

# CORPORATE PLAN 2008-11 REFRESH - JUNE 2009



## I. INTRODUCTION

### Purpose of the document

The purpose of the document is to set out revisions to EEDA's corporate plan approved by BERR in 2008, detailing the Agency's investment priorities in the East of England in 2009-11. The review has been influenced by:

- reprioritisation of investment spurred by the need to provide businesses with a revised package of support and increase resources to respond to redundancy given the deepening recession
- reductions in the Single Budget from that set out in the approved corporate plan 2008-11
- the need to respond to new or evolving Government policies – and in particular the Sub-national Review of Economic Development and Regeneration (SNR) and New Industry, New Jobs (NINJ)
- the Public Value Programme, Operational Efficiency Programme and results of evaluation of RDA impact which provide new evidence on the effectiveness of different forms of intervention.

Accordingly, this corporate plan supplementary document 2009-11 sets out revised priorities and an updated programme and performance framework for 2009-11. Many of the core elements of the corporate plan 2008-11 endorsed by the Secretary of State in August 2008 still stand – notably the corporate programme architecture and the framework for delivery. EEDA's corporate objectives for the remainder of the corporate plan period, 2009-11 are, to:

- 1) *enable businesses to access valued publicly-funded business support services, to survive and grow, and to catalyse demand-led skills provision across the region*
- 2) *build on the region's science base and increase the commercial exploitation of ideas*
- 3) *prioritise and enable increased investment in regional infrastructure*
- 4) *improve employability and increase economic opportunities for individuals to participate in the region's economy*
- 5) *improve the resource efficiency of businesses and individuals in the region, reducing their carbon intensity and supporting investment and growth in the sustainable energy, environmental and land-based sectors*
- 6) *deliver high-quality evidence-based policy making, evaluation and investment planning in the East of England*
- 7) *undertake a successful programme of partnership development and investment planning to implement the Sub-national Review, support local authority capacity building and act as effective advocates for the region and Greater South East at national and international levels.*

The principal changes are to the levels of resourcing within and across programmes, in particular to priorities for capital investment which have been revised in light of the evaluation evidence and *New Industry: New Jobs*. Decisions to refocus support are reflected in a revised performance framework and anticipated impacts.

## Document structure

This document contains the following sections:

- the strategic context section outlines the changing economic conditions in the East of England and the evolving national and regional policy context that inform EEDA's investment strategy
- EEDA's corporate plan 2009-11 with its main investment and organisational priorities, and activities in 2009/10
- the process for budget re-profile and distribution across corporate programmes, to ensure spend on interventions that make the largest net increase in economic value
- an outline of delivery framework
- **Annex A:** Programme and Performance Framework
- **Annex B:** EEDA's response to the delivery of national Enterprise, Manufacturing and Innovation strategies
- **Annex C:** Outline of delivery of the Solutions for Business products in the East of England
- **Annex D:** EEDA's resources and budgets.
- **Annex E:** Public Value Programme Analysis

## II. STRATEGIC CONTEXT

### Economic context

The East of England has one of the strongest economies in the UK. Over the last 20 years, the region has had one of the highest long-term economic growth rates and one of the highest employment rates of the UK regions. It nonetheless went into the recession faced with the long term challenges of building on successes such as innovation and enterprise, and boosting investment in infrastructure and longer-term skills development. The East of England is the country's top location for innovative activity and private sector research and development<sup>1</sup> and has one of the highest numbers of small and medium sized enterprises (SMEs) of the regions. The region has assets of national importance, including major international ports and airports, research institutes and the globally-renowned University of Cambridge.

The region's diverse economy and lesser reliance on traditional manufacturing means that the East of England entered the recession in a less vulnerable position with sectors that are more likely to survive in the recession or to recover in the short term. EEDA's analysis of the impacts of the recession has shown that the region's pharmaceutical, technology, niche manufacturing and agricultural sectors have maintained growth, but that some sectors have contracted significantly<sup>2</sup>. Structural change is occurring in the economy, and the sector outlook will continue to change and be subject to uncertainty for some time.

The East of England's economy has contracted sharply since mid-2008, although the pace of decline is slowing. Construction and housing-related activities have seen high levels of redundancies in line with the downturn in the region's housing market. Housing starts fell to their lowest level on record in the second half of 2008 and house prices have fallen 18 per cent from their peak in January 2008. Activity is now returning to the market in terms of new enquiries and sales, although prices continue to fall and first-time buyers continue to experience difficulty accessing mortgage finance and raising larger deposits.

Manufacturing has been the hardest-hit sector in this recession with the highest number of notified redundancies, including automotive manufacturers such as Perkins Engines (Peterborough), Visteon (Essex) and Delphi Diesel Systems (Suffolk) and food production companies such as Vion (Suffolk), Bernard Matthews (Norfolk) and Tulip (Norfolk and Cambridgeshire). This is evident in regional labour market impacts. In the East of England, unemployment increased to 5.9 per cent in 2009 Q1, from 4.5 per cent a year earlier. Impacts have differed across the region, with Harlow, Peterborough and Thames Gateway experiencing the largest relative

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<sup>1</sup> 'Innovation Insight: the innovation performance of the East of England,' Insight East (March 2009):

[http://www.insighteast.org.uk/WebDocuments/Public/approved/user\\_9/EEDA%20Innovation%20Report.pdf](http://www.insighteast.org.uk/WebDocuments/Public/approved/user_9/EEDA%20Innovation%20Report.pdf).

Insight East is the new economic intelligence centre for the East of England, funded by EEDA. Insight East has been developed to help decision makers across the region better understand the economy, including the impacts of the downturn.

<sup>2</sup> EEDA's 'Regional Intelligence Snapshot' for BERR, HM Treasury and the Regional Economic Council, and Insight East's 'Monthly Economic Outlook': See Insight East's 'Monthly Economic Outlook for the East of England, April 2009':

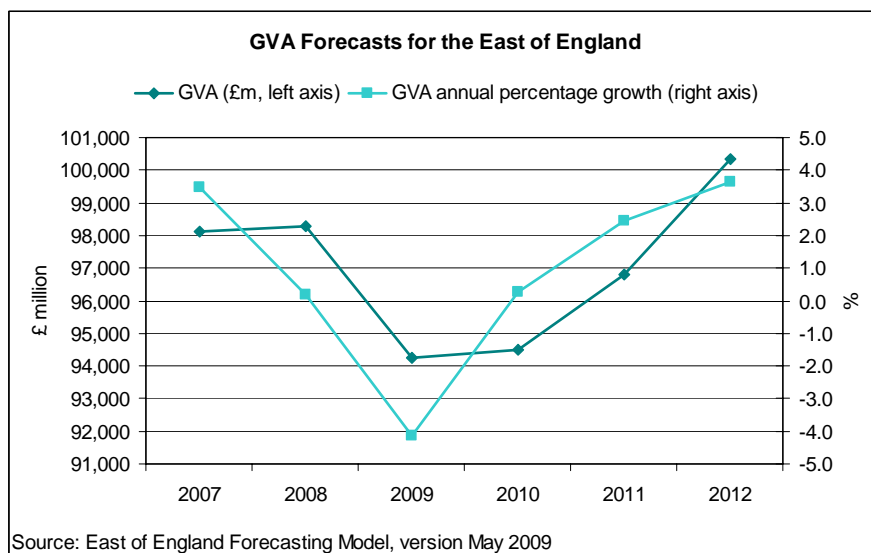
[http://www.insighteast.org.uk/WebDocuments/Public/approved/user\\_9/20080424%20Monthly%20Economic%20Outlook%20\\_April\\_.pdf](http://www.insighteast.org.uk/WebDocuments/Public/approved/user_9/20080424%20Monthly%20Economic%20Outlook%20_April_.pdf).

increases in unemployment. Cambridge has been least affected, due to its high student population and public sector employment.

Employment in the region has remained stable over the last year. In 2009 Q1, the region's working-age employment rate – at 77.7 per cent – was the same as a year earlier while numbers in employment had increased. The rise in unemployment reflects growth in the labour supply including new entrants to the labour market who have experienced difficulty obtaining work due to fewer vacancies available. This will be of particular concern as we approach the end of the academic year<sup>3</sup>.

The lower value of sterling relative to other currencies has helped to boost domestic tourism bookings within the region, benefiting coastal areas in particular – including Great Yarmouth (the region's most deprived district). However, the decline in world trade has offset the benefits that many exporters may have realised from the lower value of sterling. The decline in world trade is evident at the region's ports with port operators at Felixstowe and Harwich cutting costs and jobs due to overcapacity. Key investments are also under threat with Dubai Ports World stalling its projects worldwide to cut costs – including its £1.5 billion investment at London Gateway (Thurrock).

Looking ahead, EEDA forecasts suggest that the region's GVA will decline by 4.1 per cent in 2009, followed by marginal growth of 0.3 per cent in 2010. Businesses are now less pessimistic about their outlook than at the end of 2008 although, even when business conditions begin to improve, unemployment is unlikely to fall until businesses are confident of a sustained recovery. The region's future economic success will lie in our historic economic strengths and assets. Key will be enhancing our role as a leader in innovation and ensuring that the region has the potential to further develop innovative opportunities that will arise.



Further information on the economic health of the region can be found at [www.insighteast.org.uk](http://www.insighteast.org.uk), the region's economic intelligence centre.

<sup>3</sup> EEDA will continue to monitor the impact of the recession on the region's migrant workforce as fluctuations in exchange rates could have implications for the availability of migrant workers to fill labour shortages in the upturn.

## National policy context

In anticipation of the passage of Local Democracy, Economic Development and Construction Bill and further guidance to progress the next stages of the **Sub-National Review of Economic Development and Regeneration (SNR)**, the region has commenced implementation including the agreement of and submission to government a change management plan.

During the remaining period of the corporate plan, EEDA is committed to the delivery of the Change Management Plan, including to:

- finalise regional governance arrangements and progress the joint responsibility with a new Local Authority Leader's Board for the preparation of a single regional strategy
- align local, regional and national partners into the architecture to develop the Single Regional Strategy and to ensure a strong focus on its implementation
- develop the capacity to play an enhanced role in regional planning, transport and housing
- work with partners to strengthen the evidence base for regional strategy development and investment decision-making
- work with primary tier local authorities and *Improvement East* to take forward local economic assessments which will be a key component of the evidence base for the single regional strategy as well as informing sub-regional prioritisation
- provide a strengthened regional implementation framework, with the East of England Implementation Plan process linked to local area agreements (LAAs) and Integrated Development Programmes (IDPs) which provides a valuable learning process for a future regional delivery plan for the single strategy
- work with local authorities, the HCA and other partners to develop *sub-regional investment programmes* including a central role for local authorities in the design, appraisal, delivery and evaluation of programmes.

## **New Industry: New Jobs (NINJ) – the contribution of EEDA and the RDA Network**

EEDA working with national departments and agencies, the RDA network and devolved administrations, and regional partners has a major role to play in contributing to the development and implementation of the NINJ national framework and the 40 policy commitments set out by Government.

During the corporate plan period, EEDA will take forward action to support the NINJ agenda in a number of areas:

### **(1) Strategy and investment planning to deliver NINJ**

#### *Evidence*

- Taking forward a major economic research programme to better understand opportunities and address barriers to growth affecting businesses in the East of England in key NINJ business classes, sectors and clusters
- Collaborative analytical work on a pan-regional basis to inform action to develop supply and value chains for the benefit of the UK and regional economies – including a Greater South East technology road map.

#### *Regional strategies and investment planning*

- Through the RSS review and work to progress a single regional strategy ensure the objectives of regional strategies drive action to develop a 'total business environment' in the East of England
- As we move from draft to final version of the East of England Implementation Plan and Integrated Development Programmes, ensure greater alignment of actions and investment (across the full range of public and private funding) to support the implementation of NINJ policy commitments.

### **(2) Correcting market failures specific to businesses with high growth potential, key sectors and clusters**

EEDA's key interventions during the 2009-11 period will be delivered principally but not exclusively through the *science, innovation and high level skills programme*. This focuses on addressing barriers to growth of key clusters, value and supply chains based around 'primes/OEMs such as BT, GSK, Unilever and Ford, and international centres of excellence such as Cambridge and the research capability at Norwich Research Park. EEDA will be developing integrated investment packages for key sectors and clusters, where major activity includes:

#### *Life-sciences, health and biotech:*

- A circa £5 million expansion programme at Norwich Research Park to increase the generation and commercialisation of leading bioscience, including investments in the IFR2 incubator and the Genome Analysis Centre (TGAC)
- Major investment to support the development of an open innovation science park at Colworth, anchored by Unilever

- Delivery of the first regional SBRI pilot in England with the NHS, focused on stimulating demand and forward procurement of emerging health technologies.

*ICT and the digital industries:*

- Increasing spin-out and clustering of ICT related companies through the development of the Innovation Martlesham innovation hub and supporting further expansion of the open innovation science park anchored by BT's research and development headquarters.

*CleanTech Innovation:*

- A major Cleantech Innovation programme which includes an ongoing baseline and supply chain mapping exercise, focused on the Built Environment, Low Carbon Vehicles and Renewable Energy. This will align with TSB investment, the Environmental Transformation Fund and DECC/BIS programmes
- Key investments are planned to support the Innovation Park and other activities being lead by the Buildings Research Establishment, and expansion of the Hethel Technology Park focused on low carbon vehicles, anchored by Lotus
- Continuing support for development of the wind energy supply chain, building on the recently opened ORBIS offshore wind centre of excellence
- Progressing the business cases for major renewable energy schemes including a bio-energy park and marine energy demonstration zone
- Strategic investments through the *Sustainable Economy programme* and utilising the European Regional Development Fund (ERDF) resources to progress the region's transition to a low carbon economy and specifically a new Low Carbon Venture Capital Fund.

*Creative industries:*

- Introduction of a new service to deliver the 'Designing Demand' Solutions for Business product in 2009
- Development of the supply chain and technology transfer in the media, digital and gaming industries, building on investment in EPIC High Definition Centre
- Ongoing investment in a £100 million creative industries joint prospectus with Arts Council England, including the Production Campus and National Skills Academy for the backstage industries in Thurrock.

*Generic support to early stage, knowledge-intensive companies:*

- Establishing a comprehensive access to finance offer including £5 million of new investment through a Regional Growth Loan Fund, and an expanded innovation vouchers offer to complement the existing Proof of Concept, Grants for R&D, GBI, Foundation East small loans fund, Collaborative R&D and EU Funding provided by EEDA
- Providing £2.6 million of capital to support the network of 12 enterprise hubs across the region, which provide sector specific and generic innovation support services to early stage companies.

*Demand-side intervention:*

- With the TSB and SHA, developing and testing new SBRI models to stimulate demand for new ideas and technologies

### **(3) Universal services and interventions that improve productivity**

Evidence suggests that the gaps in productivity growth between the UK regions and indeed, between the UK and leading economies is not caused by a failure to compete in knowledge-generating sectors and activities but instead can be explained by the speed of adoption of new technologies and practises in knowledge-using sectors (e.g. services and retail)<sup>4</sup>. Furthermore, as BERR research suggests<sup>5</sup>, innovation is becoming more important throughout the value chain - not just in the development of new products and services but in materials, processes, information and delivery systems and business models. Accordingly, 'innovation should address all sectors, not just those that are R&D intensive'.

This highlights the central importance of 'universal' services and programmes in areas such as business support, innovation, skills and infrastructure to the NINJ agenda. EEDA's planned contribution includes:

- An improved and expanded Business Link offer spanning the range of Solutions for Business Products and integrated Train to Gain brokerage
- The new integrated, Manufacturing, Innovation and Designing Demand service
- Continued investment to expand industry-focused higher education provision in the region
- Increased investment in the ESF co-financed Beyond 2010 skills programme which provides demand-led, bite-size training for businesses in key sectors
- Progression of a major DASTS study and investments to address major bottlenecks in the transport system that are impacting regional and UK productivity (e.g. as identified in the Transport Economic Evidence Study).

