TEDCO

Annual Review 10/11

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Directors at 31/03/11 - Councillor A Kerr (Chairman) Mrs B M Balls Mr AA Brewster Dr G B Cleland Mr P Davidson Mr I E M Farquhar (Deputy Chairman) Mr R O Gibson Mr M C Kavanagh Mr P Melia Mr J D Mowbray Mr G D Scott (Chief Executive) Mrs S L Stewart. **Secretary** - Mr I M Gilberg. **Registered Office** - TEDCO Business Centre, Viking Industrial Park, Jarrow, Tyne & Wear, NE32 3DT. **Registered Number** - 1867885 (a company limited by guarantee) (registered in England). **Auditors** - RSM Tenon Audit Limited Registered Auditor, Tenon House, Ferryboat Lane, Sunderland, SR5 3JN.

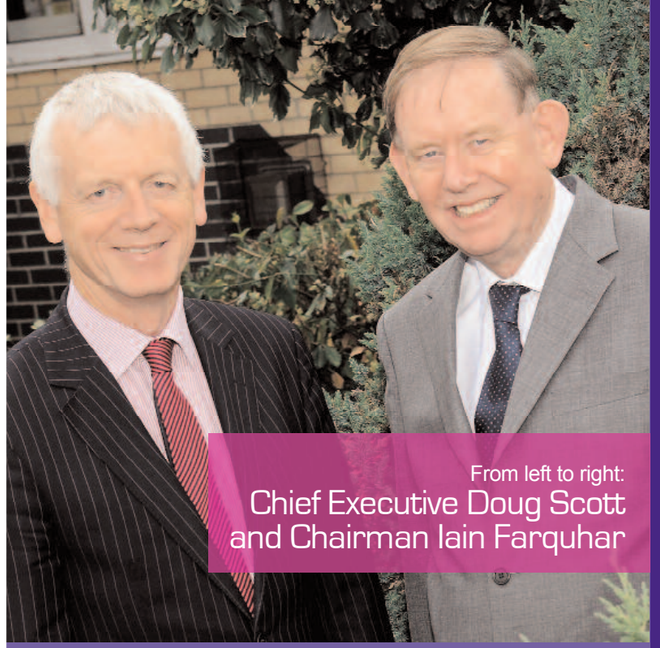
Front Page clockwise from top: Mathew Simpson TEDCO start-up client, Laura Dawson and dog Ziggy TEDCO start-up client. Steven Allan of Levant - TEDCO Business Works.
Back Page: Adrian Cheesman of Demob Job Ltd – TEDCO Business Works.

Chairman and Chief Executive's statement

The model of business support that developed from the mid-1980s based on significant public funding of face-to-face services changed dramatically following the election of the Coalition government. Faced with a large budget deficit and the opportunities offered by electronic communications and service provision, the new government decided that the traditional model that could no longer be afforded. 2010/11 was a transitional year and as such posed significant challenges.

Operationally, we can view it as the last of the old era and we have met service targets and generated a healthy surplus on activities. In other ways it was very challenging. To prepare for the new era we have found it necessary to reduce costs and staff numbers.

Darren Gibson of Fountain Safety Solutions Ltd
TEDCO Business Works



From left to right:
Chief Executive Doug Scott and Chairman Iain Farquhar

We have also seen the end of some excellent projects. It was a painful end to a successful year and we'd like to record our gratitude to the staff who left TEDCO after having served us so well, many for several years.

In 2010/11, we managed 2 business incubators and 2 managed workspaces for local authorities in South Tyneside and Northumberland. Occupancy is gradually increasing and we are now approaching pre-recession levels. The performance last year was generally very encouraging.

We continued to provide a wide range of business support to many communities that we serve in South Tyneside, North Tyneside, Darlington, Northumberland and in Newcastle University. This included work in areas of economic disadvantage to encourage the idea of enterprise to flourish, traditional start-up work and business incubation encouraging businesses to grow and move on. Again this work has proved very fruitful over the last 12 months meeting every contract target and achieving good financial returns.

During the year we merged with NEMI, a specialist enterprise provider in North Tyneside and continue to build on their legacy in the Borough.

Looking to the future, we feel it is important to re-emphasise our commitment to our fundamental principles. Our purpose is unchanged: to generate enterprise and prosperity in the North East. We achieve this by:

a. helping businesses to create value, both economic and social

b. helping people to start a business and make a livelihood for themselves and their families and, in time, their employees

c. catalysing economic activities in the communities we work in

The sources of contracts to deliver many of our services will change. This may also change the scope of our activities and the methods we use to deliver them.

