

Working more closely with the cultural agencies is key to taking this agenda forward, and two secondments from the Arts Council England, South East and Sport England have led to much closer working between those organisations and SEEDA. Relationships between the secondees and SEEDA employees have resulted in a number of integrated projects. One secondment has now been turned into a joint post between Arts Council England, South East and SEEDA.

SEEDA was instrumental in establishing the South East Growth Fund. This £30 million Fund provides equity finance of up to £500,000 for new and growing companies. Pictured here is the team from WM Enterprise, The fund manager selected by SEEDA to administer the Fund.

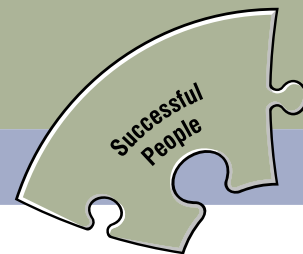
Milton Keynes Pressings - The South East retains major automotive manufacturers and motorsport industry players along with a wealth of skilled and innovative component suppliers and service providers.





SEEDA appointed six Sector Skills Development Managers based in Local Learning and Skills Councils (LLSCs) with responsibilities for sectors ranging from Aerospace to Care and Early Years.

3.2 Successful People



The skills, capabilities and personal aspirations of the region's people must be nurtured and grown if we are to rank alongside the world's best.

Prosperous businesses, thriving communities and a healthy economy will flow from a concerted and co-ordinated effort to make a learning culture a reality. Success will depend on involving and encouraging everyone to play an active part, and demonstrating the added impact that learning can have.

Taken from SEEDA's Regional Economic Strategy 2002-2012

The year marked major progress for SEEDA as:

- The region committed itself to the first Framework for Regional Employment and Skills Action (FRESA), a genuinely collaborative approach to addressing employment and skills issues.
- SEEDA and the six Local Learning and Skills Councils (LLSCs) were given pilot status by Government to transform the region's adult learning and skills provision.
- More than 13,000 people received SEEDA-funded basic skills training, often delivered in innovative ways.
- Nearly 16,000 people were trained in ICT, with the pilot stage of the groundbreaking Computer Club for Girls project exceeding its targets.
- A stream of innovative pilots and other projects across the region established best practice exemplars for future action.
- Over 80 partners worked with SEEDA during the year on the development of skills and employability.

The Action South East Partnership, currently chaired by SEEDA, is the new and powerful partnership that will ensure the future success of the South East region by placing employment and skills centre stage. The Partnership is responsible for implementing the Framework for Regional Employment and Skills Action (FRESA), which will help ensure a healthy labour market in which employers and individuals get effective help in meeting their employment and skills needs.



Action South East
developing the future workforce

Framework for Regional Employment and Skills Action (FRESA)

The first Framework for Regional Employment and Skills Action (FRESA) for the South East, to which SEEDA and partners committed themselves in October 2002, sets out how we can build and maintain a healthy labour market for the region. This means building on success, addressing market failure and ensuring participation in employment and skills for all.

The key regional partners responsible for labour market support and reform, who are now represented on the Action South East Forum for implementing the FRESA, developed the Framework. It was informed by extensive consultation with other key partners. It marks the start of a genuinely collaborative approach to addressing employment and skills issues in the South East.

“...the start of a genuinely collaborative approach to addressing employment and skills issues in the South East...”

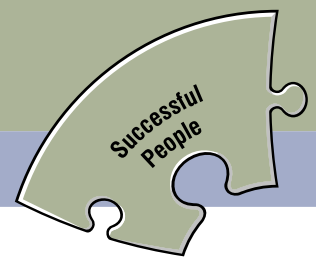
A key concept is the ‘healthy labour market’, which provides the foundation for the Framework. A healthy labour market will support sustained economic performance, competitiveness, greater social cohesion and quality of life. Our aim is that:

- Employers from all sectors will work with intermediary agencies which design and operate initiatives to shape the supply of skilled workers that businesses need;
- Individuals will recognise the need constantly to update and improve their skills to maintain and boost their employability;
- There will be a culture of enterprise and innovation, recognised as the foundations for success for both employers and employees;
- Supporting agencies will be knowledgeable and responsive to market failure, providing solutions that are timely, effective and sustainable.