### **(4) Improving co-ordination across the regions and the devolved administrations, and with national Government**

EEDA will work with other RDAs to develop *specific supply and value chains* that span the UK nations and regions. Commitments include:

- Aerospace – significant investment of in the Next Generation Composite wing with a number of RDAs and the devolved administrations
- Low Carbon Vehicles – £625,000 towards a pan-regional low carbon vehicles programme

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<sup>4</sup> See for instance Bloom, Nick and Sadun, Raffaella and Van Reenen, John (2005) *Information technology and productivity: it ain't what you do it's the way that you do IT*. *Centrepiece*, 10 (3); Sami Mahroum, Rob Huggins, Naomi Clayton, Kathy Pain and Peter Taylor (2008), *Innovation by Adoption - Measuring and mapping absorptive capacity in UK nations and regions*, NESTA

<sup>5</sup> *The globalisation of value chains and industrial transformation in the UK* (2009), BERR Economics Paper No. 6

- Space technology – Ongoing co-investment of £36 million with LDA and SEEDA in the Alphasat project, which has levered €500 million of European Space Agency investment
- Bioscience Park – work with other RDAs to realise the benefits of the potential investment anchored around GSK in Stevenage, with £4,000,000 of EEDA investment allocated.

However, more can be done. We will work with the RDA network and partners to develop new mechanisms to further co-invest and realise wider supply chain benefits from major RDA and Strategic Investment Fund investments to support internationally important clusters, and centres of excellence or anchor Original Equipment Manufacturers in key NINJ sectors.

EEDA will also continue the process of aligning investment and services with TSB, UKTI, and research councils. This includes:

- Approximately £20 million of EEDA investment aligned to TSB Key Technology Areas (mapped to NINJ sectors)
- Major work with the BBSRC to support commercialisation of research from existing and emerging centres of excellence including the Babraham Institute and the T-GAC centre as part of the wider Norwich Research Park development
- Joint work with UKTI to refresh international trade and investment services.

#### *Integration across Government*

EEDA has reprioritised investment and action to make a full contribution to the NINJ agenda and the existing 40 policy commitments. However, as set out by the RDA network we believe more can be done. In particular, the RDAs have proposed:

- Lifting the cap on university places, in particular in STEM subjects that would help increase the talent pools available to businesses in NINJ sectors and clusters
- Ensuring the future skills system is efficient, strategy and demand-driven and provides a point of entry to businesses that is fully integrated with wider business support
- Further review of capital allowances to encourage still more innovative activity and business investment, and incentivise transition to the low carbon economy
- Rapid roll-out of the Forward Commitment Programme across Government to increase demand-side pull for emerging technologies being developed by UK companies.

We welcome the opportunity to play a full role in the NINJ ‘Mirror’ Group during our period as Chair of Chairs for the RDA Network to progress work on the national framework and NINJ implementation.

## Transforming Places; Changing Lives: taking forward the regeneration framework

The recently published **Regeneration Framework** sets out key roles for RDAs. EEDA's response is shown in the table below:

<b>Regeneration Framework prescribed RDA role</b>	<b>EEDA action</b>
Invest in capacity to deliver sustainable economic development and regeneration activity	<ul style="list-style-type: none"> <li>• To work with local authorities and Improvement East to build capacity (and specifically in 2009/10 around local economic assessments)</li> <li>• Providing £800,000 of support to sub-regional partnerships to take forward programmes of activity to strengthen the evidence base, and better engage the private sector in economic development and regeneration</li> <li>• Continued support for URCs and growth partnerships in key growth and regeneration locations</li> </ul>
Identify the functional economic areas within the region that are the priority areas for regeneration in consultation with local authorities, businesses and the third sector	<ul style="list-style-type: none"> <li>• The recently completed RES identifies the major functional economic areas (termed 'engines of growth') that drive regional economic performance and was subject to extensive consultation. The RSS is complementary and defines key centres for development and change. These are subject to ongoing monitoring of performance and will be reviewed as part of the development of a single regional strategy.</li> </ul>
Work with national, regional and sub regional partners to deliver economic plans and investment which connect areas of need with areas of opportunity, through regional strategies, MAAs and the development of area based investment plans	<ul style="list-style-type: none"> <li>• Finalisation of the East of England Implementation Plan</li> <li>• Roll-out of the development of Integrated Development Programmes across the 'engines of growth' identified in the regional economic strategy and key centres for development in the RSS</li> </ul>
Work to new additionality guidance from June, drawing on evaluation evidence, to strengthen the quality of appraisals and collaborate and learn lessons across regions	<ul style="list-style-type: none"> <li>• The RDA network are supporting the development of new additionality guidance, and have committed to retaining a shared evaluation resource alongside working with and through OffPAT to share learning and strengthen appraisal and evaluation practise</li> <li>• EEDA are also developing a new investment planning tool building on the findings of evaluation evidence to continue to drive further value from our investment.</li> </ul>
Have an ongoing evaluation programme that is independently audited with annual	<ul style="list-style-type: none"> <li>• EEDA has recently developed a revised evaluation policy and schedule for 2009-</li> </ul>

Regeneration Framework prescribed RDA role	EEDA action
<p>publication of audits and biennial summaries of the evaluation results</p>	<p>11. This will be examined through our existing audit mechanisms, governance and scrutiny procedures, and we are committed to full publication of results.</p>
<p>The HCA and RDAs will work together on joint investment planning in each region by:</p> <ul style="list-style-type: none"> <li>• holding '<b>single conversations</b>' where appropriate with local areas, meaning that the two agencies will work together, in a way consistent with local aspirations and plans (as set out in local area agreements and multi-area agreements), and, at the same time, consistent with the objectives set out in the regeneration framework</li> <li>• working together with local authorities through the new 'duty to involve' to make sure that the <b>views of local residents and communities</b> are heard when making decisions about regeneration and investment</li> </ul>	<ul style="list-style-type: none"> <li>• EEDA are working closely with the HCA including committing to: <ul style="list-style-type: none"> <li>- A regional summit lead by the Chair and Chief Executive of EEDA and the Chief Executive and Regional Director of the HCA in June 2009</li> <li>- Building on the IDPs to take forward the single conversation</li> <li>- Joint work and investment plans around our property portfolios to utilise expertise and resources most effectively</li> <li>- Working with local authorities and Local Delivery Vehicles to engage local communities in the future of their places: using innovative techniques such as those used during the Perceptions Peterborough work.</li> </ul> </li> </ul>

## Delivery of key national strategies

EEDA's business offer is driven by a number of key national policy documents: *Enterprise: unlocking the UK's talent*; *Manufacturing: New Challenges, new opportunities*; and *Innovation Nation*. EEDA's progress in delivering against the policy proposals in these areas is outlined in **Annex B**.

EEDA is already making a substantial contribution to the government's industrial activism agenda set out in *Building Britain's Future: New Industry, New Jobs* published in April 09, and is gearing up to respond further to the policy proposals, especially around embracing technological change and developing skills to support leading innovative industries in digital communication, low carbon technologies, and other areas where the region already has the competitive edge.

- **The Enterprise Strategy** sets out how the Government will encourage further business start-up and growth. Focusing on small and medium sized businesses the strategy outlines a new framework for Government action and details five enablers of Enterprise (Culture, Knowledge and Skills, Finance, Innovation and Regulatory framework). EEDA has already implemented a number of interventions in response to the detailed policy proposals.
- In **the Innovation Nation** White Paper, Government sets out how it can invest in innovation through: people and knowledge, unlocking talent at all levels; research and exploitation of knowledge; and regulation, public procurement and public services shaping the market for innovative solutions. *Innovation Nation* emphasises the important relationship between the RDAs and the Technology Strategy Board (TSB) and encourages greater alignment between national and regional level. This has been described further in the Technology Strategy Boards Connect and Catalyse – a strategy for business innovation launched in May 2008. EEDA's activity in delivering the Innovation strategy is outlined in Annex B.
- The Government's **Manufacturing Strategy** focuses on exploiting the long-term opportunities presented to UK's businesses by the global economy in the new and growing markets. It sets out the vision for a globally competitive manufacturing sector in the UK, underpinned by an increasing need for specialisation, with the focus on developing manufacturing solutions for a low carbon economy, green jobs creation, provision of the right type and level of skills to underpin success. EEDA has recently launched a refreshed Manufacturing Advisory Service, integrated with the Innovation Advisory Service and Designing Demand support (see Annex B).
- In line with the recently published **Low Carbon Industrial Strategy**, EEDA will continue to make significant investment in the 'Improving your Resource Efficiency' and 'Low Carbon Energy Demonstration' Solutions for Business products. In addition, we will in be pursuing major interventions in the key sectors identified including:
  - Increasing support for science and innovation, particularly those technologies such as wave, tidal, biomass and low impact buildings

through existing Access to Finance and knowledge transfer programmes

- EEDA has recently completed projects to assess the regional potential for contribution to large scale CCS development and for medium and smaller scale CCS options for regional demonstration e.g. landfill gas capture, biochar from waste streams. EEDA, London Development Agency, and SEEDA are looking to support a CCS cluster project in the Thames Gateway growth area which has two coal-fired power stations proposed, both part of the DECC national CCS competition, along with a number of other CO<sub>2</sub> sources
- Continue to lever EU funding to support developing markets for renewables heat and Combined Heat and Power
- Provide leadership at a regional level on sustainable procurement, notably through joint work with Improvement East and on sustainable design and construction standards through Inspire East
- Supporting skills and supply chain development in the nuclear industry, working with regional partners and on a pan-regional basis, in particular with NWDA
- Progress major interventions in the low carbon vehicles, offshore wind generation and marine energy sectors (see NINJ section above).

## Regional strategic context

***The East of England Implementation Plan*** (EEIP) is a single delivery plan for the Regional Economic Strategy (RES) and the Regional Spatial Strategy (RSS). It is an example of an effective collaborative approach across themes, agencies and geographies and addresses the medium to long term strategic growth challenges (up to 2031). The implementation plan presents a compelling business case for investment in the region across a broad thematic spectrum of Housing, Transport, Innovation, Business Support and Enterprise, Skills and Employability, Green Infrastructure, Utilities, and Community Infrastructure themes. The direction of EEDA's medium to long-term investment will be informed by and contribute to specified EEIP programmes.

Work on the implementation plan at the regional level and the development of the **Integrated Development Programmes** (IDPs), and delivery through the LAAs in the sub-regions, provides a solid basis for co-ordinated working between regional and sub-regional partners on real priority interventions and investments that will deliver the quantum and quality of growth needed in the East of England. This is forming the foundation for the development of and delivery through the **Single Regional Strategy**. Given the challenges facing the region the need for partners to align their investment and interventions, as required through the SNR, is critical and we have already built the platform to enable this to happen.

**Regional Funding Advice (RFA 2)** - the region welcomed the second round of RFA, and with it an opportunity to influence national policy and work with Government on a number of specific policy issues. The region's advice brings to the fore the response from key regional agencies, EERA, EEDA, Homes and Communities Agency (HCA) and the East of England Skills and Competitiveness Partnership (EESCP), to recession and planning investments in preparation to the upturn - creating jobs and supporting businesses; delivering interventions crucial for a transition to a low carbon economy; delivering against housing targets; providing critical transport infrastructure and developing an integrated employment and skills offer.

As part of the region's economic development advice to Government the region invited Government to enter into a dialogue on a number of issues. These are:

1. Considering new fiscal incentives to stimulate venture capital investment in early stage, high technology companies. In this respect we look forward to engagement in the recently announced Growth Capital Review, established under the leadership of Christopher Rowlands.
2. Concentrating and aligning investment in the East of England's existing clusters of international importance, to ensure they continue to grow and sustain the competitiveness of the UK in the medium and long term
3. Formal endorsement of the Integrated Development Programmes as a basis for sub-regional investment planning by public agencies.

4. Acknowledging that adverse economic conditions will affect the achievement of economic and employment PSA targets in the short term.

The development of the East of England's RFA2 submission has run in parallel to the production of the East of England Implementation Plan. The two processes have complemented each other in the following ways:

- the investment priorities across transport, economic development, housing and regeneration, and skills strands in the RFA have fed into the design of short to medium term programmes of the relevant Implementation Plan themes;
- the implementation plan has enabled the capture of longer-term strategic interventions and set the context for medium-term investment proposed in the RFA.

### III. EEDA's CORPORATE PLAN 2009-11

#### EEDA's role

EEDA is the principal regional agency tasked with driving improvement in economic performance. In doing so, it acts as **strategic navigator** - leading partners in delivering shared economic objectives; **strategic influencer** and **expert**, mobilising partners with greater resources, and contributing expertise and discretionary funding to address particular economic market failures; and **commissioner**, using scarce resources strategically to commission projects or programmes at the right spatial level – increasingly in close partnership with local authorities.

Reducing resources, the changing role of RDAs, the fluid national agenda, the economic climate as well as the findings of the recent RDA impact evaluation exercise, have necessitated a re-engineering of EEDA's business model to shift focus towards a more efficient and responsive business-focussed operation, to enable a swift response to economic shocks and accelerate the transition to a planned, phased and evidenced integrated investment planning framework in localities. This will enable EEDA to become a more flexible responder to changing economic circumstances, deliver on national and regional priorities and manage its investments in places in a more strategic and cohesive manner.

The focus of EEDA's corporate plan is on addressing the priorities in the RES over the short-term. The immediate investment priorities have been reviewed to prepare a targeted response to the economic downturn, without jeopardising the longer-term growth ambitions. This includes a package of support for businesses to survive the recession, and for individuals to remain in or re-enter the labour market quickly.

#### European Structural Funds

EEDA plays a major leadership role in the strategic focus and deployment of the EU Structural Fund programmes 2007-13. This includes the lead management responsibilities for the East of England European Regional Development Fund (ERDF) Competitiveness programme on behalf of the CLG, and the region's allocation for socio-economic support under the Rural Development Programme for

England (RDPE) on behalf of DEFRA. In addition, EEDA operates as a co-financing organisation for the European Social Fund (ESF) on behalf of the Department for Work and Pensions.

The ERDF programme in the East of England is unique in having a dedicated focus on low carbon economic growth. The aim over the next two years is to utilise resources to make a full contribution to ambitious regional economic strategy CO<sub>2</sub> reduction targets and the low carbon industrial strategy.

Key priorities include:

- Delivery of N+2 targets
- Design and implementation of a comprehensive evaluation programme
- Flexing European programmes to assist individuals and businesses in dealing with the effects of the recession
- With a genuine shortage of early-stage venture capital in the region, EEDA is developing a **Low Carbon Venture Capital Fund**, with £8 million of pump priming through the ERDF. This fund will be targeted towards the region's SMEs and businesses with high growth potential, with the emphasis on the development of new low carbon products, using more resource efficient processes and supporting environmental sectors, consistent with Government's green jobs and climate change agenda.

## **EEDA's corporate programmes**

**EEDA's corporate plan** contains five delivery and two foundation programmes, developed to address specific market failures. The principles of sustainable development and economic opportunities for all underpin the corporate programmes.

EEDA's programmes have been developed using a *logic model approach*, designed to address specific market failures, and deliver results consistent with the regional economic strategy targets, national PSAs and regional outcome objectives (enterprise, skills, innovation, employment, and productivity).