Self-employment is being supported by the government through the New Enterprise Allowance Scheme and, for long-term unemployed people, through the Work Programme. There is great emphasis on the use of volunteer business mentors, with payments being largely for the management of the service. These programmes are being delivered through grants and contracts awarded by the Department of Work and Pensions.

The programmes of the Department for Business, Innovation and Skills providing face-to-face advice are focused on the growth of 6% of the business stock that is expected to grow by 20% or more for 3 consecutive years. The regional Business Links were funded to provide face-to-face services to people seeking to start a business. After they have closed in November 2011, the national start-up service will be electronic, delivered from www.businesslink.co.uk.

The Regional Development Agencies are to close in March 2012 with no new funding in 2011/12. The new Local Enterprise Partnerships are not funded from central grants in the same way. It cannot be foreseen that they will have the same funds available to them as the RDAs and the funds they can raise and the services that follow may take some years to develop.

Local authorities are facing significant and successive cuts to their funding. In this environment, contract opportunities are fewer, of less value and have more competitors.

It is important to take stock at this time. Our work is surely not done. With unemployment at £2.5m and a greater emphasis being placed on job creation by the private sector our work is as important ever.

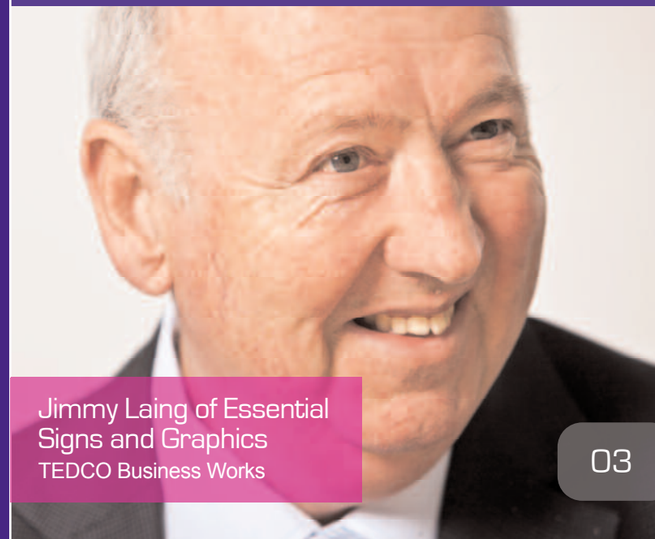
Our stakeholders may ask: "So, what are your commitments now?"

Our answer is that TEDCO will be:

- A recognised leader in catalysing local economic development
- An exemplar as a social enterprise, with a strong profile in measuring social value
- A partner of preference in local partnership and networks.

We understand that most clients can gain real benefits from electronic services: we understand that some of them may not need face-to-face services at all. But we believe passionately that most people gain real benefit from being able to test their ideas and plans with people who have real skills and experience in the field and we will do everything we can to retain a service for those people.

Our services will always be underpinned by strong values of integrity, respect and customer service. We have been here for over 25 years: we remain here for the long-term.



Jimmy Laing of Essential Signs and Graphics
TEDCO Business Works

> “TEDCO has been very supportive and has helped me expand my initial concept, refine my business plan and make this a reality for me.”
>
> Laura Dawson, Ziggy Chews, Start-up client

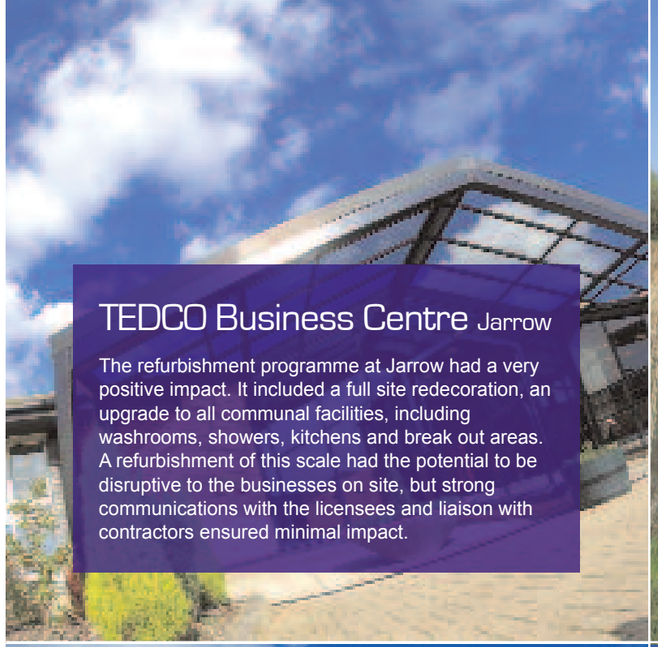
Managed Workspace & Business Incubation

2010/11 was a successful year for Workspace. With steady growth at TEDCO Business Works, The Quadrus Centre and Berwick WorkSpace. Occupancy at TEDCO Business Centre remained stable but behind target. The refurbishment programme began in the final quarter and we saw increased enquiry levels by the end of March. Occupancy at all sites is now close to pre-recession levels.

