

EMAIL ONLY

07 February 2011

Dear Colleague

The Government has now given Regional Development Agencies indicative programme allocations for 2011/12. For SEEDA this is just under £33m. This means in most cases we should be able to meet contractually committed spend planned for next year, although we have been told that we may be asked to de-commit further between now and our final allocation in March.

This letter sets out which programmes will be continued through to SEEDA's closure in March 2012; which will be handed over to other organisations; and which functions we are seeking to preserve through new business approaches.

Projects and Programmes to be completed by SEEDA

- South East Regional Business Link service, up to closure of the present service at end Nov. 2011.
- Grants for Business Investment (GBI) and Grants for Research and Development (GRD) - existing commitments but not new grants. The Technology Strategy Board are looking to introduce a programme incorporating GRD; GBI scheme formally closed to new applicants on the 1st February (except for large projects and Offshore Wind Manufacturing scheme).
- Vestas R&D grant to support research into off-shore wind technology.
- SEEDA's contractually committed contribution to the SMART project to improve the rail infrastructure between Southampton and the West Midlands, keeping freight off the roads.

Programmes to continue and transfer to new owners

- The Manufacturing Advisory Service will continue through to March 2012 when it becomes a nationally procured service.
- Existing grants for the Aerospace Sector will transfer to the Technology Strategy Board.
- Support for Foreign Direct Investment (FDI) will be led by UK Trade and Investment (UKTI) through contract with a third party organisation on a national basis which is currently being procured. Our pipeline of companies and projects will be passed to UKTI.

- ERDF & RDPE programmes (new and existing schemes) are planned to transfer to CLG and DEFRA respectively by 1st July 2011.
- The Designing Demand programme will continue to December 2011 (no new clients); in the meantime the Design Council are reviewing their current offer.

Programmes seeking sustainability

We are hoping that, where possible, delivery bodies with a continuing value to the South East have a life beyond SEEDA. These include:

- Support for high growth companies through 8 Innovation and Growth Teams. These contracts will continue until August 2011 to allow them to consider with Local Enterprise Partnerships (LEPs) how their expertise might continue to be of value.
- The 8 Sector consortia. Some consortia have identified other income sources and will be sustainable membership organisations.
- The provision of business financing schemes via Finance South East.
- Tourism South East training support for London 2012 Games which is contracted until March 2012.

A number of **strategically important projects** which we were developing with partners have not been funded for future phases and so may not proceed as planned. We have identified to the Department for Business, Innovation and Skills (BIS) their importance. The projects include:

- **Nationally important** programmes such as the International Space Innovation Centre, Harwell; the Medway SuperHub, a possible inward investment around offshore wind in the Thames Gateway; and opportunities for innovation and export in the Solent marine and aerospace sectors.
- **Regionally important** programmes such as the International Centre of Excellence in Telecare (ICE-T); a pipeline of over 300 Foreign Direct Investment projects and a number of major regeneration partnerships.

SEEDA's Assets and Liabilities

We have submitted an Assets & Liabilities plan for endorsement by BIS. Our objective is to ensure that if at all possible our assets are taken forward in a way that delivers the original objectives for the benefit of local partnerships and the South East economy as well as securing value for money for the Exchequer.

Government has provided high level principles to guide the disposal of RDA assets, which are set out in the White Paper 'Local Growth; realising every place's potential'. In brief:

- An appropriate balance is struck between the original purpose for acquiring the site and local views on best use,
- Local demands and ambitions are met by the approach to disposal,
- The new owners are capable of delivering the required results,

- An appropriate balance is achieved between capacity , risk and the Government's commitment to localism; and
- A reasonable balance is achieved between national deficit reduction and local ambitions.

SEEDA's Assets and Liabilities Plan covers:

- Land and property assets and liabilities in 67 sites across the South East , including the Regional Infrastructure Fund;
- SEEDA's interest in 9 Special Purpose Vehicles;
- Financial assets including contingent assets and the loan and equity funds vested in Finance South East;
- Operational centres in Guildford, Chatham & Brussels.

A separate inventory has been produced of knowledge assets and databases to help preserve for future use by partners our knowledge of the South East.

Legacy from Closure of SEEDA

We are carrying out a planned programme of early release schemes for staff as we head towards closure and therefore our capacity to provide advice and help to partners in dealing with transitional issues will decline significantly from March onwards. Nevertheless, our staff and Board remain committed to do what we can to assist you, and we have a number of staff on loan to partners in addition to our externally facing teams.

In short, SEEDA's main focus now is to deliver a professional transition to closure. Our twin aims are

- the effective, smooth and professional closure of the agency.
- economic value for the South East through closure and into successor bodies.

Thank you for your cooperation and patience in what has been for all of us a challenging year. Do please keep in touch with your regular SEEDA contacts and refer to our website, www.seeda.co.uk for updates. Please let me know if I can be of assistance.

Your sincerely

Paul Alexander