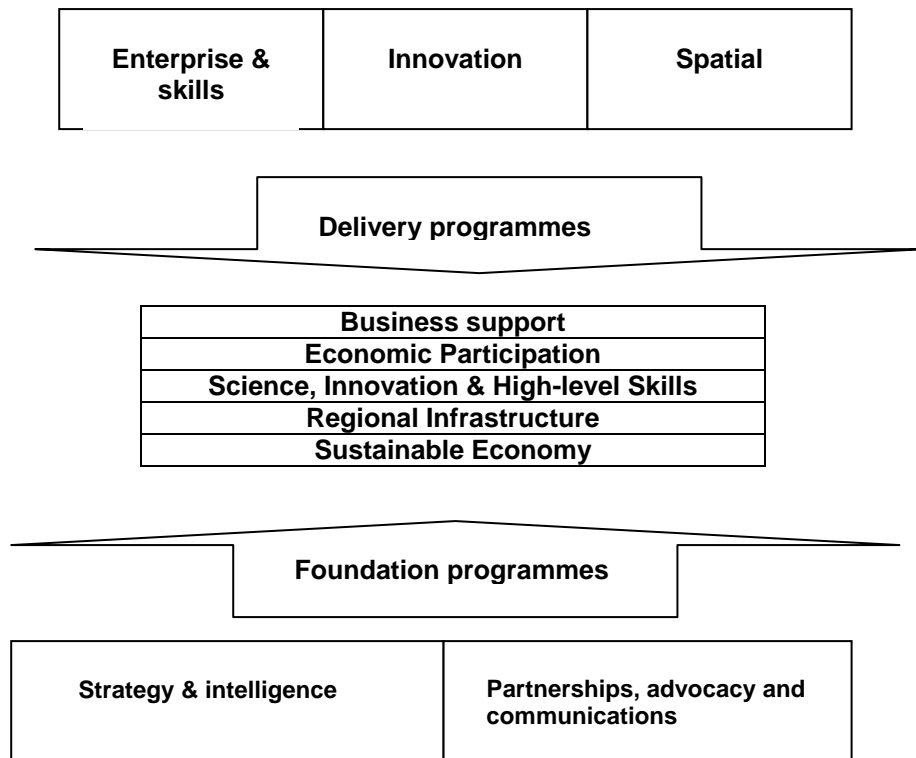
The focus of EEDA's delivery programmes is on tackling market failures in three principal areas:

- 1) **Enterprise and skills** - *improving access to high quality business support, and in particular providing advice and support to enable businesses to manage the effects of the recession; investment in work-force skills to meet both short to medium and long-term productivity demands, and addressing co-ordination and information market failures; accelerating transition to a low carbon, low resource economy.*
- 2) **Innovation** – *easing access to finance; support for innovation active companies in developing and bringing new ideas and products to market; encouraging innovation networks; tackling barriers to market entry, knowledge transfer and innovation collaboration; strategic investment focused on areas where the East of England has existing or emerging international comparative advantage, such as R&D, life and biosciences,*

*ICT, clean technologies and renewables sector; delivering the Higher Education Strategy to meet the region's need for higher-level skills.*

- 3) **Spatial market failures** – rolling out an integrated investment framework to deliver sustainable growth and tackle spatial market failures in the region's engines of growth, rural and coastal areas.

Figure 1 – relationship between market failures and corporate programmes



All the corporate programmes have been broken down into specific activities with associated outputs, outcomes and impact in terms of GVA. These are laid out in **Annex A**.

### **Investment priorities in 2009-11**

During the 2009-11 period the following activities will be a priority for EEDA:

**1) An accessible, integrated and responsive business support offer – focused on economic recovery**

Operating in difficult circumstances has required EEDA to demonstrate significant flexibility in order to target funds to priorities that emerge from the changing economic climate. In response to recession the Agency has boosted its £30 million business support package. This includes a recent significant additional investment of £1.32 million in support available through the Manufacturing Advisory Service, alongside investments in Business Link Gateway, Resource Efficiency East, East of England International, TakeITon, Access to Finance and Women's enterprise.

In the current Comprehensive Spending Review period, a £5.6m capital resource has been brought forward to 2009/10 from 2010/11 to progress the delivery of critical regeneration projects. EEDA has also brought forward an additional £10 million to help businesses, particularly SMEs, through the recession, to enable them to survive the downturn and grow. This focuses on a comprehensive and flexible package of demand-led business support products appropriate to all stages of business development. **Annex C** provides an overview of progress EEDA is making in delivering the Solutions for Business product portfolio.

In summary, the region's **business support offer** in response to recession contains the following measures:

- provision of economic intelligence, including free and anonymous health-checks administered by **Business Link East**, as well as free events saving businesses around £400,000,
- a **£5.6 million** capital resource to progress the delivery of critical regeneration projects,
- a **£250,000** "TakeItOn" programme to help businesses save costs through the use of IT,
- **£6.2 million** "Beyond 2010" programme including Response to Redundancies and sectoral skills support,
- **£4.4 million** investment in Manufacturing Advisory Service, Innovation Advisory Service and Designing Demand service,
- **£8.5 million** worth of grants available to support growing and innovative businesses in the region, through the **Finance in Innovation** programme,
- a new business map to make it easy for businesses to access public sector support via [www.bizmapeast.co.uk](http://www.bizmapeast.co.uk),
- increased collaboration with **UK Trade and Investment** (UKTI), helping businesses capitalise on opportunities in overseas markets.
- work with supply chains in sectors particularly effected by the recession, such as automotive and food processing to safeguard jobs and enable companies to diversify and find new customers.

Whilst EEDA recognises that providing a swift response to the economic downturn is crucial in stabilising business confidence in the region, maintaining focus on long-term business growth and prosperity, capitalising on the region's strengths, is equally important. To this effect, EEDA has introduced a new **Regional Loan Fund**, with an initial investment of **£5 million** to help businesses with high growth potential to access finance for bringing innovative ideas to market and provide transition loan funding.

Moreover, during the corporate plan period EEDA will focus on increasing the uptake of Train to Gain, progression through to high level skills, and providing leadership and management support. The need to gear up the skills provision to better meet the need of key sectors and clusters is fully recognised in the Science, Innovation and High-level Skills programme, as is the integration of employment and skills services in the Business Support programme. All EEDA funded programmes will be Solutions for Business compliant by March 2010.

Another area of priority will be capitalising on the opportunities presented by the **Olympics**. EEDA will continue helping businesses to secure these opportunities by supporting the electronic brokerage system, **Competefor**, and encouraging businesses in the region to register on it. Moreover, EEDA has undertaken a skills gap analysis to determine what specific skills businesses need in order to be procurement-ready and works closely with Business Link East to ensure that appropriate support is available.

During the 2009-11 period, EEDA will also be commissioning an expanded Business Link offer and with UKTI, a refreshed inward investment and international trade service. The intention will be to drive increased access, impact and value for money of these services through the commissioning process.

## **2) Progressing the New Industry New Jobs (NINJ) agenda**

EEDA's single budget resources will continue to focus on supporting the growth of sectors and clusters in the East of England that are of genuine importance to the competitiveness of UK plc. These include life and biosciences, ICT and software, clean and low carbon technologies (including renewables). The emerging national Low Carbon Industrial Strategy recognises the region's strengths in these areas. This includes the Universities of Cambridge, East Anglia and Cranfield, international leaders in environmental science and engineering. EEDA will work with regional and national partners to accelerate the commercialisation of low carbon and low resource technologies created in the East of England.

Due to the region's position at the forefront of R&D and knowledge-generating clusters, it is important to focus on creating a critical mass of investment in the world-class science base and supporting infrastructure to compete with global leaders and the emerging economies.

Through the resources allocated to the **Science, Innovation and High-level Skills programme** EEDA will focus on:

- strategic infrastructure investments to deepen knowledge-based clusters, including three open innovation science parks, applied research centres of national importance and expansion of Higher Education Institutions
- demand-side interventions, notably three pilot SBRI competitions with the Strategic Health Authority and TSB to develop new ideas and technologies in the areas of patient safety, managing long-term conditions and keeping children active
- developing measures to support soft start companies including a potential new model for private sector SBRI to launch in late 2009/early 2010
- enhancing 'horizontal' support in areas such as access to finance and business support, including the development of the regional loan fund and low carbon venture capital fund
- shaping the broader 'total business environment' through our leadership in regional strategy and investment planning
- joint work with the other RDAs, TSB, UKTI and others to develop forward collaborative programmes in key NINJ sectors and new policy proposals

For further detail on EEDA's role in the NINJ agenda see National Policy Context section above.

### **3) Spatial economy – strategic investment programmes in key sub-regions**

The Sub-National Review of Economic Development (SNR), changing roles of the RDAs and increasing budget pressures have necessitated a fundamental review of EEDA's operating model. To deliver sustainable economic growth in the region, EEDA is working with other agencies to put in place a robust mechanism for effectively engaging with the regional and sub-regional partners to ensure integrated delivery at the local level. To enable this to happen, EEDA is in the process of building internal and external capacity to improve engagement with sub-regions, and increase the impact of our funding through a strengthened investment planning framework (e.g. LAAs and IDPs). This will also enable EEDA to act as a strategic advocate on behalf of the sub-regions at the regional and national levels.

EEDA has also worked across Thames Gateway with SEEDA and the LDA to prepare the Economic Development Investment Plan (EDIP) setting out an economic vision, direction and a series of priority interventions to realise the economic transformation of the Gateway. In Thames Gateway South Essex significant investment is allocated to supporting further Higher Education expansion, commencing construction on the Production Campus in Purfleet including a major Royal Opera House facility, and feasibility work for an Innovation and Learning Centre alongside D P World's major new port and logistics investment at Shellhaven.

EEDA has made some significant investments to catalyse the delivery of growth and regeneration priorities in LAA areas, through the allocation of funding to local authorities for economic participation, building strategic capacity and local economic development activities, where they make a demonstrable contribution to the RES and RSS. To illustrate, as part of the **Economic Participation programme**, EEDA's Board has approved Investment Plans for 2009/10 with 11 Local Authorities in the Region, worth **£39 million**. These investment plans will deliver specified enterprise, employment and skills targets and have been flexed to reflect current economic circumstances.

## **Organisational priorities in 2009-11**

### **1) Sub-national Review transition in the East of England**

EEDA, EERA and local authorities, working with Go-East have developed the **SNR Change Management Programme** and work is underway to progress its implementation by April 2010. The programme sets out the process and mechanism for transferring functions, resources, staff and establishing new governance and operating arrangements required to develop and deliver the Single Regional Strategy.

Given this requirement, the region needs to consider the best model to produce and manage the new single strategy, which will see the development of a closer, collaborative and formal working relationship and governance arrangements between formerly separate elements. The model will take time to develop and will

be done in stages that draw in views and secures the support of partners across the region. The region's local authorities, through EERA and the East of England Strategic Authority Leaders (EESAL) are working towards the establishment of a Shadow Leaders' Board, as soon as this can be agreed to ensure an effective transition to the new working arrangements. Once established, the Shadow Leaders Board will progress discussions on SNR transitional matters with EEDA. This early initiative complements on-going consultation, through EERA, about future regional local government arrangements in the East of England.

EEDA will continue to work constructively with partners, and engage closely with local authorities and other organisations through **Improvement East** to build economic development capacity and capability at local, sub-regional and regional level. This will include: establishing the arrangements, resources and skills to develop and deliver the new single regional strategy and planning functions; a framework to take forward local economic assessments; skills for commissioning, developing, appraising and managing major economic development programmes; and shared services where there are effectiveness and efficiency benefits. EEDA is also discussing with regional partners how Inspire East, as the regional centre of excellence for sustainable communities, can continue to support delivery activity across the region.

To enhance the economic leadership role of local authorities, EEDA will contract with Sub-regional Economic Partnerships (SREPs) to develop sub-regional business engagement and intelligence functions and enable the delivery of local economic priorities.

With the new responsibility for preparing a single regional strategy commencing on 1 April 2010, and EERA ceasing to operate after that date, EEDA will have an increasingly important role to play in key decisions on the Regional Spatial Strategy in 2009/10. EEDA is already playing an active role in reviewing the RSS, which has to be submitted to Government in early 2010. Options are being considered on how the Regional Strategy development process links with the RSS review to ensure economic and other policy areas are kept up to date.

In parallel with the SNR process, the way the **14-19 skills agenda** is funded and delivered will change fundamentally from April 2010. The Learning and Skills Council will be replaced by the Young People's Learning Agency (YPLA) at national and regional level, which will fund further education learning directly to local authorities' Children's Services Directorates in response to annual commissioning plans. In the East of England that represents some £1.25 billion per year.

As Co-chair of the Regional Planning Board EEDA will seek to ensure that 14 - 19 learning reflects economically valuable skills and the demands of business, and also that it aligns with business-driven workforce skills, apprenticeships and higher education. Workforce learning will be managed nationally by a new Skills Funding Agency and apprenticeships by the National Apprenticeships Service, both of which will be represented within the YPLA Regional Planning Board. This requires EEDA to establish new relationships with the local authorities' Children's Services Directorates and to ensure that those Directorates are connected effectively with the

strengthened economic development functions of local authorities resulting from SNR.

## 2) Strategic leadership at national level

Starting in April 2009 EEDA assumed the **Chair of Chairs** role for the RDA network. Carrying out this role over the next six months will involve leading the RDA network in defining and driving forward a coherent response to *New Industry, New Jobs*; providing an effective joint response to the economic downturn; strengthening network activity and mechanisms to increase value for money and impact as a contribution to both the Operational Efficiency Programme and Public Value Programme. EEDA will also utilise national platform opportunities to demonstrate the effectiveness of RDAs, increase our influence and leverage, and promote new national and regional policies.

In addition, EEDA will continue to act as the **RDA network lead** for network relations with the Department for Environment, Food and Rural Affairs (Defra). EEDA will work closely with Defra, enabling the RDAs to shape national policy and, where appropriate, contribute to the delivery of national policy objectives, for example, ensuring that sustainable development is at the heart of SNR implementation. With NWDA (as the DECC lead) we will also co-chair a new cross-RDA group to strengthen RDA activity around the low carbon agenda.

## 3) Impact evaluation and performance management

March 2009 saw the publication of the results of the national independent RDA impact evaluation, which demonstrated a positive contribution of RDAs' investments on the economy of the regions. Alongside the national report, EEDA published '*EEDA's Contribution to the Strategic Development of the East of England*' Report produced by PA Consulting/SQW. This report provides evidence of the impact of EEDA's investment of £142 million in 2002-07, on the region's economy.

The results indicate that between £525 million and £820 million of wealth has been created for the region (measured in terms of gross value added or GVA). This represents a return on investment of £3.70 to £5.80 for every £1 invested – with a mid point of £4.75. Taking into account the likely future benefits of EEDA's investments, the wealth created for the region increases to between £874 million and £1.3 billion. This would represent a return on investment of between £6.10 and £9.10 for every £1 invested – with a mid point of £7.60.

Importantly for EEDA, this evaluation exercise has provided us with clear evidence of the effectiveness of different types of interventions, to underpin decision-making and effective investment planning and management. In addition, it has identified some lessons we need to learn in relation to our performance monitoring and management framework, systems and culture.

To embed evaluation within EEDA and its performance management and investment framework, EEDA has produced the **evaluation strategy** which contains a clear outline of activities we need to undertake in 2009/10 and beyond to embed IEF

compliant evaluation within the organisation. It also contains an evaluation schedule for the 2009-11 and 2011-14 corporate planning periods.

As part of the business planning process in 2009/10, the delivery plans for each corporate programme now contain an evaluation plan for all major investments, and an outline of how lessons learnt from these evaluations will be inform programme design and delivery.

EEDA is also committed to undertaking a high-level strategic evaluation to establish the progress we have made in delivering our corporate objectives at different spatial scales. This level of evaluation will enable EEDA to assess the overall impact of its interventions and the value it delivers.

As part of the wider change programme, and to deliver improvements in line with the OEP and PVP, EEDA will be undertaking a major process to remodel our performance management approach. This includes a revised balance scorecard, programme boards, comprehensive programme planning, cascaded success mapping and KPI development, and establishment of a performance champions group.

#### **4) Organisational development**

Priorities include:

- **Change programme** – delivering EEDA’s change programme and transition to a new operating model and structure to increase our impact on the economy of the East of England and UK, deliver a better customer experience, absorb new responsibilities effectively, and drive greater value for money consistent with the OEP
- **Customer service improvements** – improving the customer experience to all of EEDA’s external and internal customers through meeting more stringent service standards and deploying RBSIS as the central CRM system linked to partner organisations
- **Partnerships, advocacy & communication** - strong partnership working, relationship management and engagement - particularly with local authorities, to further develop the investment planning approach in the region, present a strong case for additional investment, promote and align services to increase penetration and effect - founded on clear and relevant campaigns and communications that explain EEDA's offer to a range of stakeholders
- **ISO 27001** – our aim in 2009 is to become the first RDA to complete the full audit procedure having established a robust information security management system
- **EMAS** – progressing our Environmental Management System to deliver ambitious resource efficiency targets and EEDA’s Carbon Neutrality Plan
- **Equality & Diversity** – continuing EEDA’s equality journey as an employer and procurer of goods and services (having been the first RDA to achieve Committed2Equality Accreditation), and as an investor and strategic influencer with our partner organisations.