The FRESA identifies seven strategic objectives that are key to building and maintaining a vibrant labour market for all parts of the region, and achieving the sustainable economic and social principles identified in the Regional Economic Strategy (RES). These objectives are backed by creative and effective actions capable of delivering against this shared agenda over the next two years.

Meridian Spotlight 2002 programme (funded by SEEDA, the Government Office for the South East (GOSE) and LLSCs) focused on the use of the Internet for people to understand their own financial circumstances. This encouraged people to learn computing skills. Over 20,000 people requested a brochure, which accompanied the programme and, so far, 4,000 have enrolled on ICT taster courses across the region.





Adult Learning and Skills Pilot

In September 2002, Government invited SEEDA and the six Local Learning and Skills Councils (LLSCs) to work together, and with partners, to develop a pilot capable of transforming adult learning and skills provision for the benefit of individuals, employers and communities. Preparatory work took place during the rest of the year, and the Pilot began on 1 April 2003.

The South East Pilot has five objectives:

- Improve the planning and funding process for adult learning and skills provision;
- Improve the productivity of the economically active population at all skills levels; (FRESA Objective 1)
- Build globally competitive high growth sectors through stronger demand and supply of skills; (FRESA Objective 2)
- Make the most of labour market intelligence enabling individuals and employers to make informed decisions and plan for change; (FRESA Objective 5)
- Contribute to the Department for Education and Skills' review of the funding of adult learning, drawing on early lessons derived from planning and developing the Pilot.

The Pilot includes five main strands of activity:

- **Business Skills Colleges:** colleges wishing to develop their business support function are supported, improving responsiveness to the needs of small businesses;
- **Brokerage:** the Pilot includes further development of brokerage and guidance networks, providing a seamless service to small businesses, offering improved accessibility and availability of information, advice, guidance and assistance in accessing appropriate provision;
- **Sector skills including construction, care and advanced manufacturing:** there are significant skill shortages across the region in these, and the Pilot will work with colleges to develop and introduce additional provision, particularly at levels 2 and 3, with colleges developing centres of excellence. It will also address problems such as a shortage of teaching staff;
- **Leadership and Management:** testing new approaches to management and leadership support and working with providers to embrace best practice;
- **Adults without a level 2 qualification:** the Pilot provides free training for adults without a level 2 qualification, leading to reduced skills gaps.

“...transforming adult learning and skills provision for the benefit of individuals, employers and communities...”

The SEEDA-funded Rapid Product Development Network jointly represents one of the largest educational resources of Rapid Product Development staff and equipment in Europe.



3,044 learning opportunities were provided by SEEDA supported projects based in the NHS.



Labour Market Intelligence

Good quality, current labour market intelligence is essential to inform appropriate learning and skills provision. SEEDA and Skills Insight contributed to the region's labour market information and intelligence base by:

- Publishing a quarterly bulletin, disseminated across 7,000 South East organisations;
- Producing an Annual Skills Review, drawing on the Skills Forecasting Model, which raises awareness and leads to useful feedback;
- Disseminating the Skills Foresight Forecasting Model, for use by LLSCs and sub-regions.

Basic Skills

One in five adults in the region have basic skills needs, and many of these are in work, because of the relatively low unemployment rate in the region. We have continued to create a significant network delivering numeracy and literacy projects, and communication skills for speakers of other languages. There is an emphasis on innovative methods of reaching and meeting the needs of excluded and poorly skilled groups. Particular projects include:

“...we have continued to create a significant network delivering numeracy and literacy projects...”