A distinctive aspect of our management system for the business incubators is in measuring the value the businesses add to the local economies. The Quadrus Centre added over £9m last year taking the total since it opened to well over £20m. In Berwick the figure for 2010/11 was over £2m adding over £3m since its inception.

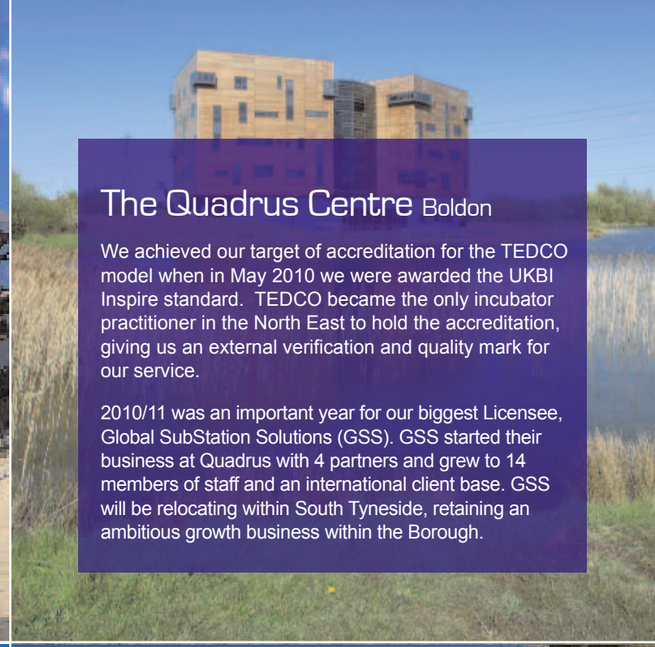
We achieved our targets of reducing our waste and cleaning expenditure by re-tendering for our cleaning services in South Tyneside. Our focus on energy efficiency also reduced utility costs at all sites. Overall the department performed well for both income and expenditure and we finished ahead of our financial forecasts.

We made significant investments in our centres last year, resulting in outstanding service improvements and positive feedback from our clients. We completed a major upgrade to our IT infrastructure and initiated a refurbishment programme for TEDCO Business Centre in Jarrow. The change to our IT system resulted in a much better service for our licensees and for TEDCO, and one which could offer us both competitive advantages in the future.



TEDCO Business Centre Jarrow

The refurbishment programme at Jarrow had a very positive impact. It included a full site redecoration, an upgrade to all communal facilities, including washrooms, showers, kitchens and break out areas. A refurbishment of this scale had the potential to be disruptive to the businesses on site, but strong communications with the licensees and liaison with contractors ensured minimal impact.



The Quadrus Centre Boldon

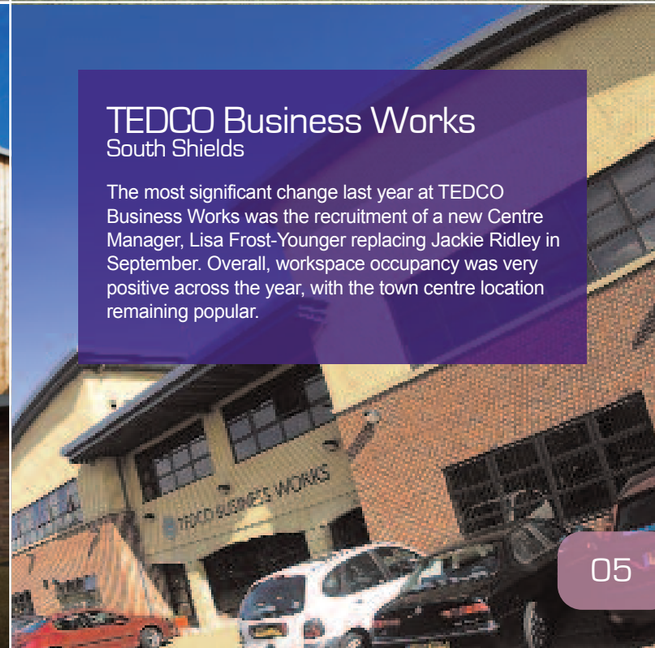
We achieved our target of accreditation for the TEDCO model when in May 2010 we were awarded the UKBI Inspire standard. TEDCO became the only incubator practitioner in the North East to hold the accreditation, giving us an external verification and quality mark for our service.