#### **IV. EEDA’S INVESTMENT FRAMEWORK**

## EEDA's resources

EEDA's financial resources are principally from "grant-in-aid" or Single Budget through the Comprehensive Spending Review (CSR) settlement but are supplemented with European Union funding, specific ring-fenced allocations for programmes (most notably the Rural Development Programme for England – RDPE) and other receipts generated by fees, charges and partner contributions.

## The revised budget

The budget assumptions set out in **Annex D** include efficiency savings, both reductions in the Single Budget and recyclable savings, of 5% identified in CSR 2007. These reductions have seen EEDA's revenue budget reduced by **2.4%** and capital - by an average of **10.3%** over the corporate plan period 2008-11. The overall resources compared to the 2007/08 baseline have reduced by **9.7%**.

EEDA's resources have been re-profiled in response to the economic downturn, the reductions in the Single Budget and utilising the findings of EEDA's impact evaluation and value for money considerations, to focus on investments with the highest economic impact.

Some difficult decisions have had to be made in a number of areas of investment to ensure we continue to provide a strong business support and workforce skills offer during the recession, whilst maintaining focus on innovation and high-level skills provision in preparation for the upturn and to support the emerging NINJ agenda.

Both capital and current expenditure has been reviewed and altered from plans set 12 months ago, principally because of the cuts in resources but also due to new spending priorities and the need to increase contingency for greater flexibility to respond promptly to emerging issues. As a result, the capital programme was reduced by some £24 million over the corporate plan period and included the removal of a separate capital economic participation programme from 2010/11. A package of current expenditure reductions totalling £2.9 million p.a. were also supported which fell across most programmes but protected direct business engagement and economic intelligence activity.

*Table 1 – changes in single programme funded expenditure*

	<b>2009-11 Capital £m</b>	<b>2009-11 Current £m</b>	<b>Reduction in prog %</b>
Regional Infrastructure	-5.9	-0.5	-14%
Sustainable Economy	-1.9	-1.6	-30%
Economic Participation	-14	-1.0	-29%
Partnerships, Advocacy and Communication	-0.6	-1.4	-35%
Other	-2.4	-1.3	-3%
<b>Total Programme Expenditure</b>	<b>-24.8</b>	<b>-5.8</b>	<b>-13%</b>

The ability to vary budgets was constrained by the levels of existing contractual commitment and the ability to re-profile expenditure.

In the case of the sustainable economy programme, the projects from which EEDA withdrew resource (e.g. the uncommitted capital element of the 'Cut your Carbon' community programme) and the results anticipated were offset through a series of measures:

- An expanded cleantech programme being taken forward with single pot resource from the Science, Innovation and High Level Skills programme to support research, development and commercialisation activity in key local carbon technologies
- Innovative use of EU funding sources – notably ERDF with its low carbon focus, and RDPE to drive resource efficient development. As an example this includes anaerobic digestion demonstrators supported through RDPE, and a new low carbon venture fund through ERDF.
- Increased resource for mainstream business support programmes, including MAS and Resource Efficiency East which are directly contributing to RES carbon reduction and resource efficiency targets
- Ongoing work to develop the regional evidence base on a wide range of environmental and resource use infrastructure and issues (e.g. climate change; waste; energy; water) and notably development of an integrated land use model with a consortium of universities led by Cambridge University. This is feeding into the RSS review process and will underpin work to develop the single regional strategy.

This ensures that EEDA continues to develop its regional leadership role, focuses investment on those areas with strong return on investment, and delivers on our commitment to contribute to national strategies, including the Low Carbon Industrial Strategy and the Waste Strategy.

## **Investment planning process**

EEDA has reviewed short-term investment priorities and distributed its resources across corporate programmes so as to provide an effective and targeted response to the economic downturn, without losing sight of long-term growth targets. This includes a package to support businesses in managing the recession, and individuals to remain in or re-enter the labour market quickly. Importantly, EEDA and regional partners have retained focus on strengthening sectors, clusters and the work-force skills base that will drive long-term growth and provide support, finance and necessary infrastructure to businesses to realise existing opportunities or prepare for the upturn.

A number of lessons identified following the impact evaluation of EEDA's spend have been identified across the Impact Evaluation Framework categories of **Business**, **People and Skills**, and **Physical Regeneration**. These lessons helped inform the process of developing EEDA's investment priorities in 2009-11, to improve the delivery of economic outputs and outcomes.

All activities within the programmes are built and investment decisions made based on the following criteria. Proposed interventions must:

1. address an evidenced market failure
2. offer value for money and quantifiable, significant GVA return at or above benchmark levels
3. have clear and measurable economic outputs and outcomes
4. visibly contribute towards specific RES/RSS, East of England Implementation Plan objectives
5. deliver against short and long-term objectives
6. adhere to sustainability principles and be sustainable in the long run without EEDA's funding
7. be aligned to and compatible with other investments in a specific geographical area
8. be able to attract significant leverage and delivered in partnership
9. be aligned with other key strategic drivers such as Transport and the Economy in the East of England Study (TEES), Adult Skills and Employment Strategy, as well as the pan-regional growth agenda, such as delivery of the Economic Development Investment Plan (EDIP) in Thames Gateway.

### **Value for money**

The Comprehensive Spending Review settlement included a specific administrative and programme support cost reduction target for each RDA, to reduce their costs over the corporate plan period to within 10% of the 2007/8 total budget.

In EEDA's case the reduction targets for 2009-11 are: £0.2m – 2009/10 and £0.6m – 2010/11. In addition, it is a requirement that administrative budgets will not be subject to inflationary increases during the corporate plan period. It should be noted that additional administrative costs of new responsibilities (specifically ERDF and RDPE) and of the SNR, which were not included in the 2007/8 base, are exempt from the imposed expenditure ceiling. This means that there is a requirement for EEDA to make real reductions of £1.5 million p.a. in its administrative expenditure by 2010/11. It is anticipated that these reductions will be achieved as part of EEDA's Change Management Programme currently underway.

EEDA's three year Value for Money (VfM) Plan was approved by the Resources Committee in September 2008. This identified how the target VfM savings of £3.4 million in 2008/09 and £20.5 million cumulatively would be delivered. The savings will be achieved through cash releasing savings from administration (both within EEDA and in partnerships), business support simplification and leverage as well as improvement in output / input (£) ratios. The budgets distributed across corporate programmes anticipate both these savings and their recycling back into programme budgets.

To progress the EEDA's contribution to the OEP, we will continue to work with colleagues in the RDA network and other public bodies in the East of England to scope opportunities for further efficiency savings/gains through joint procurement, shared services and other measures.

**Leverage** – it has been estimated that during the first year of the new corporate plan period, over £134 million of private sector and around £50 million of public sector investment has been levered towards EEDA's projects. To illustrate, some £7.8 million has been levered in from companies with Proof of Concept, Research and Development or Selective Finance grants. A further £16.2 million was secured from the public sector towards projects such the Outer Harbour in Great Yarmouth and key sites in the Thames Gateway.

**Service Transformation Plans** – the current economic climate has brought into sharper focus the need for public sector organisations to work more effectively together to help businesses and individuals access support and advice that they need. EEDA will work with the other RDAs, Government and other partners in developing a Service Transformation Plan that will explore the opportunities for shared services, managing demand for services and delivering information and support more effectively and efficiently.

## V. DELIVERY

The primary role for RDAs is to drive the jobs, skills and wider growth agenda by working with regional and sub-regional partners, regeneration and infrastructure bodies, Further Education colleges and universities, local businesses and employers. To ensure effective delivery of its corporate plan and in line with the SNR requirement EEDA has made the decision to manage investment through programmes – either regional, led by EEDA, or sub-regional, delivered by local partnerships.

EEDA plays a leading role on a number of interventions designed to build the required capacity at the local level and works with partners through **Local Area Agreements** (LAAs), **Integrated Development Programmes** (IDPs) and various delivery vehicles to enable integrated investment planning and delivery at the right spatial level.

Despite a modest budget in the context of the scale of the region's economy, EEDA's investment proves catalytic in leveraging both private investment and the £32 billion of public sector expenditure in the East of England.

### **Integrated investment planning**

In response to the SNR, EEDA and its partners have been developing IDPs, which will have been rolled out to all of the region's Engines of Growth by the summer of 2009. As the next stage, to make a demonstrable contribution to the delivery of regional and LAA/IDP targets, EEDA will be developing sub-regional programmes of investment in the areas with IDPs, especially in preparation to the next corporate plan period.

EEDA's investment passed to partners will focus on enterprise and employment activities, tackling deficits in the provision of incubation and innovation facilities, further expansion of the business-facing HE offer and supporting enabling infrastructure to unlock major employment schemes. In doing so, EEDA's investment will support a more compelling inward investment offer, where availability of talented

and skilled people, a high quality physical environment and leading infrastructure will be central to the decision-making of a company when considering competing locations.

### **Capacity building**

Building on existing good practise and given the impetus of SNR, EEDA will work closely with **local authorities** to build economic development capacity and capability at local, sub-regional and regional level. This includes:

- the arrangements, resources and skills to deliver new regional strategy and planning functions
- a framework and tools to take forward local economic assessments, ensuring consistency and providing a robust input into the single regional strategy evidence base
- skills for commissioning, developing, appraising and managing major economic development programmes
- shared services where there are effectiveness and efficiency benefits.

EEDA will work with local authorities and other partners through Improvement East, the regional efficiency and improvement partnership.

## Annex A

### a) EEDA's Programme & Performance Framework 2008-11

Programme: Business Support									
<p><b>Corporate objective:</b> to enable businesses to access valued publicly-funded business support services, to survive and grow, and to catalyse demand-led skills provision across the region</p>									
<p><b>Market failure:</b> imperfect and asymmetric information failures for micro businesses and SMEs, especially around access to integrated diagnostic and brokerage service, and becoming finance-ready to secure appropriate growth finance. Limited information prevents investment in expertise, new products and services</p>									
Regional services/major projects	Expenditure 2008/09 £m		Expenditure 2009/10 £m		Expenditure 2010/11 £m		Gross outputs <sup>6</sup>	Estimated outcomes, impacts and efficiency	Contribution to national PSAs & BERR regional outcome indicators
	Curr	Capital	Current	Capital	Current	Capital			
<ul style="list-style-type: none"> <li>- Business Link East</li> <li>- Train to Gain Brokerage</li> <li>- MAS, Innovation &amp; Design Advisory Service</li> <li>- Take IT On</li> <li>- Resource Efficiency East</li> <li>- East of England International</li> <li>- East of England Tourism</li> <li>- Olympic Business Plan delivery (including CompeteFor)</li> <li>- Regional Business Support Information System</li> <li>- Beyond 2010 (incorporating R2R and sectoral skills support)</li> <li>- Destination Growth</li> <li>- ERDF priority axis 2 –</li> </ul>	29.6	8.3	37.8	8.2	35.6	6.1	<ul style="list-style-type: none"> <li>- Jobs created: <b>7,371</b></li> <li>- Employment support: <b>4,341</b></li> <li>- Business creation: <b>4,738</b></li> <li>- Business support: <b>40,867</b></li> <li>- Skills assists: <b>19,842</b></li> <li>- Private sector leverage: <b>£36m</b></li> <li>- Public sector leverage: <b>£4m</b></li> </ul>	<p><b>GVA estimates<sup>7</sup>:</b> <b>£299.8m - £1,127m</b></p> <p>Improved satisfaction with business support, advice and finance (93%)</p>	<p><b>Productivity</b> - GVA per hour; using a five year moving average [or over the life of the RES</p> <p><b>Employment</b> – Employment rates, showing proportion of working age population in work, increasing employment opportunities for all, with the focus on progression in the labour market.</p> <p><b>Skills</b> – Percentage of people with basic, intermediate and higher level skills attainments;</p> <p><b>Enterprise</b>- Number of VAT start-ups per 10,000 working age population.</p>

<sup>6</sup> The forecast outputs are correct as at May 2009 and will be updated regularly as more data is added to the Programme Management System.

<sup>7</sup> The GVA estimates for all corporate delivery programmes have been produced using forecast gross output data and applying results from the evaluation of similar types of interventions. The estimates will change and be updated to reflect availability of more up-to-date forecast data.

stimulating enterprise and supporting businesses									
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<b>Programme: Science, Innovation &amp; High-level Skills</b>									
<b>Corporate objective:</b> to build on the region's science base and increase the commercial exploitation of ideas									
<b>Market failure:</b> imperfect information, co-ordination and externalities market failures – with limited information businesses are reluctant to invest in expertise, new products, processes and services; barriers to SMEs in relation to market entry and technological innovation and collaboration; co-ordination market failure can limit the promotion of the East of England as a globally competitive region; difficulty in accessing early stage venture capital.									
Regional services/major projects	Expenditure 2008/09 £m		Expenditure 2009/10 £m		Expenditure 2010/11 £m		Gross outputs	Estimated outcomes, impacts and efficiency	Contribution to national PSAs & BERR regional outcome indicators
	Curr	Capital	Current	Capital	Current	Capital			
<ul style="list-style-type: none"> <li>- Access to finance               <ul style="list-style-type: none"> <li>o proof of concept;</li> <li>o GRaD</li> <li>o Revolving loan fund</li> <li>o GBI</li> </ul> </li> <li>- Key cluster, sector and technology programmes &amp; networks</li> <li>- Knowledge transfer (innovation vouchers; KTP/KEEP)</li> <li>- Enterprise Hub network</li> <li>- Science Park Programme</li> <li>- HE Expansion Programme</li> <li>- AUEE network support</li> <li>- Foundation East (regional CDFI)</li> <li>- ERDF priority axis 1 – promoting innovation and knowledge transfer</li> </ul>	4.6	21.8	2.8	17.9	2.9	13.8	<ul style="list-style-type: none"> <li>- Jobs created: <b>826</b></li> <li>- Employment support: <b>674</b></li> <li>- Business creation: <b>291</b></li> <li>- Business support: <b>5,929</b></li> <li>- Knowledge coll.: <b>2,013</b></li> <li>- Private sector leverage: <b>£61m</b></li> <li>- Public sector leverage: <b>£58m</b></li> <li>- Brownfield land: <b>11.3ha</b></li> <li>- Skills assists: <b>27,687</b></li> </ul>	<p><b>GVA estimates: £255.5 - £431m</b></p>	<p><b>Productivity</b> -GVA per hour; using a five year moving average [or over the life of the RES</p> <p><b>Employment</b> – Employment rates, showing proportion of working age population in work, increasing employment opportunities for all, with the focus on progression in the labour market.</p> <p><b>Skills</b> – Percentage of people with basic, intermediate and higher level skills attainments;</p> <p><b>Innovation</b> – increase in business R&amp;D expenditure, percentage of businesses that are innovation active, and number of students studying STEM subjects.</p>

<b>Programme: Regional Infrastructure</b>									
<b>Corporate objective:</b> to prioritise and enable increased investment in regional infrastructure									
<b>Market failure:</b> co-ordination market failure, for example in developing brownfield land and agencies not working effectively together to progress integrated delivery of key infrastructure; geographical/ infrastructure barriers to the mobility of both people and firms.									
Regional services/major projects	Expenditure 2008/09		Expenditure 2009/10 £m		Expenditure 2010/11 £m		Gross outputs	Estimated outcomes, impacts and efficiency	Contribution to national PSAs & BERR regional outcome indicators
	Curr	Capital	Current	Capital	Current	Capital			
<ul style="list-style-type: none"> <li>- Regional infrastructure fund</li> <li>- Integrated spatial investment packages</li> <li>- Integrated development programmes/MAAs</li> <li>- ACEE prospectus</li> <li>- Transport and planning 09-11 deliverables</li> </ul>	2.9	14.1	3.4	20.8	3.0	13.4	<ul style="list-style-type: none"> <li>- Jobs created: <b>1,585</b></li> <li>- Employment support: <b>911</b></li> <li>- Business creation: <b>337</b></li> <li>- Business support: <b>1,181</b></li> <li>- Knowledge coll.: <b>74</b></li> <li>- Private sector leverage: <b>£107m</b></li> <li>- Public sector leverage: <b>£152m</b></li> <li>- Brownfield land: <b>102 ha</b></li> <li>- Skills assists: <b>8,428</b></li> </ul>	<b>GVA estimates: £158.3 - £311m</b>	<p><b>Productivity</b> -GVA per hour; using a five year moving average [or over the life of the RES</p> <p><b>Employment</b> – Employment rates, showing proportion of working age population in work, increasing employment opportunities for all, with the focus on progression in the labour market.</p> <p><b>Stronger communities</b> – promoting integrated, cohesive, empowered and active communities.</p> <p><b>Transport</b> – reliable and efficient transport network to support sustainable economic growth.</p>