Workplace Basic Skills Network (WPBSN)

SEEDA devised and funded this network, and during the year the network appointed a co-ordinator in each county to provide support, advice and professional guidance for each local Learning and Skills Council on workplace basic skills. This enables SEEDA to disseminate best practice and act as a catalyst for change.

NHS Work

We have engaged with 21 NHS Trusts and the newly formed Primary Care Trusts, who are responding to the growing awareness of the need to improve the literacy, numeracy and communication skills of their workforce. We held three events to disseminate our work so far, which involved some key stakeholders. Our work is now informing the NHS University and the South East workforce development confederations to the extent that we expect to become major partners with them for funding, support and the roll-out of our Basic Skills programmes.

West Wight Training

West Wight Training has been tackling the rural and isolated communities who live in West Wight and who have severe Basic Skills needs. They recruited socially excluded groups and non-active residents, to undertake specific vocational training where it is known that there are specific skills shortages. One example is crèche workers, and last year single parents were offered free childcare while they trained as classroom assistants and crèche workers.

SEEDA funded the Stepping Stones project at the Oxford Radcliffe Hospital Trust. Learners receiving workplace literacy and numeracy support from a Stepping Stones tutor.



Free Internet-ready computers refurbished by the Vines Trust in Rochester, Kent and issued to voluntary and community groups with free ICT training - part of SEEDA's 'Get Wired For Free' initiative.





Cross RDA Working

In February 2003, SEEDA co-hosted a meeting with Advantage West Midlands where all RDAs shared their work on responses to the Skills for Life agenda. SEEDA's own response is a comprehensive approach to employer/employee basic skills work.

Sector Skills

SEEDA's Business Sector Groups, National Training Organisations, and the emerging Sector Skills Councils helped SEEDA focus on key priorities. These include:

- Specialist skills centres funded by SEEDA, helping sectors maintain a leading edge in manufacturing and engineering, and providing a valuable linked resource to the Manufacturing Advisory Service (MAS);
- SEEDA has helped sectors set up employer networks linked to professional bodies, encouraging the use of websites and intranets to keep the groups up-to-date with latest trends, sources of help and business opportunities;
- We appointed seven Sector Skills Development Managers, whose role is to implement regional sector skills development priorities in sub-regions through effective relationships with sub-regional partners.

ICT Skills

ICT skills are fundamental for individuals, businesses and communities and are given high priority by SEEDA. For example:

- SEEDA funding for SRB partnerships has contributed to many community based ICT learning projects;
- The E-Skills into Business programme provides online, low cost training to businesses;
- As part of the Hastings and Bexhill Five Point Plan, two dedicated advisers are helping business to realise the benefits of ICT including Broadband;
- The innovative Computer Club for Girls project was successfully piloted for a major roll-out in 2003.

Entrepreneurship, management development and e-learning.

“...ICT skills are fundamental for individuals, businesses and communities and are given high priority by SEEDA...”

The South East's Manufacturing Advisory Service (MAS) - Patricia Hewitt, Secretary of State for Trade and Industry (centre) with (left to right) Annie Pearson, Principal Specialist MAS South East; Alec Watts, Chairman of Oxford Engineering and David Seall, Chief Executive, Engineering Employers Federation (EEF) South at Oxford Engineering.



4,000 people have enrolled on SEEDA-funded ICT taster courses across the region, held in local centres like the Aylesbury Adult Learning Centre pictured here.



Developing Managers

Poor management is a major contributor to productivity loss, and the region faces a significant demand for management skills.

SEEDA contracted and set up six sub-regional and one regional pilot project to support 3,000 individuals and 1,000 companies. Projects aim to increase the number of business mentors, employer learning networks and use of diagnostic packages to increase productivity.

We also commenced the development of a Management Strategy for the region, which will be completed in June 2003.

e-Learning Strategy

The development of a strategy to ensure Empowered Independent e-Learners and "Access for All" has begun to:

- Give people the tools to access learning materials electronically, i.e. hardware, skills, and, to a certain extent, connectivity (infrastructure);
- Equip people with the necessary confidence to use the tools;
- Ensure the learning materials themselves don't create additional barriers by not being "inclusive", i.e. they need to be accessible by anyone, regardless of age and ability etc;
- Increase ICT skills;
- Enable access to e-learning.

