

23rd January 2008

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Dear Nick

SELECT COMMITTEE ON THE GLOBAL CHALLENGE AND GLOBAL REGIONS

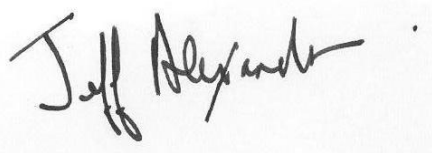
Thank you for your letter of 17 December to Pam enclosing a copy of the final report of your Select Committee on the Global Challenge and Global Regions. I am pleased to attach SEEDA's written response to the Committee's recommendations, using your new response framework which we found helpful.

I think you will agree that we have been able to respond fully and positively to all the recommendations. This I believe reflects the quality of the discussion we had at the hearing and the well-informed groundwork undertaken by your consultants in preparing their report. SEEDA is also grateful for the input of our partner organisations which added to the value of the exercise

At a high level the activity referred to in our response will be reflected in our Corporate Plan currently under preparation. More detailed aspects will be taken forward through our business planning and programme development. Clearly this is a fast moving arena and we will need to continually review and adapt our approach to supporting international business activity as global challenges and opportunities continue to change.

Thanks again to you and the Committee for making this such a positive and helpful exercise.

Kind regards



Jeff Alexander
Executive Director, Global Competitiveness

C.c Pam Alexander
SEEDA Executive Board

SEEDA'S response to the Global Challenge Select Committee

| Assembly Select Committee Recommendation | What SEEDA will do in response to our recommendation | Responsibility | Timetable for action | Progress and achievements (approx. six months after initial response) | Further actions |
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| <p>Recommendation 1: SEEDA should clarify how it will ensure its strategy and activities are forward-looking and flexible to deal with the opportunities and issues presented by a dynamic global economy. As part of this SEEDA should undertake mapping of strategic links between the South East and other global regions.</p> | <p>SEEDA recognises that it must continually scan the horizon for new international opportunities and to be nimble in adapting to changes in a dynamic world economy. The following actions will be undertaken:</p> <ol style="list-style-type: none"> 1. Strengthen its research capabilities and particularly to capture the changes in international market conditions for its key sectors. Use informed research to influence Technology Strategy Board (TSB) investment decisions. 2. Invest in a three year programme to develop the Environment Technology sector (ETS) so that it can better address new growth in international markets for this sector. 3. Work with the Sector Consortia and knowledge networks to exploit new cross sectoral emerging technologies and markets. 4. Improve the flow of market intelligence from its global representatives and keep under review the appropriateness of their current locations. 5. Further explore the opportunities of the Near and Middle East markets particularly North Africa the Arabian Gulf and South Africa. 6. Ensure the region is properly represented in the world's most important innovation hotspots. | <p>Greg Ward Director, Global Markets – Inward Investment and Trade Lewis Scott, Director, Global Markets – Trade and Inward Investment</p> | <p>Action 1, September 2008: Research commissioned in all key sectors. Action 2, March 2008: Three year plan for investment in ETS developed Action 3, Ongoing. Action 4, June 2008: New intelligence gathering strategy agreed with Global Reps. Action 5, September 2008: potential exploration visits to the regions set up. Action 6, April 2009: Synergies with other global regions explored and proposals for a new inward investment brand for the GSE developed</p> | | |
| <p>Recommendation 2: SEEDA should establish a robust evidence base</p> | <p>SEEDA recognises the importance of a robust evidence base in presenting the region's case, and views the forthcoming</p> | <p>Paul Lovejoy, Executive Director of Strategy</p> | <p>Action 1, February 2008: meeting of key partners convened mid Action 2, March 2008: research</p> | | |