<b>Programme: Economic Participation</b>									
<b>Corporate objective:</b> to improve employability and increase economic opportunities for individuals to participate in the region's economy									
<b>Market failure:</b> mainstream provision excludes significant groups of people, especially the disadvantaged parts of the community, without providing them with targeted and personalised support; skills and employment system is complex and fragmented; imperfect and asymmetric information market failures - fragmented information on accessing required skills and support to both individuals and employers.									
Regional services/major projects	Expenditure 2008/09 £m		Expenditure 2009/10 £m		Expenditure 2010/11 £m		Gross outputs	Estimated outcomes, impacts and efficiency	Contribution to national PSAs & BERR regional outcome indicators
	Current	Capital	Current	Capital	Current	Capital			
<ul style="list-style-type: none"> <li>- Migrant workers</li> <li>- BME Task force</li> <li>- Regional third sector capacity building (Social Enterprise East of England (SEEE); MENTER &amp; COVER)</li> <li>- Economic Participation sub-regional programmes</li> </ul>	11	16.2	11.3	16.1	11.6	0.0	<ul style="list-style-type: none"> <li>- Jobs created: <b>1,017</b></li> <li>- Employment support: <b>14,970</b></li> <li>- Business creation: <b>475</b></li> <li>- Business support: <b>1,455</b></li> <li>- Private sector leverage: <b>£74m</b></li> <li>- Public sector leverage: <b>£97m</b></li> <li>- Skills assists: <b>29,294</b></li> </ul>	<b>GVA estimates: £205 - £370m</b>	<p><b>Productivity</b> - GVA per hour; using a five year moving average [or over the life of the RES</p> <p><b>Employment</b> - Employment rates, showing proportion of working age population in work, increasing employment opportunities for all, with the focus on progression in the labour market.</p> <p><b>Skills</b> - Percentage of people with basic, intermediate and higher level skills attainments;</p> <p><b>Enterprise</b>- Number of VAT start-ups per 10,000 working age population.</p> <p><b>Disadvantage</b> – increased rates of participation in public life of women, ethnic minorities, disabled people and young people.</p>

**Programme: Sustainable Economy**

**Corporate objective:** to improve the resource efficiency of businesses and individuals in the region, reducing their carbon intensity and supporting investment and growth in the sustainable energy, environmental and land-based sectors

**Market failure:** externalities market failure – benefits to society of reducing energy usage and using it more efficiently are greater than those that occur to individuals and businesses.

Regional services/major projects	Expenditure 2008/09 £m		Expenditure 2009/10 £m		Expenditure 2010/11 £m		Gross outputs	Estimated outcomes, impacts and efficiency	Contribution to national PSAs & BERR regional outcome indicators
	Current	Capital	Current	Capital	Current	Capital			
<ul style="list-style-type: none"> <li>- RDPE</li> <li>- Renewables East</li> <li>- Water resource management</li> <li>- Carbon capture storage</li> <li>- Regional food infrastructure, marketing and logistics</li> <li>- Developing EEDA as an exemplar carbon neutral organisation</li> <li>- Building rural community capacity</li> <li>- ERDF priority axis 3 – ensuring sustainable development, production and consumption</li> </ul>	11.7	1.0	15.1	1.7	14.8	1.1	<ul style="list-style-type: none"> <li>- Jobs created: <b>187</b></li> <li>- Business creation: <b>7</b></li> <li>- Business support: <b>4,314</b></li> <li>- Knowledge coll.: <b>136</b></li> <li>- Private sector leverage: <b>£17m</b></li> <li>- Skills assists: <b>1,057</b></li> </ul>	<p><b>GVA estimates: £313.2 - £476.7m</b></p>	<p><b>Climate change</b> – investment in low carbon economy; reduction in greenhouse gas emissions.</p> <p><b>Environment</b> – sustainable domestic environment; sustainable land and soil management as measured by positive and negative impacts of farming.</p> <p><b>Productivity:</b> -GVA per hour; using a five year moving average [or over the life of the RES</p> <p><b>Employment</b> - Employment rates, showing proportion of working age population in work, increasing employment opportunities for all, with the focus on progression in the labour market.</p> <p><b>Skills</b> - Percentage of people with basic, intermediate and higher level skills attainments;</p> <p><b>Enterprise</b>- Number of VAT start-ups per 10,000 working age population.</p>

<b>Programme: Strategy &amp; Intelligence</b>								
<b>Corporate objective:</b> to deliver high quality evidence-based policy making, evaluation and investment planning in the East of England								
Regional services/major projects	Expenditure 2008/09 £m		Expenditure 2009/10 £m		Expenditure 2010/11 £m		Estimated outcomes, impacts and strategic added value	Contribution to national PSAs & BERR regional outcome indicators
	Current	Capital	Current	Capital	Current	Capital		
<ul style="list-style-type: none"> <li>- Regional intelligence centre (state of the region reporting &amp; economic analysis)</li> <li>- Regional observatory</li> <li>- Regional forecasting model</li> <li>- Revisions land use – sustainability model</li> <li>- RSS review (evidence base and modelling)</li> <li>- Single regional strategy</li> <li>- RES-RSS joint implementation plan</li> <li>- Skills economic evidence study</li> <li>- Impact evaluation</li> </ul>	1.8	0.6	1.4	0.2	1.5	0.2	<ul style="list-style-type: none"> <li>- Development of the Single Regional Strategy</li> <li>- Increased leverage from the public and private sector, through EEDA's role as strategic influencer and catalyst</li> <li>- Evaluation of EEDA's activities and feeding outcomes into investment decision making</li> <li>- Development and provision of regional economic intelligence</li> </ul>	<p><b>Productivity;</b> -GVA per hour; using a five year moving average [or over the life of the RES</p> <p><b>Employment</b> -Employment rates, showing proportion of working age population in work;</p> <p><b>Skills</b> - Percentage of people with basic, intermediate and higher level skills attainments;</p> <p><b>Enterprise</b>- Number of VAT start-ups per 10,000 working age population.</p> <p><b>Climate change</b> – investment in low carbon economy; reduction in greenhouse gas emissions</p>

**Programme: Partnership, Advocacy and Communications**

**Corporate objective:** to undertake a successful programme of partnership development and investment planning to implement the Sub-national Review, support local authority capacity building and act as effective advocates for the region and Greater South East at national and international levels

Regional services/major projects	Expenditure 2008/09 £m		Expenditure 2009/10 £m		Expenditure 2010/11 £m		Estimated outcomes, impacts and strategic added value	Contribution to national PSAs & BERR regional outcome indicators
	Current	Capital	Current	Capital	Current	Capital		
<ul style="list-style-type: none"> <li>- DEFRA lead role</li> <li>- SREP Network</li> <li>- Partnership support and building capacity in response to SNR</li> <li>- Influencing national policy on behalf of partners</li> </ul>	2.9	0.2	2.0	0.0	1.8	0.0	<ul style="list-style-type: none"> <li>- Advocacy at the regional and national level on behalf of sub-regions to facilitate integrated investment planning and delivery</li> <li>- Positioning East of England as Europe's Ideas region</li> <li>- effective place-based working arrangements to deliver growth in the sub-regions</li> <li>- effective cross-boundary engagement to implement high-profile strategies with the Greater South East.</li> </ul>	<p><b>Productivity;</b> -GVA per hour; using a five year moving average [or over the life of the RES</p> <p><b>Employment</b> -Employment rates, showing proportion of working age population in work;</p> <p><b>Skills</b> - Percentage of people with basic, intermediate and higher level skills attainments;</p> <p><b>Enterprise-</b> Number of VAT start-ups per 10,000 working age population.</p> <p><b>Climate change</b> – investment in low carbon economy; reduction in greenhouse gas emissions</p> <p><b>Environment</b> – sustainable domestic environment;</p>

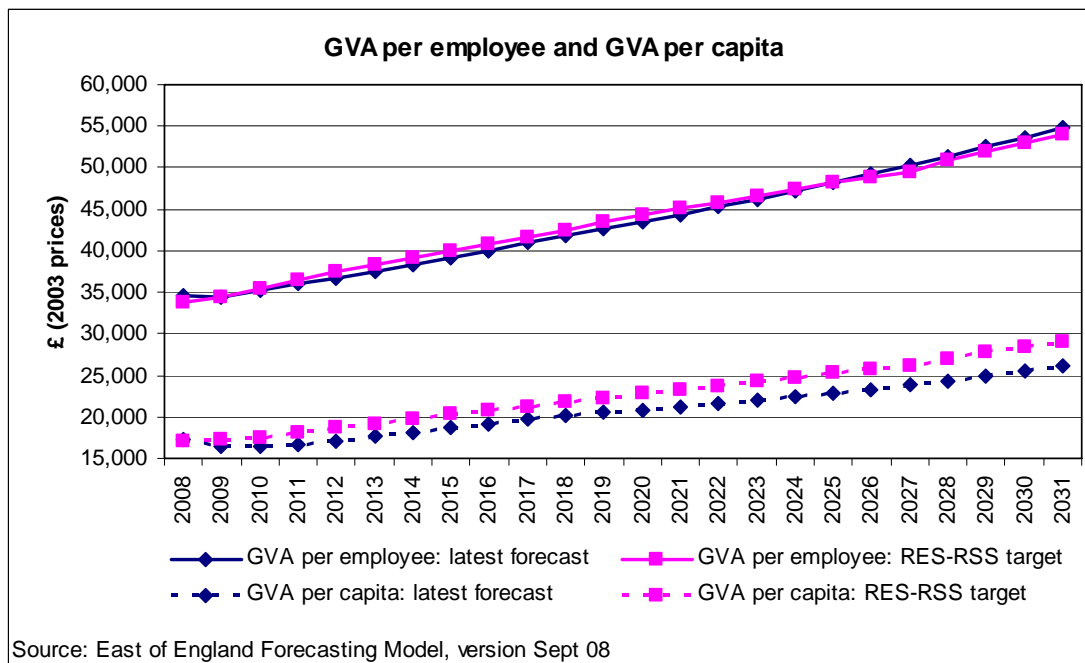
## b) Long-term growth trajectories

### **Productivity: GVA per capita and GVA per employee**

The RES-RSS GVA targets are for real growth per annum to average **2.1 per cent per employee and 2.3 per cent per head** between 2008 and 2031<sup>8</sup>. These ambitions were modelled to be consistent with the scale of future physical development set out in the East of England Plan, as at February 2008.

#### **Where are we likely to get to on current trajectories?**

Assuming no additional interventions, the latest projections suggest that, on average, annual growth in real GVA will be **2.0 per cent per employee and 1.8 per cent per head** between 2008 and 2031. If the targets were achieved, an additional **£323.5 billion GVA** would be generated by the region's economy between 2008 and 2031.



### **Employment rate**

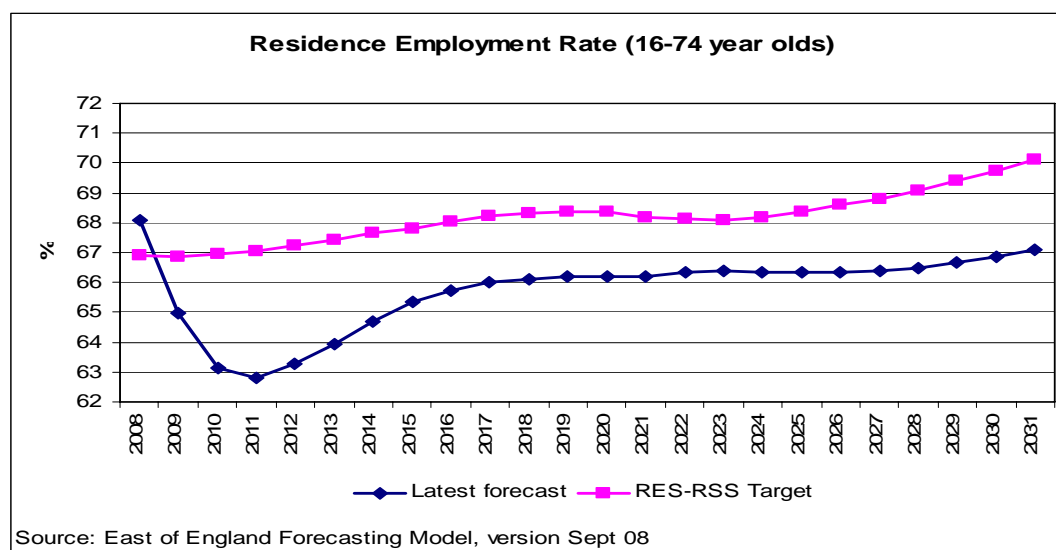
The RES-RSS regional employment rate target is for **70 per cent of 16-74 year olds to be in employment by 2031**, up from 67 per cent in 2008. This employment rate was consistent with the scale of future physical development set out in the East of England Plan as at February 2008.

#### **Where are we likely to get to on current trajectories?**

The latest employment rate forecast for the East of England – assuming no additional interventions – suggests that the 16-74 year old employment rate would

<sup>8</sup> GVA per capita at 2003 prices

fall considerably to 2011 and would not recover to its 2008 level by 2031, reaching **67.1 per cent by 2031** – almost three percentage points lower than the RES target.



## Skills

The RES skills targets are to raise qualification attainment such that:

- at least **40 per cent** of adults<sup>9</sup> are qualified to level 4 and above (up from 27.7 per cent in 2007)
- **68 per cent** of adults are qualified to level 3 and above (up from 46.2 per cent in 2007)
- at least **90 per cent** of adults are qualified to level 2 and above (up from 67.0 per cent in 2007)

**by 2020**, with these rates being at least maintained up to 2031<sup>10/11</sup>. These targets are consistent with ambitions for the UK to become a 'world leader' in skills by 2020, as set out in the Leitch Review of Skills. Meeting the targets would require 619,000 more adults to gain level 4 and above qualifications, 1,080,000 more adults to gain level 3 and above qualifications and 1,240,000 adults to gain level 2 and above qualifications by 2020.

### *Where are we likely to get to on current trajectories?*

Projections suggest that, while a continuation of recent trends and demographic changes are likely to lead to an improvement in the region's skills profile, it is unlikely that the region will achieve its targets without additional intervention. Based

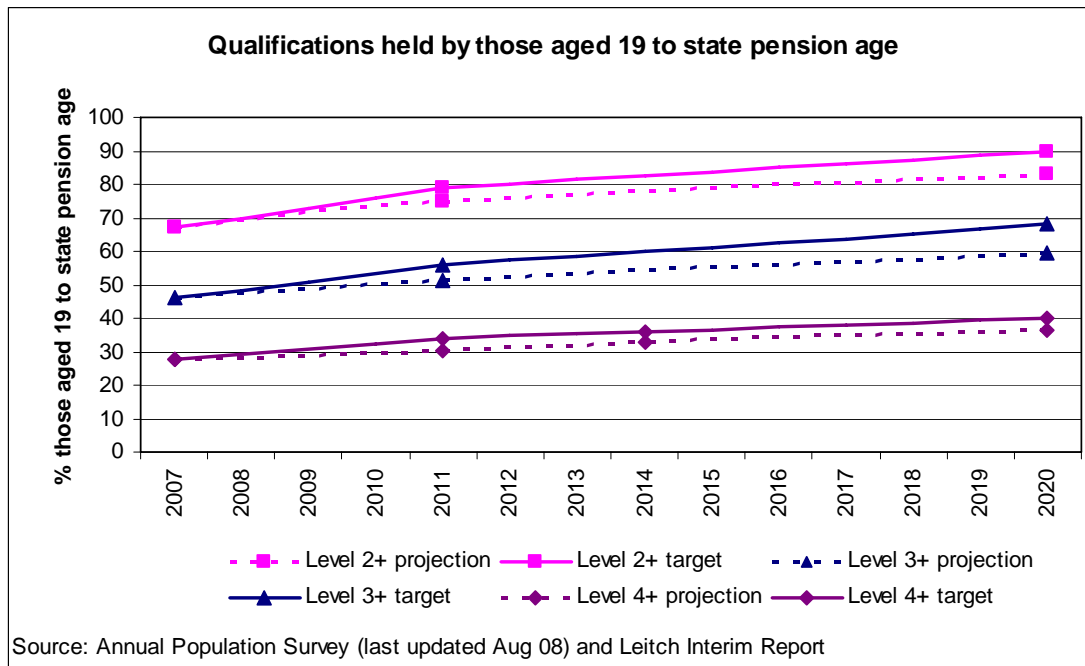
<sup>9</sup> Adults are those aged 19 to state pension age

<sup>10</sup> Interim PSA targets for qualification achievement across the UK have also been set. These are for 36 per cent of adults to be qualified to level 4 and above by 2014 – with a further interim target of 34 per cent by 2011, for 56 per cent of adults to be qualified to level 3 and above by 2011 and for 79 per cent of adults qualified to level 2 and above by 2011. These targets are displayed on the chart.