Re-employment Unit

Responding to a growing concern about the numbers of employees being made redundant, there has been intensive work to develop a learning and skills solution to meet the needs of workers across the South East involved in downsizing or faced with redundancy.

SEEDA worked in partnership with Jobcentre Plus to establish a unit to provide resources delivering a range of services to companies in difficulty and their workers. The service started during the year, and will expand in the coming year. It is our joint aim to ensure employees receive training to re-skill, upskill or access services, information, advice and guidance so they are prepared to move straight from one job into another.

Social Dialogue

In autumn 2002, SEEDA's Workforce Development Group was re-launched as the Social Dialogue Forum, a SEEDA Board Committee chaired by Board Member Barry Camfield.

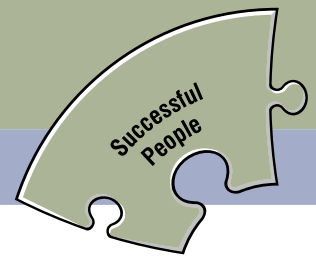
Its purpose is to facilitate dialogue between the social partners at a regional level on matters of joint economic interest in respect of the region's workforce and disseminate good practice on ways of enhancing employee participation and inclusiveness. The Forum comprises senior union and employer representatives as well as regional representatives from bodies including ACAS, TUC, CBI, EEF and the local government employer's organisation. In addition to regular meetings, the Forum ran two key events in 2002-2003 – a Transport Forum in May 2002 and a Work Life Balance Conference in January 2003.

SEEDA funds a programme at Seaford Head Community College, which works with the community to improve skills available to local businesses.



Social Dialogue Forum - best practice in employee participation is shared between senior trade union and employer representatives. SEEDA Board Member and Assistant General Secretary of the TGWW, Barry Camfield (centre) leads the initiative.





European Social Fund

SEEDA has successfully been able to bid for an additional £3.8 million of European Social Fund (ESF) funding by making effective use of £4.5 million of its single pot funding as 'matched funding'.

The strategy is 'to identify and meet emerging skills shortages'; aimed at improving the skills base and adaptability of the labour force in the region and adding value to its work in the key areas of lean manufacturing, management development, the delivery of skills for growth sectors, and providing a high quality intelligence base.

13 projects underway are delivering significant outputs including:

- Upgrading the skills of hundreds of employed people in the South East, in a variety of key sectors;
- Providing mentoring, tailored information and advice and guidance to hundreds of small businesses in the South East;
- Creating or consolidating Centres of Excellence in key areas;
- Safeguarding or creating many new jobs;
- Producing research studies, including a three-year action plan for e-learning in the Creative Industries and an up-to-date Business Competitiveness Survey.

SEEOne

In March, SEEDA launched the SEEOne pilot site www.seeonline.net. This is a service for sharing knowledge for the benefit of all – public, private, voluntary and community sectors – throughout the region.

It aims to encourage interaction between individuals and across sectors to enable the easy transfer of information and experience in pursuit of the region's strategic objectives.

Work during the year focused on technical development, content and partnership development, and marketing development. Early partnerships, at various stages of development are with the British Urban Regeneration Association, the Enterprise Hubs, members of the Regional Business Support Board, and the FRESA implementation Forum, Action South East.

"...improving the skills base and adaptability of the labour force in the region..."

SEEDA Deputy Chairman, Professor Sir Clive Booth, and Caroline Lucas MEP, unveil the European Social Fund plaque to commemorate the delivery of the ESF Programme, at SEEDA's Guildford Headquarters.



The SEEOne Team - The SEEDA-funded SEEOne service offers a facility to public, private, voluntary and community sectors for sharing knowledge and information.