2010/11 was an important year for our biggest Licensee, Global SubStation Solutions (GSS). GSS started their business at Quadrus with 4 partners and grew to 14 members of staff and an international client base. GSS will be relocating within South Tyneside, retaining an ambitious growth business within the Borough.

Berwick WorkSpace Berwick

Berwick WorkSpace achieved the national UKBI accreditation last year. Occupancy increased gradually through the year with a marked upturn in interest in the latter stages of quarter four. Occupancy is set to increase to over 70% in May of 2011/12 and potentially over 80% in June.

Northumberland County Council gave us excellent feedback throughout last year and an external evaluation report commissioned by NCC commented how effective and successful the centre was under our management.



TEDCO Business Works
South Shields

The most significant change last year at TEDCO Business Works was the recruitment of a new Centre Manager, Lisa Frost-Younger replacing Jackie Ridley in September. Overall, workspace occupancy was very positive across the year, with the town centre location remaining popular.

Business Support

2010/11 has been a very challenging year for Business Support. We have worked hard to balance the effective delivery of existing projects and ensure a seamless service to our customers, with the reorganisation of TEDCO to deal with the major cuts in publicly funded contracts in 2011. Despite the turbulent environment we have achieved a strong performance across all areas of delivery and have maintained excellent relationships with our customers.

In 2010/11, we provided a wide range of pre-start and start-up services in South Tyneside and North Tyneside and start-up services in Darlington, Newcastle University and also within Berwick WorkSpace.

A real highlight in our work was the successful delivery of the South Tyneside Enterprise Coaching project which concluded in March 2011 meeting all its key targets. This has built on our national award winning work, giving TEDCO a real niche in this delivery. Over the course of the programme, over 230 people were assisted into business and almost 2000 local residents have participated in a range of exciting enterprise activities.

Gary Collins of Comstal Technology Solutions
TEDCO Business Centre

We are seeking new ways to maintain this momentum into the future. As we enter the new financial year, we're continuing to provide a start-up service in South Tyneside, supported by funds from South Tyneside Council and the European Regional Development Fund.

We successfully recruited almost 60 regional Business Ambassadors from a wide range of backgrounds and sectors. The Ambassadors were all entrepreneurs who gave freely of their time and wisdom to encourage others who were considering working for themselves. We delivered services to a wide range of audiences including schools to spread the enterprise message.

TEDCO's contribution to the enterprise agenda was recongnised at a personal level, when Doug Scott was honoured by the Queen with the prestigious Queen's Award for Enterprise Lifetime Achievement Award 2010. Only one Lifetime Achievement Award is granted per year so it is a tremendous achievement and reflection on Doug's character and the work he has done in both the North East and on a national level

We are delivering some innovative activities in North Tyneside, including a range of community engagement events such as street theatre and enterprise fairs. We delivered a joint event with the University of Newcastle's internationally acclaimed Institute of Ageing, Age UK and TyneMet College aimed at encouraging the over 50 age group to consider opportunities for self employment which attracted over 60 people.

The North Tyneside project is performing very well with 1270 people being supported to explore business ideas and 166 starting a business in the Borough. Strong relationships in many parts of the community with voluntary sector organisations, private companies and several parts of the public sector are all helping to strengthen our service and reach. This work will continue into 2011/12.

In Darlington, our start up service is supported by Darlington Borough Council, the Business Link operator and TEDCO's own resources. We have had a successful year with 29 people starting a business with our support.

We continue to have an excellent working relationship with the Newcastle University Enterprise Team and TEDCO staff are firmly embedded within their delivery team 2010/11 was a record year for starts at the University with 35 new businesses being established.

"My business adviser has been an enormous help in supporting me make my passion into a business, I feel really excited for the future of my business."

Aoife Forbes, Nola Gifts, Start-up client

During the final quarter of 2010/11 the delivery of Operation Green gained momentum with a series of roadshows across the region to raise awareness of commercial opportunities in the low carbon economy. We held an event at The Quadrus Centre with Trevor Mann, Chief Executive of Nissan as a keynote speaker. This was followed by a demonstration of the Nissan Leaf and discussions around green opportunities. We also held an event at Darlington Rugby Club presented by a local business sharing their experience of working and finding opportunities in the green sector.

Our procurement work in both Northumberland and North Tyneside is producing very positive feedback.

North Tyneside Council has carried out a survey of beneficiaries of the service and the result is a commitment to continue the service beyond the contract end date of June 2011. This will be in the form of a competitive tender.

In Northumberland our work has resulted in over £4.5m worth of public sector work being won by local businesses with the opportunity to secure a further £10m in framework tenders. We have had excellent feedback from both clients and our funder Northumberland County Council on the quality of this work and the impact on local businesses.