<sup>11</sup> Level 4/5 qualifications equate to first degree and higher degree/professional qualifications. Level 3 qualifications are two A levels or equivalent. Level 2 qualifications are 5 A\* to C GCSEs or equivalent.

on **optimistic UK projections**<sup>12</sup> for qualification attainment up to 2020, it is possible that the region could see the following improvements in the skills of adults to 2020:

- **37 per cent** qualified to level 4 and above (**128,000 less than target**)
- **59 per cent** qualified to level 3 and above (**329,000 less than target**)
- **83 per cent** qualified to level 2 and above (**264,000 less than target**).



### Greenhouse gas emissions

The RES calls for a reduction in CO2 emissions to 60 per cent of their 1990 level by 2031 – equivalent to a **2.25 per cent average annual reduction** between 2005 and 2031 and in-line with recently announced national targets.

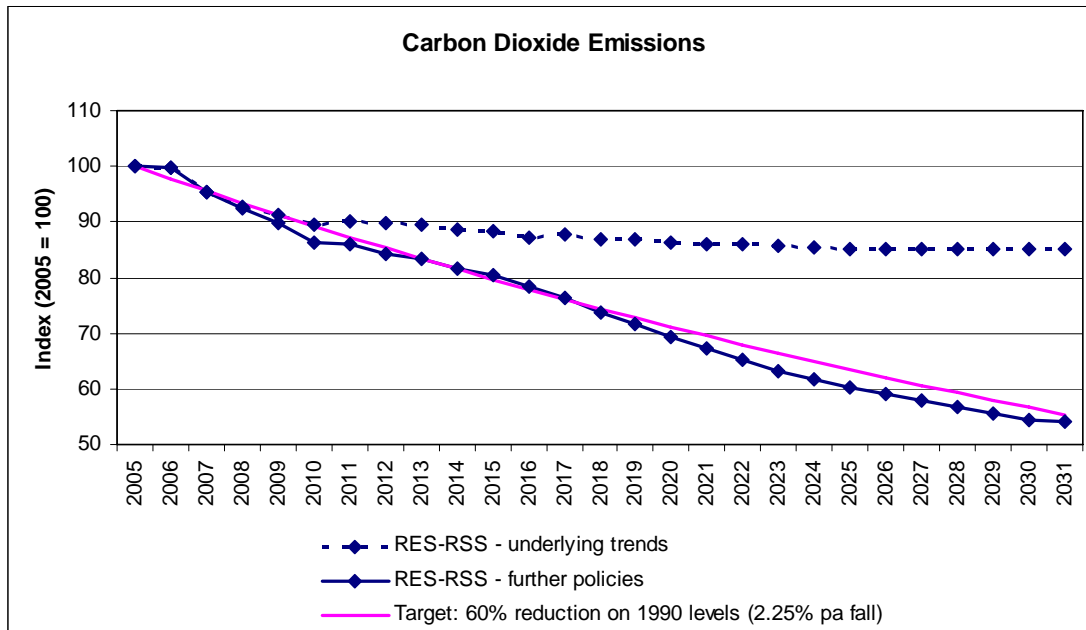
Achieving this would also fulfil the RSS target of a 20 per cent reduction by 2010 and 60 per cent by 2050. This ambition was set to be consistent with the previous iteration of national targets.

### Where are we likely to get to on current trajectories?

The **latest forecast** suggests that CO2 emissions in the region will fall over the target period due to changing industry structures, the trend towards using electricity instead of other primary fuels, and the expected fall in the carbon-intensity of UK electricity generation. Yet emissions are projected to decline by much less than the

<sup>12</sup> Projections are based on forecasts for the UK's skills profile as set out in the Leitch Interim Report. This suggested that the percentage of people qualified to level 4 and above could increase by 11 percentage points between 2005 and 2020, the percentage of people qualified to level 3 and above could increase by 14 percentage points and the percentage of people qualified to level 2 and above could increase by 16 percentage points. This was based on maintaining recent trends in qualification attainment, implications of demographic changes (such as an ageing population, early retirement and pension age changes and qualification levels of immigrants and emigrants) and meeting PSA targets set before the 2007 Comprehensive Spending Review. However, even maintaining recent trends and meeting PSA targets represents a serious challenge that will be very difficult to achieve. The improvement is therefore likely to be less if these targets are not achieved.

target rate: just **0.62 per cent** per annum over 2005-2031. Meeting the target would result in 42 million fewer tonnes of carbon emitted between 2005 and 2031.



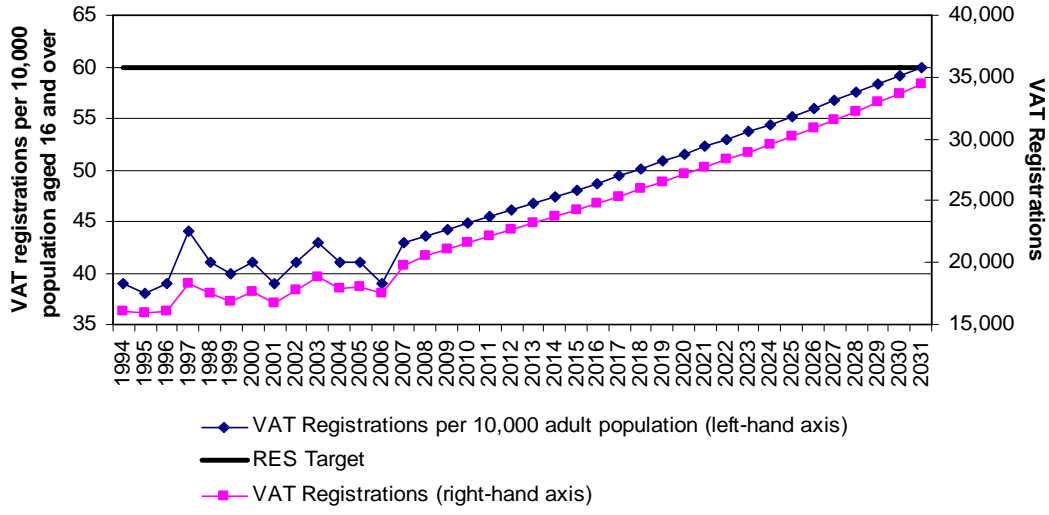
### **Entrepreneurship**

The RES seeks to increase business start-up rates to 60 VAT registrations per 10,000 adults by 2031, up from 43 per 10,000 adults.

#### **Where are we likely to get to on current trajectories?**

There would need to be a significant and sustained upward trend in entrepreneurship for the region to meet its target: this would mean a break with the performance of 1994-2007. On the basis of current trends and taking into account the effect of existing interventions, the region could undershoot its target for new VAT registered businesses by nearly 9,500 businesses a year by 2031.

VAT Registrations 1994-2007 and trajectory required to meet the RES target



## Annex B

### EEDA's response to national strategies<sup>13</sup>

#### *Enterprise: unlocking the UK's talent*

Table 5 Progress towards delivery

Headings	Policy proposal	EEDA's activities
<b>Culture</b>	Global Entrepreneurship week	Plans to cover Women's Enterprise.
	Work with Premier League football clubs to promote enterprise	There is close engagement of Ipswich and Norwich clubs with business and to some extent communities, for example Norwich has very close links to Aviva.
	Women's enterprise media campaign	EEDA funded programmes include Inspiring Women; Enterprising Women, with specific targets in the Business Link East contract, and Beyond 2010 programme. The launch event for the Women Ambassadors programme in the East is planned for March 2009.
<b>Knowledge &amp; skills</b>	Business support, advice and mentoring	Significant investments in Business Link, Beyond 2010 and Train to Gain brokerage provide support and advice on utilising a better skilled workforce and accessing funding to support skills development. Mentoring is currently provided to support specific communities of interest: women entrepreneurs and some individuals receiving support from EEDA's Access to Innovation programme.
	Knowledge and skills for enterprise among women	Through Beyond 2010, EEDA offers support to both individuals in employment and individuals running their own businesses. It provides skills training across a range of areas at levels 3 and 4. ExDRA, who are managing the programme on EEDA's behalf, are actively tracking the take-up of support by women, which is one of the requirements of this programme (at least 50% of beneficiaries should be women). This is helping to address the considerable gender imbalance in the region of take up of support at these levels, with it currently being heavily skewed towards male take up.
	Women Business Centre pilots Women's business mentoring/ Women's Enterprise Ambassador Network	Investment of over £1m in Enterprising Women, a programme developed in response to a recognised need to unlock and stimulate the economic potential of women's entrepreneurship. The focus is on addressing the needs of women starting or growing a business, and involves a number of organisations and networks. The initiative

<sup>13</sup> The tables detail EEDA's response only to those policy proposals set out in the strategies that are directly applicable to RDAs, and do not capture central government responsibilities

Headings	Policy proposal	EEDA's activities
		<p>supports Women Ambassadors, whose role is to inspire women to start businesses. It also funds Promotional Activities - community development and promotion of women's enterprise, building on the strength of the 'enterprising women' brand, and Networking Events - related to Core Community, Ambassadors and Promotional activities.</p> <p>Inspiring Women, an ESF co-financed programme is designed to meet the needs of women who are at the very start of their employment opportunity.</p>
<b>Access to Finance</b>	Stimulating delivery of early stage venture capital and mezzanine products through SFLG and Enterprise Capital Funds	EEDA is developing a Regional Loan fund to be launched in late February 2009. The fund will provide finance to businesses with high growth potential to bring innovative ideas to market.
	Capital funding for women's businesses	In place
	Development of the national framework for investment readiness support through BSSP, including for under-represented groups, eg women.	Investment readiness product to be launched shortly.
	Commitment to preventing and handling late payment, through non-legislative mechanisms	EEDA is committed to implementing this and has signed up for the initiative of payment of all its invoices within 10 days.
<b>Business innovation</b>	Role of innovation vouchers in encouraging firms to innovate	EEDA launched the Innovation Voucher scheme in January 2009 for SMEs. This provided up to £3000 per SME/Voucher application of consultancy assistance to the Company. Managed through i10 a total of £250k has been allocated to this pilot programme and is expected to assist up to 80 companies. Next round due to start in the summer of 2009.
	Refocused Small Business Research Initiative (SBRI)	The proposal is being put together and funding via the ERDF being sought.
	3-mth trial period for new firms registering on supply2gov.uk. Encouragement to public sector buyers to register and post opportunities.	EEDA part-funds CompeteFor and actively promotes it by delivering presentations to businesses and via Business Link. To date over 5500 businesses have registered.
	National Council for Graduate Entrepreneurship to establish university enterprise networks.	EEDA will work with Cambridge, Cranfield and Hertfordshire universities to develop a four-year plan to support partner organisations, economic contribution and an entrepreneurial university, engaging schools, colleges and local communities. University enterprise networks to be developed in the following sectors: Nuclear, Innovation and Advanced Manufacturing. Working with BAe and Microsoft, SEEDA and six Greater South East Universities, EEDA will develop activities to encourage the take up and use of STEM skills in the current and future workforce across the two

<b>Headings</b>	<b>Policy proposal</b>	<b>EEDA's activities</b>
		regions, focusing on increased opportunities for the supply chains of the two global company partners.
	Innovation in Services project to understand barriers to innovation and determine how innovation can be stimulated and supported.	The launch of EEDA's Innovation Advisory Service is taking place at the end of February 2009, along with Designing Demand which will also encourage businesses to review the way they operate.
	Intellectual property training programme for all Business Link and UKTI advisers	The Intellectual Property Office have issued an on-line tool for addressing IP issues. All Business Link Advisors have been advised that they should familiar themselves with it and have been sent the details to access it. UKTI will be implementing this in line with their own organisation's requirements.
<b>Wider benefits of Enterprise</b>	To ensure that the business legacy of the Games benefits the ethnic minority business in the East London area.	A successful event for Black and Minority Ethnic led businesses on the Olympics and the legacy was held in October, 2008.
	Use of BSSP programme to target and provide more intensive support for those under-represented in enterprise.	EEDA has implemented BSSP and is working with the providers of Enterprise Coaching to ensure that it meets the needs of the under-represented groups.
	£10 million fund to establish risk capital for social enterprise.	EEDA provides core funding for Social Enterprise East of England with the aim of promoting social enterprise across the region.

### *Manufacturing: New Challenges, new opportunities*

*Table 6 Progress towards delivery*

<b>Headings</b>	<b>Policy proposal</b>	<b>EEDA's activities</b>
<b>Global value chains</b>	A package of new support from UKTI on identifying manufacturing value chain opportunities in India and China	This activity is being carried forward by UKTI and East of England International (EEI) as part of the regular activities of these organisations through Trade Missions as Export Initiatives and Support for Offshore owned Companies through EEI and the Aftercare Programme. These involve UK owned and Offshore owned companies through Supply Chain activities and the Business Support operations in the region.