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| <p>outlining the economic significance of the South East to the national economy, which sets out the benefits of investing in infrastructure in the region (and conversely the risks to the national economy of inadequate investment in the region). This should be prepared in time to be utilised in the next Regional Funding Allocation process.</p> | <p>Regional Funding Allocations process as a key opportunity to make the case for appropriate investment in infrastructure, alongside other key regional partners. The following process is proposed:</p> <ol style="list-style-type: none"> 1. As a first step a meeting will be convened with representatives of the Assembly, Government Office, local authorities, Environment Agency, Learning and Skills Council, JobCentre Plus to review the existing evidence base and identify key issues and gaps. 2. Whilst it is possible to do some work in-house (desk-based secondary research), it is envisaged that additional work will likely need to be commissioned from one or several external sources. A steering group of all relevant partners will be required. 3. Research report(s) will be commissioned early in the next financial year, in time to be utilised in the next Regional Funding Allocation process (which is expected to take place during the second half of 2008). | | <p>issues and gaps identified by Action 3, April 2008: Additional research commissioned <u>Draft Report(s) - end of June 2008</u>, <u>Final Report(s) – end of July 2008</u>.</p> | | |
| <p>Recommendation 3 – SEEDA should evaluate how to maximise the potential of further and higher education institutions individually and collectively in the region. They should consider both:</p> <ol style="list-style-type: none"> 1. Their role in stimulating ‘demand’ from businesses for university and further education institution collaboration; and 2. the opportunities for SEEDA to use | <p>SEEDA welcomes the positive nature of this report on the involvement with Further and Higher Education.</p> <ol style="list-style-type: none"> 1. LSC and SEEDA hold a monthly meeting on the LSC Capital Strategy. This enables SEEDA to add value to the re-design of the FE Sector and to suggest greater involvement with the Business Community. This work on the Capital side builds on the Action for Business College initiative whereby some 20 of the FE Colleges in the region have been assessed against strict criteria to ensure the Colleges were outward facing to the needs of the international business community. This | <p>Ed Metcalfe, Chief Scientific Advisor</p> | <p>Action 1, Ongoing Action 2, Ongoing Action 3, April 2008: New early stage fund launched Action 4 and 5: Too early to provide specific milestones but will report back on progress Action 6., April 2008: Innovation Collaboration programme will start Action 7: Ongoing Action 8; Being developed for specific areas (particularly diamonds for growth and the coastal SE). Some already under way.</p> | | |

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| <p>universities and further education institutions more fully in their own projects and delivery.</p> | <p>work has been so successful that it has been adopted into a new scheme that will be rolled out nationally. The LSC and SEEDA have also worked very closely on Train to Gain and Training Pools both designed to re skill and up skill the workforce.</p> <ol style="list-style-type: none"> 2. We are developing the Institute for Sustainable Development in the Thames Gateway, The Ashford Learning Campus and the University Centre in the Gatwick Diamond. This opens up the closer working between higher and further education and allows SEEDA to pilot programmes and opportunities through these new centres which are specifically aimed at skills for globalisation. 3. SEEDA will launch a new £10 million early stage investment fund with 11 of the region's universities in 2008. This will be a fund that targets regional start-ups with strong global potential. 4. SEEDA is interested in the potential in promoting intellectual property abroad through licensing deals and will explore these opportunities further. 5. SEEDA will promote international links between universities including the potential collaboration between the South East and part of India's Higher Education sector to create a joint research campus. SEEDA has played a role in winning a new R&D support contract from the UAE for Surrey University and supports international activity and international student recruitment in a number of regions in the world 6. An Innovation Collaboration product is | | | | |
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| | <p>being developed through the Business Support Simplification Programme, which will aim to increase the pace of innovation through greater business-HE/FE collaboration. We will continue the knowledge network programme and university business fellows pilots. The latter has already become a GSE scheme. We will increase partnership development through a more flexible Knowledge Transfer Partnership scheme to allow short placements to engage smaller businesses. These deeper collaborations will include challenge-led business-led Innovation Platforms and Science and Innovation campuses, where academics from across the region (and potentially the GSE) and business researchers can work together. These programmes should yield significant match funding from the TSB.</p> <p>7. We will seek greater involvement of HEIs in programme development and delivery. This has begun with the delegation of the Higher Education Entrepreneurship Group (HEEG) to the universities, and universities are also managing the Leadership Academy and the Knowledge Network programme on SEEDA's behalf. We will encourage secondments from the universities and colleges to work at SEEDA.</p> <p>8. We have worked closely with the Universities to develop a Reginald excellence Directory RED</p> | | | | |
| <p>Recommendation 4: As well as maintaining existing lobbying work as part of the 'Greater South East' group, SEEDA should work with the LDA and</p> | <p>1. Building on the aspiration of an Oxford to Cambridge Innovation zone (the O to C Arc), SEEDA will look at the potential to develop a global inward investment brand in co-operation with the UKTI and the other RDAs of the</p> | <p>Greg Ward Director, Global Markets</p> | <p>Action 1, April 2009: New inward investment brand for the GSE developed and promoted Action 2, September 2008: New offer inward investment offer for the Thames Gateway developed.</p> | | |

