

16<sup>th</sup> February 2010

**Your ref:** Email dated 13<sup>th</sup> January 2010  
**Our ref:** R00191

**RE: Freedom of Information Request: Support for Aerolaminates, NEG Micon and Vestas, meetings with, and communications concerning, Vestas**

Further to our acknowledgement letter dated 22<sup>nd</sup> January 2010, I am writing to provide the information you requested and to seek further clarification regarding one element of your request.

Your revised request to SEEDA is:

***1) What public money and resources were used to help support Aerolaminates and then NEG Micon set up on the Isle of Wight and continue production?***

Aerolaminates Limited (a subsidiary of NEG Micon) received public investment to enable the construction of a new factory and also a research and development facility. In 1999/2000 grant of £952k was provided by the Urban Regeneration Agency (known as English Partnerships) towards the abnormal costs of site preparation works. In 1999/2000 a further grant of £980K was awarded by the Government Office South East (GOSE) under the former Regional Selective Assistance (RSA) programme.

***2) What public money and resources were used to help the company from when it was taken over by Vestas Wind Systems up to the present day?***

To date SEEDA has not provided direct funding to Vestas Wind Systems or associated companies. SEEDA has recently committed to contribute £5m to Vestas Technology to match fund the Department of Energy & Climate Change's (DECC) Environmental Technology Fund grant towards global research and development at the planned new centre on the Isle of Wight. At present the Grant Offer Letter is being drafted and contract negotiations are underway. Further details of this commitment can be found in the press release on our website:

<http://www.seeda.co.uk/news-and-publications/news/recent-news/1/archive/2009/640>

In April 2009 Vestas Blades announced a 90-day workforce consultation on the future of its blades manufacturing company based on the Isle of Wight and in Southampton. In response, SEEDA established a multi-agency taskforce to coordinate and provide tailored support and advice to the company and its employees during and after the consultation. A project manager was appointed from Job Centre Plus on a temporary basis to provide a dedicated point of contact for the company and employees. The aim was to provide an easy route into mainstream support services for the employees during, and for some time after, the consultation period, including the provision of skills analysis, careers advice, training, and dedicated information points on-site. SEEDA also helped with introductions to a number of other companies in the Solent area and South coast that were looking to engage workers, so as to give the Vestas employees the best possible chance of finding new jobs.

***3) What tax incentives, land, special conditions or other benefits have Aerolaminates, NEG Micon, and subsequently Vestas Wind Systems, receive for being based on the Isle of Wight and in Southampton? Do any remaining sites continue to receive such benefits?***

SEEDA is not aware of any tax incentives, land, special conditions or other benefits received by Aerolaminates, NEG Micon, and subsequently Vestas Wind Systems, for being based on the Isle of Wight and in Southampton.

On the Isle of Wight Vestas currently occupies two sites. It owns the St Cross Facility and leases part of the Venture Quays facility in East Cowes, which is owned by SEEDA, at a commercial rate. Vestas is in the process of acquiring land at West Medina Mills from SEEDA, which will be used for the development of their research and development centre. The transaction is at an open market rate.

SEEDA is investing in the reconstruction and widening of Stag Lane to bring it up to the standard required for adoption as a public highway by the Isle of Wight Council. This benefits the residents, businesses and users of Stag Lane – including existing and future occupiers of the West Medina Mills site.

In Southampton Vestas leases space at Berth 33 (and formerly at Merlin Quay), both are privately owned and SEEDA understands that these premises were leased at a commercial rate.

***4) Copies of any economic assessments - formal or otherwise - that have been carried since the Vestas Wind Systems blades factory closed in August 2009.***

We are interpreting your question to relate to any economic assessment of the impact of the closure of the Vestas Wind Blades UK factory. SEEDA has not undertaken any such assessment and it is not aware of any other body having undertaken one.

An economic appraisal was completed as part of the formal review of the proposal for SEEDA's investment in Vestas Technology's global research and

development centre on the Isle of Wight. This was completed by GENECON LLP, an independent consultant appointed by SEEDA. We can provide you with a copy of the appraisal should you wish, however we would require further time to review this for any information which may be exempt from disclosure under the Freedom of Information Act.

***5) How many meetings have been held between SEEDA representatives and Vestas Wind Systems in the year they announced their closure (2009) up to and including the present day. When did they occur and who attended?***

A total of 20 meetings between SEEDA staff and those of Vestas Wind Systems and subsidiary companies have taken place in the period specified, up to the date of this letter. In line with our Data Protection Policy, only the personal details of senior staff are considered to be in the public domain and the personal details of junior staff have not been released. A schedule of dates and the details of SEEDA and Vestas senior employees attending is enclosed.

***6) Copies of emails, letters, minutes or memos that refer to money, benefits and other assistance from SEEDA offered to Vestas Wind Systems in the year they announced their closure (2009) up to and including the present day.***

We have undertaken an initial assessment of the time required to locate and gather the requested information. It is now clear that this will exceed the appropriate cost limits set out in Section 12 of the Freedom of Information Act. A public authority may charge for any time taken to locate, retrieve and extract the information requested over and above a threshold of 18 hours staff time at £25 per hour.

Since 1/1/09 SEEDA was in contact with Vestas Wind Systems and associated companies in regards to several different activities and due to the number of people involved we estimate that it would take us over 100 hours to gather the requested data.

Under the Freedom of Information Act public authorities have a duty to provide advice and assistance to the requestor in order to optimise the utility of the request. We have identified the current areas of activity that SEEDA is involved in below and hope this will allow you to provide us with a more focused request for information:

- Support provided to Vestas Blades UK through multi-agency taskforce following announcement of the closure of its manufacturing plant on the Isle of Wight.
- SEEDA match funding committed to Vestas Technology for global research and development at the planned new centre on Isle of Wight.
- Acquisition by Vestas Technology of SEEDA owned land at West Medina Mills for the development of a new Technology Centre.

As a Regional Development Agency SEEDA is required to make investment decisions based upon central government guidance, in particular HM Treasury's Green Book and GRADE (Guidance for RDAs in Appraisal, Delivery and Evaluation) issued by the Department for Business, Innovation and Skills. All funding decisions are made following a consistent process and using standardised forms. Therefore we have the following documents that refer to money, benefits and other assistance; which may better meet your needs:

- Project proposal documents.
- Appraisals of funding applications.
- Minutes of programme/project development and approval groups.
- Formal correspondence relating to the SEEDA match funding offer.
- Grant Offer Letters.

We would be able to provide you with copies of these documents, subject to a Public Interest Test to consider any information which may be exempt from disclosure under the Freedom of Information Act. However we will require additional time to carry out such a review, which will involve consultation with all interested parties.

Please contact us to provide clarification regarding this element of your request.