<b>Headings</b>	<b>Policy proposal</b>	<b>EEDA's activities</b>
	Competition to award "Cluster Mark" award to raise profile of manufacturers involved in the best clusters and support international marketing of local strengths	Cluster activity is a continuous activity being delivered through the Manufacturing Excellence Clubs managed and delivered by the Manufacturing Advisory Service in the East of England. Further collaboration is required with UKTI to ensure maximum benefit to the region on Export potential opportunities.
<b>Technology exploitation</b>	Delivery of Manufacturing Technology Centre at Coventry by AWM and EMDA to focus on business-led applied research and exploitation.	The region is served by the Welding Institute (TWI) for similar activities to those to be offered by Advantage West Midlands and East Midlands Development Agency. TWI is a nationally and globally recognised organisation for the development of these processes that EEDA have supported.
	Further focus of and access to funds for collaborative R&D; simpler process for accessing the technological and business case for public sector investment in major collaborative R&D projects.	EEDA has worked in close collaboration with TSB on several programmes that require TSB / RDA / Private Sector funding for the development of Technology, Products and Production Processes. An example of this being the Airbus NGCW programme for the development of the next generation composite wing programme.
	Introduction of innovation vouchers to help improve the environment for innovative businesses and expand the range and scale of knowledge exchange activities.	EEDA launched the Innovation Voucher scheme in January 2009 for SMEs. This provided up to £3000 per SME/Voucher application of consultancy assistance to the Company. Managed through i10 a total of £250k has been allocated to this pilot programme and is expected to assist up to 80 companies.
	A Small Business Research Initiative (SBRI) pilot to support innovation by SMEs.	To be explored following roll-out in April 2009.
<b>Intangibles</b>	Implementing the findings of the Designing Demand programme review to increase penetration across the region and improve alignment with other business support products	EEDA has adopted the Design Council Designing Demand 'Generate' programme as part of its agenda for business support to manufacturing SMEs. As part of the Integrated Specialist Business Support Programme (ISBSP) this component of the programme is due to be launched on 1 April 2009.
<b>People and skills</b>	Seamless service to manufacturers for addressing their skills needs via Business Link.	Continuous activity occurs between the different business support organisations across the region with Business Link East who act as the primary access point for business support across the region. This includes MAS – East, National Skills Academy for Manufacturing (NSA-M), East of England International (EEI), Home Counties Training and UKTI.
	UKCES developing proposals to simplify the skills system, building Train to Gain as a more integrated service.	Following the SNR requirements, BERR and DIUS committed to launch a single integrated brokerage support service from April 2009. This included skills brokerage as a major component. As part of this process, responsibility for Train to Gain

Headings	Policy proposal	EEDA's activities
		<p>brokerage will move to EEDA and skills brokerage will be managed as a function within the new integrated brokerage service under the Business Link brand. EEDA will facilitate and support the development of an operational plan to produce integration between the IDB and skills functions of brokerage for all businesses and particularly for micro and smaller businesses; this plan will be built into the Business Links East business plan 2009/10. We are also working towards including the HE business offer for skills recruitment, R&amp;D and knowledge transfer within the integrated system.</p>
	<p>UKCES developing of a talent map providing employers with a single, clear visual representation of the education, employment and skills systems.</p>	<p>EEDA are a pilot region for the development of the national Talentplan interactive website which will allow individuals and businesses to access immediate information about skills and learning opportunities. EEDA will ensure this is integrated into the region's Bizmapeast website.</p>
	<p>Expanding apprenticeships by approx. 1500 new places and inviting manufacturers to train additional apprentices.</p>	<p>National Skills Academy for Manufacturing (NSA-M) are working in collaboration with the Science, Engineering and Manufacturers Technologies Alliance (SEMTA) and other sector skills organisations in the programme to roll out the Apprenticeship and Advanced Apprenticeship schemes to manufacturing businesses across the East of England. The National Apprenticeship Service will support and drive forward this activity from its base within LSC /SFA. Recruitment is progressing well and the service is expected to be operational (team of 39 people) from Autumn 2009.</p>
	<p>Establishing Manufacturing Insight, a body tasked with making the public perception of manufacturing reflect the reality of a successful, modern and broad sector and ensuring young people are aware of the exciting career opportunities available.</p> <p>Launching 'Manufacturing the Future' campaign in schools to promote manufacturing career prospects to young people.</p>	<p>Through jointly chairing the YPLA, EEDA will participate in commissioning activity to support the provision of information about career choices to young people. EEDA will have a formal role to play to ensure that LAs' commissioning plans reflect business needs as well as student demand and that there is a strong emphasis on encouraging career choices in the STEM (science, technology, engineering, maths) area which would include manufacturing.</p>
<p><b>Low carbon</b></p>	<p>The Government through the specially created Office of Nuclear Development (OND) will work with the supply chain and nuclear reactor vendors and operators to create and support a globally competitive supply chain.</p>	<p>The Regional Manufacturing Leads have been engaged in early stage discussions with BIS on how best to engage all levels of the supply chain in the opportunities that will emerge from the Nuclear Power Station programme announced by Government. This is included on the agenda of the Manufacturing Leads forum who meet on a</p>

Headings	Policy proposal	EEDA's activities
		<p>quarterly basis to ensure UK plc is aware of the opportunities.</p> <p>EEDA is working with Cogent, the Sector Skills Council that covers the nuclear industry, to ensure appropriate training provision is available to deliver skills training to the nuclear sector.</p> <p>'Towards 2010' supports skills development in organisations seeking to deliver new products and services in support of the low carbon agenda.</p>
	<p>The Office for Renewable Energy Deployment (ORED), working with the Renewables Advisory Board, will help raise the domestic and global profile of manufacturing companies in the supply chain, identify and communicate potential opportunities and, with the Manufacturing Advisory Service and UKTI, advise manufacturers on how they can most effectively exploit the growing renewables market.</p>	<p>Regional collaboration between Renewables East and Integrated Specialist Business Support Programme (ISBSP) will ensure initial engagement on the renewables obligation and carbon reduction. The ISBSP programme is part funded through ERDF which ensures carbon reduction becomes a key part of the manufacturing sector and industry.</p>
	<p>The Government will develop a programme, working with industry, the Energy Technologies Institute, and the UK Centre of Excellence for low carbon and fuel cell technologies (CENEX), to explore the role of electric cars in a sustainable transport system in a real-world demonstration.</p>	<p>EEDA has invested in some electric car developments through the Access to Finance programmes.</p>

### *Innovation Nation*

EEDA reports annually against delivering the national innovation agenda. The table below outlines only a small fraction of EEDA's activity in this area.

*Table 7 Progress towards delivery*

Headings	Policy proposal	EEDA's activities
<b>Demanding Innovation</b>	<p>Promote innovation through procurement and use procurement power in support of innovation.</p>	<p>SBRI Health pilot to be launched in April 2009, funded through TSB, ERDF and potentially some NESTA funding.</p>
	<p>Facilitating interchange of innovation expertise between the private sector and government departments.</p>	<p>Due to the importance of the life-sciences sector to the UK as a whole, and to the East of England in particular, EEDA fully funds a <b>Sector Co-ordinator</b> in an external partner organisation dedicated to networking between SMEs and the different regional centres of excellence (eg EEDA's Enterprise Hubs, Universities, the region's four BBSRC institutes, and – most significantly – the R&amp;D facilities of Unilever and GlaxoSmithKline).</p>
	<p>TSB opening up market opportunities to increase business</p>	<p>EEDA's investment in Harlow Incubation Centre will support the start up growth and</p>

Headings	Policy proposal	EEDA's activities
	investment in R&D and Innovation.	<p>development of young businesses with strong potential for commercial development and growth in a range of knowledge based industries to create sustainable SMEs.</p> <p>Moreover, the <b>EPIC</b> Enterprise Hub has been developed around the High Definition, leveraging substantial European funding. EPIC is being integrated into wider innovation agenda as key part of Norwich cluster, which has so far included its running of foundation degree courses for Norwich University College of the Arts.</p>
<b>Supporting Business Innovation</b>	Expansion of Knowledge Transfer Partnerships	<p>Effective knowledge transfer between universities, research institutions and businesses leads to a range of positive impacts, for businesses, individuals and local economies. EEDA manages KTP and ICASE programmes and has funded KEEP for a number of years, a Knowledge Transfer Programme designed for smaller companies, whereby undergraduates and post graduates are placed within a small company for a specific business or product development project. This approach results in direct economic benefit for the companies and also drives up the recruitment of graduates and post-graduates within SMEs.</p> <p>EEDA has worked through the Association of Universities to establish a much larger SKTP programme going forward, utilising £4m ERDF funds to supplement EEDA and TSB investments in this area. A proportion of these SKTPs will be focussed upon low carbon and environmental technologies developments.</p> <p>Medilink East is a knowledge transfer network that represents businesses and other organisations involved in Medical Devices throughout the East of England.</p>
	Collaborative R&D to enable businesses and research communities to work together.	EEDA has been engaged in the development work of a GlaxoSmithKline <b>BioScience Park</b> in Stevenage. These developments have high Government visibility, and have the potential to be magnets for collaboration. This would result in an Open Innovation Park for Drug Discovery, aiming to improve SME survival rate and growth.
	Encouraging take up of Innovation vouchers	EEDA launched a £250k Innovation Voucher scheme in January 2009 for SMEs. This provided up to £3000 per SME/Voucher application of consultancy assistance to the Company. Managed through i10 a total of £250k has been allocated to this pilot programme and is

Headings	Policy proposal	EEDA's activities
		expected to assist up to 80 companies.
	Ensuring appropriate finance availability for all innovative businesses at all stages of their growth.	EEDA is preparing for the launch of the Regional Loan Fund with an initial investment of £5m to help SMEs to bring innovative ideas to market. The development of the Venture Capital Loan Fund using £8m of ERDF is underway, with discussions taking place with the European Investment Bank to explore opportunities for co-investment.
	Delivery of national proof of concept specification to provide access to facilities and a strong focus on investor readiness.	The Proof of Concept fund was re-launched in the East of England in 2008, having helped over 110 companies with over £2m since 2006. The aim is to help SMEs in the region to test the commercial viability of innovative business ideas. It is specifically aimed at helping define the market and assess customers' needs. Grants of between £5,000 and £40,000 are available - but funding is limited to 75 per cent of the project's total cost.
	Provision of on-line business-to-business licensing resource to reduce costs to businesses of IP collaborations	The Intellectual Property Office have issued an on-line tool for addressing IP issues. All Business Link Advisors have been advised that they should familiar themselves with it and have been sent the details to access it. UKTI will be implementing this in line with their own organisation's requirements.
<b>A Strong and Innovative Research Base</b>	Funding for research for the public good (eg health, energy)	East of England stem cell network will help promote TSB products and help co-ordinate work with national and international programmes. It represents businesses and other organisations involved in Stem Cell research throughout the region. SBRI Health pilot to be launched in April 2009. Funded through TSB, ERDF and potentially some NESTA funding. Moreover, EEDA is contributing £6m capital funding for the OrbisEnergy innovation and incubation centre to provide a global centre of excellence for offshore renewables at Lowestoft.
	Investments in science and innovation campuses to develop new collaborative approaches to research, innovation and learning.	EEDA makes significant investment in science parks and enterprise hubs. For example, through investment in Colworth Science Park EEDA is supporting pre-commercial collaborations with Cambridge, Cranfield Universities et al. Bio-science for business KTN, TSB, BIS are all key stakeholders. EEDA also funds the University of East Anglia's research on the Alternative and Non Food Use of crops. This report will examine using whole crops for multiple purposes including plant as pharmaceuticals and for construction materials. It will coordinate with the National Non Food Crop Centre in York and Defra to

<b>Headings</b>	<b>Policy proposal</b>	<b>EEDA's activities</b>
		interface with the national work on biofuels.
	Role of HEIs in knowledge transfer and business engagement	See comment above on the expansion of Knowledge Transfer Partnerships.
<b>International Innovation</b>	UKTI focus on high tech and R&D intensive business.	The East of England International (EEI), funded by EEDA and UKTI, aims to attract more inward investment into the region, encourage increasing levels of investment from foreign owned companies, and provide a joined-up and integrated offer to business including the development of outward trade from companies in the region. The EEI model combines trade and investment activities and reflects the strong relationship between trade, investment and investor development.
	Encouraging UK business participation in European Programmes	Providing SMEs with assistance to apply for Framework 7 funding, working closely with Brussels to develop a Cluster funding call to enable SMEs to work more collaboratively with European partners.
<b>Innovative People</b>	Promotion of FE Knowledge and Technology Transfer to SMEs	See comment above on the expansion of Knowledge Transfer Partnerships
	Roll out of NSAs to provide skills solutions that employers need.	EEDA is supporting key national skills academy applications where they relate to key economic drivers for the region. We are currently supporting the existing Financial Services NSA in Norwich, the Construction NSA through the National Construction College in Norfolk and the NSA- Manufacturing. We are working with Skills for Logistics and Creative and Cultural Skills on proposals for their national skills academies in the Thames Gateway as part of the Thames Gateway Economic Development Investment Plan.
	RDAs and RSPs working together to encourage enterprise and business innovation.	EESCP consists of around 50 of the region's public and private sector organisations: including local authorities, regional agencies, employer bodies and voluntary and community interests. Its task is to drive the delivery of the Adult Skills and Employment Strategy. Its goals are: to generate additional and improved skills for economic participation, thereby enabling an increased level of employment within the region, and to improve workforce skills for productivity, thereby increasing the growth in the region's GVA (Gross Value added) per capita and per employee.
	Growing the Train to Gain and apprenticeships programme	With RDAs taking contract holder responsibilities for Train to Gain brokerage (as part of integrated brokerage) the drive to maximise regional benefit in the key economically significant sectors from skills improvement will continue and intensify. EEDA will build on its relationship with LSC and other EESCP partners to further embed

Headings	Policy proposal	EEDA's activities
		the improvements in Train to Gain and will support the National Apprenticeship Service in delivering its goals.
	Delivery of the Higher Education Strategy and encouraging HEIs in workforce skills development	The development of a new HE Strategy for EEDA is underway. The Strategy will identify the priorities for EEDA's engagement with the region's universities and will feed into a Business Planning process with AUEE and joint planning with HEFCE, LSC and other regional and national partners. EEDA has supported collaborative Higher Education Innovation Fund (HEIF) projects such as i10 (innovation brokerage between businesses and the HEIs) which is now being brought towards the Business Link broader business support offer.
	BIS to lead on increasing the number of students studying STEM subjects at school level, and Further and Higher education	With the East of England being the nation's most R&D intensive region, and R&D being critically reliant on STEM-based skills, EEDA will use its position of co-Chairing YPLA to drive up and maintain STEM subjects at schools and FE colleges. Through AUEE we encourage our universities to maintain their academic strengths in STEM subjects.
<b>Public Sector Innovation</b>	Designing Demand programme for practitioners in the public sector	As a funding partner in Health Enterprise East (the enterprise hub providing support to commercialising IP developed in the NHS) the designing demand programme will be made available to researchers in a major R&D-rich part of public sector. The public services cluster of SSCs with whom EEDA works provides another route for marketing and delivery of the DD product to the public sector.
<b>Innovative Places</b>	RDA leadership role in strengthening the innovation infrastructure in the region and ensuring that action on innovation takes place at the appropriate spatial level, and is taken into account in the integrated regional strategies.	EEDA and its partners have piloted Integrated Development Programmes (IDPs) that capture all the infrastructure needs within functional urban areas. The IDPs capture the growth needs for skills, innovation, transport, housing, employment, culture and green infrastructure at the sub-regional level. The roll out of IDPs to the region's Engines of Growth will be completed by summer 2009. Work is underway on the East of England Implementation Plan, which will provide the framework for delivering the Single Regional Strategy. The Plan contains a theme dedicated to programmes of investment needed to deliver the Enterprise, Business Support and Innovation agenda.

Headings	Policy proposal	EEDA's activities
	<p>Collaboration across RDA network and the TSB on increasing competitive advantage</p>	<p>EEDA is working with the LDA and SEEDA on delivering the Economic Development Investment Plan in the Thames Gateway area. Investment is being considered in a low carbon engine research programme; EEDA, SEEDA and the LDA are providing funding to Inmarsat and Astrium as part of the high profile European Space Satellite Project known as Alphasat.</p> <p>Alongside the EU, SEEDA, and the LDA, EEDA is also funding the London Technology Network (LTN), the aim of which is to link companies in the Greater South East with the technology research base and innovation capacity of the region's academic and business communities.</p> <p>EEDA is making good progress, with strong support from region's universities and research institutes.</p>

## Annex C

### Business support in the East of England, April 09

The table below summarises what publically funded business support is available in the East of England and how it fits into Solutions for Business product portfolio.

	<b>Solutions for Businesses Product Name</b>	<b>Activity either <u>already</u> aligned or being aligned to Solutions for Business</b>
1	Export Credit Insurance	<u>Export Credit Insurance</u> . Delivered by: Export Credit Guarantees Department (ECGD). Help@ecgd.gsi.gov.uk 020 7512 7887 Area covered: National. Comments: the old Export Credit Guarantee Scheme
2	Grant for Business Investment	<u>Grant for Business Investment</u> . Delivered by: EEDA, 01223 713900, businesssupport@eeda.org.uk. Area covered: Region Comments: The old Selective Finance for Investment in England scheme
3	Maximising Foreign Direct Investment	<u>Inward investment and investor development support</u> . Delivered by: EEI, 01223 450450. Area covered: Region
4	Accessing International markets	<u>Accessing International Markets</u> . Delivered by: UKTI and EEI. Area covered: Region Comments: replaced Overseas Market Introduction Service, Market Visit Support, Trade Show Access Programme. Also includes international trade advisors. NB Awaiting national decision as to how the product will be known to businesses.
5	Developing your international trade potential	<u>Developing your international trade potential</u> . Delivered by: UKTI and EEI. Area covered: Region Comments: Replaced Passport to Export, Export Communications Review, Export Market Research Scheme. Also includes international trade advisors NB Awaiting national decision as to how the product will be known to businesses.