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| <p>EEDA to explore the potential of expanding individual programmes across regional boundaries. SEEDA should initiate this investigation as part of the Business Support Simplification process.</p> | <p>GSE. This brand may emphasise the capabilities in the “golden knowledge base triangle” between Oxford, Cambridge and Imperial Universities as well as the proximity to London marketing and brand management capabilities will be strengthened.</p> <p>2. The O 2 C arc work builds on activity underway in the Thames Gateway to develop a strategic co-ordination unit involving CLG, UKTI, LDA and EEDA.</p> | | | | |
| <p>Recommendation 5: Skills for globalisation i) SEEDA should further develop its training programmes that help develop businesses’ and individuals’ ability to engage in a global market-place. This should include a focus on developing cultural affinity skills. ii) SEEDA should work with partners at the national, regional and local level to influence their provision of language skills, and prioritise language training within their own business support provision.</p> | <p>1. SEEDA through its Leadership for Global Competitiveness (LGC) initiative currently intensively assists companies who wish to innovate as a means to internationalise their business but lack necessary skills to do so. To date approximately 100 companies assisted, with a further 175 per year (08 and 09) 450 in total. As part of this assistance companies will be referred to the Passport to Export scheme (UKTI) to include the benefits from its cultural affinity training.</p> <p>2. SEEDA will strengthen its High Growth Coaching Scheme which aims to assist companies with international potential. These are companies that have the potential for significant growth but are limited by the individual manager or owner’s ability to engage in a global market-place. What is required and works well is to help these companies to take a step back, assess their issues, look at global opportunities and reshape the business so that it is capable of exploiting new markets. This is the role of SEEDA’s High Growth Coaches.</p> <p>3. Recent research commissioned by</p> | <p>John Parsonage, Executive Director for Smart Growth Ed Metcalfe, Chief Scientific Advisor</p> | <p>Action 1, September 2008: Leadership Development Advisers trained to refer companies to the Passport to Export Scheme Action2, September 2008.: High Growth Coaching scheme will support and additional 20 companies per year Action 3, April 2008: Develop the proposal received, reflecting the particular recommendations from the Select Committee</p> | | |

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| | <p>SEEDA from the Centre for International Language Teaching (CILT) and from Oxford Intelligence highlighted the importance of developing a language and cultural strategy for the south east that also recognises the unused language skill in the region. Co-incident to the Select Committee, work on a follow on proposal was requested by SEEDA and LSC, from CILT and is imminently expected. This will identify methods to support specific sectors, businesses, the workforce and schools to internationalise. It will also include SESEL 2012 language and cultural themes. The work will be co-funded by SEEDA and the LSC.</p> | | | | |
| <p>Recommendation 6: SEEDA should further develop its support for small and medium enterprises with specific focus on making the most of opportunities in the global market-place. The potential to expand support beyond existing sectors should also be considered.</p> | <ol style="list-style-type: none"> 1. SEEDA already puts significant resource into this area in partnership with UKTI. With SEEDA investment there are 14 specialist trade advisors for instance. In addition, plans are also now in place for the merger of many of our high growth support programmes into a new, integrated, place based service focusing specifically on helping small and medium enterprises become or remain globally competitive. In close partnership with UKTI, this service will integrate innovation advice with advice on accessing international markets and will encompass the work of the enterprise hubs, early stage finance, innovation support, management and leadership development and advice on international markets. The service will specifically focus on the Diamonds for Growth and will provide intensive support for 2000 companies per year. 2. SEEDA will continue to work with businesses and broadband providers to | <p>Greg Ward Director, Global Markets</p> | <p>Action 1, September 2008: First sub regional pilot schemes developed. April 2009. New place based innovation service established. Action 2, Ongoing</p> | | |

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| | improve the broadband infrastructure through its Wired Region programme. There will be a particular focus on small to medium sized businesses with international potential. | | | | |
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