	<b>Solutions for Businesses Product Name</b>	<b>Activity either <u>already</u> aligned or being aligned to Solutions for Business</b>
6	Train to Gain 1) brokerage (BL branded) 2) Delivery of training support. (Train to Gain branded)	<u>Train to Gain brokerage.</u> Delivered by: Business Link. Area covered: regional. <u>Training Support</u> <u>Beyond 2010 (including response to redundancy)</u> EXDRA
7	Business Collaboration Networks	<u>East of England Tourism (EET).</u> Delivered by: EET. Area covered: regional <b><u>Activity being aligned:</u></b> <u>Enterprise GY.</u> Delivered by: Norfolk Chamber of Commerce. Area covered: Great Yarmouth <u>ANGLE – GY.</u> Delivered by: GY Borough Council. Area covered: Great Yarmouth <u>Creative Industries.</u> Delivered by: Urban Graphics, Bedford Creative Arts. Area covered: Bedford
8	Business Premises	<u>Business property databases and premises.</u> The following offer property searches or premises: Peterborough Workspace Ltd, NWES Huntingdonshire District Council, Fenland District Council, East Cambridgeshire District Council, Cambridge City Council, Great Yarmouth BC, King’s Lynn and West Norfolk BC, Breckland DC, Castle Point BC, Braintree District Council, Tendring DC, Essex County Council, Harlow DC, Waveney BC, Babergh DC, Luton BC, Dacorum BC, Wenta.

	<b>Solutions for Businesses Product Name</b>	<b>Activity either <u>already</u> aligned or being aligned to Solutions for Business</b>
9	Business Growth: Specialist Facilities and Environments Now	<p><u>Harlow Enterprise Hub</u> Operated by: NWES</p> <p><u>Babraham Research Campus Incubator</u> Operated by: Babraham Bio-science Technologies</p> <p><u>BioPark</u> Operated by: Exemplas</p> <p><u>Norwich Research Park Bio Incubator</u> Operated by: NRP-Enterprise Ltd</p> <p><u>Cardiothoracic Bio incubator</u>, Papworth, Operated by: Papworth Hospital NHS Foundation Trust</p> <p><u>St John's Innovation Centre</u> Operated by: St John's Innovation Centre Ltd</p> <p><u>East of England Production Innovation Centre (EPIC)</u> Operated by: Norfolk CC</p> <p><u>Bedford i-Lab</u> Operated by: Bedford Borough council</p> <p><u>Hethel Engineering centre</u> Operated by: Hethel Consultancy</p> <p><u>Colworth Science Park; Sharnbrook Bedfordshire</u> Operated by: Joint Venture between Unilever and Goodman</p> <p><u>Orbis Energy</u> Operated by: NWES</p> <p><u>Hertfordshire Business Incubation Centre (HBIC)</u> Operated by: Hertfordshire Business Incubation Centre (HBIC)</p> <p><u>Basepoint Business and Innovation Centre</u> Operated by: Basepoint and Luton BC.</p>
10	Starting a Business	<u>Starting a business.</u> Delivered by: Business Link East. Area covered: Region

	<b>Solutions for Businesses Product Name</b>	<b>Activity either <u>already</u> aligned or being aligned to Solutions for Business</b>
11	Intensive Start-up Support	<u>Intensive Start-up Support</u> . Delivered by: Business Link East. Area covered: Regional. Comments: Part of integrated start-up offer <b><u>Activity being aligned:</u></b> Numerous local schemes. Currently working with LAs to align their services with the product definition, or re-align them to the Enterprise Coaching product.
12	Starting a High Growth Business	<u>Starting a High Growth Business</u> . Delivered by: Business Link East. Area covered: Regional. Comments: Part of integrated start-up offer
13	Manufacturing Advisory Service	<u>Manufacturing Advisory Service East of England</u> . Delivered by: MAS East, (PA Consulting), 0845 300 4443, <a href="mailto:info@mas-east.org.uk">info@mas-east.org.uk</a> Area covered: Region. Note EEDA commissioned an Integrated Specialist Business Support Programme (ISBSP). The ISBSP includes products 13, 14 and 15 in this table, all delivered by PA Consulting. ISBSP is a back-office project management term that is not to be promoted to businesses.
14	Designing Demand	<u>Designing Demand</u> . Delivered by: PA Consulting. Area covered: Regional (part ISBSP – see MAS)
15	Innovation and Advice Guidance	<u>Innovation Advice and Guidance</u> . Delivered by: PA Consulting. Area covered: Regional (part of ISBSP – see MAS) <b><u>Activity being aligned:</u></b> <u>Essex Manufacturing Innovation and Growth</u> . Delivered by Cambridge University Institute for Manufacturing (IfM) on behalf of Essex County Council. Area covered: Essex
16	Small Loans for Business	<u>Small Loans for Business</u> . Delivered by: Foundation East, 01284 757777, <a href="mailto:info@foundationeast.org">info@foundationeast.org</a> . Area covered: Regional <b><u>Activity being aligned:</u></b> <u>Community Development Finance Institution Loans</u> . Delivered by: NWES on behalf of GY Council. Area covered: GY LEG1 areas
17	Understanding Finance for Business	<u>Understanding Finance for Business</u> . Delivered by: EEDA appointing contractor. Area covered: Regional

	<b>Solutions for Businesses Product Name</b>	<b>Activity either <u>already</u> aligned or being aligned to Solutions for Business</b>
18	Finance for Business	<p><u>Regional Loan Fund</u>. Delivered by: appointing contractor. Area covered: regional</p> <p><b><u>Activity being aligned:</u></b></p> <p><u>Mid-Suffolk Loan Scheme through Barclays Bank</u>. Delivered by: Mid-Suffolk District Council. Area covered: Mid Suffolk District</p> <p>Comments: Business needs a turnover of &lt;£ 500k, the business has to be located in mid-Suffolk seeking a loan of up to £50k. Mid Suffolk Council will subsidise up to 4% or half the interest rate of the Barclays loan for 2 years.</p>
19	Enterprise Coaching Now	<p><u>Inspiring Women</u>. Delivered by: NWES. Area covered: Regional</p> <p><b><u>Activity being aligned:</u></b></p> <p>Numerous local schemes. Currently working with LAs to align their services to the product definition</p>
20	Improving your Resource Efficiency	<p><u>Resource Efficiency East</u>. Delivered by: Renewables East. Area covered: Regional.</p>
21	Networking for Innovation	<p><u>Stem Cell Network</u>. Delivered by: East of England Stem Cell Network (EESCN), 01223 497404 <a href="mailto:jeanettewalker@eescn.org.uk">jeanettewalker@eescn.org.uk</a>. Area covered: Regional</p> <p><u>Health Enterprise East</u>. Delivered by: Health Enterprise East, 0180 364925. <a href="mailto:hee@papworth.nhs.uk">hee@papworth.nhs.uk</a>. Area covered: Regional</p> <p><u>InCrops</u>. Delivered by: AUEE, <a href="mailto:auee@eeda.org.uk">auee@eeda.org.uk</a>. Area covered: Regional</p> <p><u>Bio tech / Medical Device Technology Network</u>. Delivered by: ERBI / Med Tech, 01223 497400 <a href="mailto:info@erbi.co.uk">info@erbi.co.uk</a>. Area covered: Regional</p>
22	Knowledge Transfer Partnerships	<p><b><u>Activity being aligned:</u></b></p> <p><u>Grads East Support</u>. Delivered by: AUEE, <a href="mailto:auee@eeda.org.uk">auee@eeda.org.uk</a>. Area covered: Regional. Comments: Doesn't need to be aligned as it ends March 2010</p> <p><u>KEEP3 (Knowledge Partnership East of England)</u>. Delivered by: Regional Universities. Area covered: Regional. Comments: Doesn't need to be aligned as it ends May 2009.</p>

	<b>Solutions for Businesses Product Name</b>	<b>Activity either <u>already</u> aligned or being aligned to Solutions for Business</b>
23	Innovation Vouchers	<u>Innovation Vouchers</u> . Delivered by: EEDA, innovationvouchers@eeda.org.uk. Area covered: Regional. Comments: Bidding rounds at set times in the year
24	Grant for Research and Development	<u>Grant for Research and Development</u> . Delivered by: EEDA, 01223 713900, businesssupport@eeda.org.uk. Area covered: Regional <b><u>Activity being aligned</u></b> <u>Proof of Concept</u> . Delivered by: EEDA, 01223 713900, businesssupport@eeda.org.uk. Area covered: Regional. Comments: Working with other RDAs to align this to GRAD
25	Collaborative R&D	None at the moment. Potential investment using EU structural funds.
26	Coaching for High Growth No	None at the moment. Looking at developing a new scheme, linked to Improve Your Resource Efficiency, using EU structural funds.
27	Enterprise Finance Guarantee (Support to Lenders)	National scheme
28	Low Carbon Energy Demonstration	None at the moment – considering using EEDA / EU structural funds to deliver this product.
29	Rural Development Programme for England Business Support	New product recently announced, but only impacting on the business support work commissioned by RDAs through the Rural Development Programme for England (RDPE). Work being undertaken to assess what we deliver fits to this new product.
30	Automotive Assistance Programme	National scheme

## Annex D

### EEDA's budgets 2009-11

There are 4 separate components to grant-in-aid allocations:

- Capital Investment – to cover all new asset-based spending by EEDA and by public corporations funded by EEDA grants. Also changes in net lending.
- Resource Investment – to cover capital grants to private sector companies and individuals and non-profit making bodies.
- Resource Consumption – to cover the grants EEDA provides to partner & other organisations to fund operating costs of delivering its programmes. This includes EEDA's own costs in researching, designing and establishing those programmes (including administration costs).
- Non-cash costs – for depreciation, cost of capital charges and asset write-downs.

*Table 1 Resources overview*

	2009-10				2010-11			
	Capital	Current	Non-Cash	Total	Capital	Current	Non-Cash	Total
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Grant-in-aid</b>	60.7	70.6	4.4	135.7	35.1	69.0	4.4	108.6
<b>European funding</b>		4.2		4.2		2.2		2.2
<b>Receipts</b>	4.7	1.8		6.5	4.2	1.8		6.0
<b>RDPE</b>		11.5		11.5		12.0		12.0
<b>Estimated resources</b>	<b>65.4</b>	<b>88.1</b>	<b>4.4</b>	<b>157.9</b>	<b>39.3</b>	<b>85.0</b>	<b>4.4</b>	<b>128.8</b>

Table 2 Programme expenditure

	2009-10			2010-11			% of prog total 2009-11
	Capital £m	Current £m	Total £m	Capital £m	Current £m	Total £m	
<b>Business Support</b>	8.2	37.8	46.0	6.1	35.6	41.8	36%
<b>Science, Innovation and High-level Skills</b>	17.9	2.8	20.7	13.8	2.9	16.7	15%
<b>Regional Infrastructure</b>	20.8	3.4	24.1	13.4	3.0	16.4	17%
<b>Sustainable Economy</b>	1.7	15.1	16.9	1.1	14.8	15.9	13%
<b>Economic Participation</b>	16.1	11.3	27.4	0.0	11.6	11.6	16%
<b>Strategy and Intelligence</b>	0.2	1.4	1.6	0.2	1.5	1.6	1%
<b>Partnerships, advocacy and communications</b>	0.0	2.0	2.0	0.0	1.8	1.8	2%
<b>Total Programme Expenditure</b>	<b>64.9</b>	<b>73.8</b>	<b>138.7</b>	<b>34.6</b>	<b>71.1</b>	<b>105.7</b>	<b>100%</b>

Table 3 Core running costs

	2009-10		2010-11	
	Capital £m	Current £m	Capital £m	Current £m
<b>Staffing Costs</b>		9.9		9.7
<b>Facilities &amp; Estate</b>	0.1	0.8	0.1	0.8
<b>ICT</b>	0.4	0.6	0.4	0.6
<b>Other Running Costs</b>		1.0		0.8
<b>Total Core Running Costs</b>	<b>0.5</b>	<b>12.3</b>	<b>0.5</b>	<b>11.9</b>

Table 4 – Administrative and Programme Support costs

	2009-10	2010-11
	£m	£m
<b>Core Running Costs</b>		
- pay	9.4	9.2
- non-pay	3.4	3.2
	12.8	12.4
<b>Programme Support Costs</b>		
- pay	2.5	2.5
- non-pay	1.7	1.6
	17.0	16.5
<b>less ERDF administration costs</b>	-1.1	-1.1
<b>CSR cash ceiling</b>	<b>15.9</b>	<b>15.4</b>

## Annex E: Public Value Programme analysis

The Corporate Plan supplementary document sets out revised programme expenditure and results following budget reductions identified for the period 2008-11. A number of factors informed the reprioritisation exercise:

- the need to meet immediate demands for business services arising from the recession
- enhanced investment in programmes to support business productivity growth and encourage access to customers and markets
- the ability to accelerate or maintain schemes with significant job creation and job retention effects
- maintaining our commitment to strategic investments in key sectors or technology areas, that will strengthen the East of England and the UK's comparative advantage over the medium-term
- focusing delivery to support key national policies (e.g. NINJ; Innovation Nation; Low Carbon industrial Strategy)
- appropriate use of the findings of impact evaluation to ensure investment was channelled into areas that deliver strong return on investment. This was set within an understanding that the revised portfolio considered the different timescales (persistence effects) over which returns accrue to different intervention types (i.e. not sacrificing medium term impacts and structural transformation of the economy for short term, but short-lived results)

The level of reprioritisation was constrained by existing contractual commitments, and the willingness and ability of partners to agree reprofiling of expenditure for existing schemes. The pipeline investment that was cancelled was focused on:

- public realm and town centre infrastructure works
- uncommitted economic participation programme capital expenditure in 2010/11
- the building communities asset development programme 2009-11

Expenditure that was enhanced included:

- business support services (e.g. IDB activity and intensive support; MAS; TakeITon; Resource Efficiency)
- access to finance products
- strategic investments that support key sectors and clusters, consistent with the NINJ agenda (science parks; innovation hubs; pan-regional collaborative investments, such as Alphasat and Composite Wing)

Our estimates are that this reprioritisation between programmes, and improving the efficiency of programmes, should result in significant increase in GVA accruing over the medium-term (circa 5 years) over a reduced baseline.

The following table sets out EEDA's 2008-11 expenditure by PVP category.

£M

	Net Expenditure		Net Expenditure		Net Expenditure	
	2008-2009		2009-2010		2010-11	
	Cap	Cur	Cap	Cur	Cap	Cur
<b>Business</b>						
individual business support	5.4	23.7	5.2	24.1	4.1	25.0
cluster business support	0.1	0.6	-	0.4	-	0.4
R&D and innovation	19.0	5.6	15.3	4.3	10.8	4.1
other	0.8	4.2	0.6	4.4	-	4.3
<b>Total (Business)</b>	<b>25.2</b>	<b>34.1</b>	<b>21.0</b>	<b>33.2</b>	<b>14.9</b>	<b>33.8</b>
<b>Place</b>						
land reclamation	10.9	0.7	14.6	0.7	10.3	0.7
public realm	1.9	0.1	2.8	0.0	1.8	0.0
tourism		1.0		1.0		1.0
other	2.1	5.8	3.1	5.3	2.4	3.9
<b>Total (Place)</b>	<b>14.9</b>	<b>7.7</b>	<b>20.5</b>	<b>7.0</b>	<b>14.5</b>	<b>5.6</b>
<b>People</b>						
skills and training	-	1.9	-	1.7	-	1.5
job matching	14.8	11.4	14.6	16.0	-	15.9
other	5.0	1.0	4.1	0.4	5.2	0.4
<b>Total (People)</b>	<b>19.7</b>	<b>14.3</b>	<b>18.7</b>	<b>18.0</b>	<b>5.2</b>	<b>17.7</b>
<b>Overheads</b>	<b>0.7</b>	<b>12.3</b>	<b>0.5</b>	<b>12.3</b>	<b>0.5</b>	<b>11.9</b>
<b>NET GIA EXPENEDITURE</b>	<b>60.5</b>	<b>68.4</b>	<b>60.7</b>	<b>70.6</b>	<b>35.1</b>	<b>69.0</b>
<b>Non-GIA spend</b>	<b>10.8</b>	<b>4.1</b>	<b>4.7</b>	<b>6.0</b>	<b>4.2</b>	<b>4.0</b>
<b>GROSS EXPENDITURE</b>	<b>71.3</b>	<b>72.5</b>	<b>65.4</b>	<b>76.6</b>	<b>39.3</b>	<b>73.0</b>

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