

Developing the East of England Implementation Plan

Theme development advice: Innovation,
business support and enterprise

December 2008

Contents

1: Scope of the Theme Advice.....	2
2: The contribution of the Theme to the two strategies.....	4
3: Implementation imperatives – to 2021/31	20
4: Programmes of regional-scale impact which have been identified by partners in response	38
5: Conclusions	56

1: Scope of the Theme Advice

1.1 This chapter set outs:

- the scope of the Innovation, Business Support and Enterprise Theme
- the process through which Theme advice has been developed

Scope of the Theme

1.2 From the outset, it is important to be clear about the scope of the Innovation, business support and enterprise Theme insofar as it relates to the Implementation Plan. Some related elements are considered under separate Themes (notably, skills and employability).

1.3 The scope of the Theme is summarised in Table 1-1

Theme includes...	Theme excludes...
Programmes of regional significance which support increased innovation in the business and related communities in the region	Programmes concerning the provision of employment land and premises, except for business incubation, innovation centres linked to Enterprise Hubs and Third Generation Science Parks (NB - all employment land interventions regarded by EERA as sub regional in focus)
Programmes of regional significance to provide or improve business support services in the region	Other major infrastructure investments that enable other developments that are key to innovation and enterprise in the region (e.g. Transport Gateways)
Programmes of regional significance which support enterprise development, including business starts and business growth	Skills training and education (included in separate theme)
Programmes of regional significance which support RES/RSS resource efficiency priorities through innovation, business support and enterprise interventions	

Development of theme paper

1.4 The development of the evidence base relating to the **Innovation, Business Support and Enterprise Theme** was led by a Steering Group member, Michael Spicer of EEDA, with inputs from the Enterprise and Innovation teams in EEDA, the principle contributors from which were Tim Burton and Simon Chater respectively, and consultancy support from SQW.

1.5 The process included a number of discrete but interrelated stages. The first stage established the context for change. This included a desk-based review of strategies, plans and the available evidence to establish the starting point and the context for intervention in relation to enterprise, innovation and business support. This stage took into account current trajectories and targets. Key documents and sources included:

- the RES evidence base

- the Regional Innovation Strategy
- the Regional Business Support Strategy (Better for Business)
- national and regional documents relating to the Business Support Simplification Programme
- Innovation Nation
- Technology Strategy Board Strategy
- EEDA's Innovation Strategy
- National Enterprise Strategy - 'Enterprise: Unlocking the UK's Talent'.
- Regional Strategic Framework for Manufacturing
- BERR's Manufacturing Strategy Review 2008
- Women's Enterprise Strategy
- mapping of all local public-sector business support activity

1.6 Existing and committed regional-level programmes were identified from these sources. Related projects were grouped under relevant programme headings.

1.7 The second stage was a review of these on-going or committed regional-scale programmes with members of EEDA's innovation and enterprise teams, in order to understand the range and scope of on-going activity which underpins "business as usual" projections. Again, this stage involved reviewing existing activity and grouping related elements under regional programme headings.

1.8 The third stage considered what additional programme level interventions would be required to close the gap between outcome targets and those likely to be achieved through existing programmes/plans over the period to 2021. The selection of programmes was informed by the structure of BSSP products.

1.9 Members of the Enterprise and Innovation teams identified the objectives and main components of each of the programmes, and related outputs, outcomes, costs, priorities, and risks. This was an iterative process which involved meetings with members of the Innovation and Enterprise teams to ensure that all relevant activity (both actual and planned) was included in the programmes. It also included a review of the evidence base to assess the strength of the logic chain between the key issues and opportunities for the region identified in the evidence base, through regional targets and priorities identified in the RES, to the range of existing and proposed programmes.

2: The contribution of the Theme to the two strategies

2.1 This chapter sets out:

- why the Innovation, Business Support and Enterprise Theme matters in relation to RES/RSS, with reference to:
 - the performance of the region in relation to high level ambition targets, and the scale of the gap between trajectory and target
 - the role of the Theme in relation to relevant high level ambition targets
- what the two strategies demand of the Theme – focusing on the Theme-specific policies, priorities and targets
- distinctive spatial dimensions in relation to strategic imperatives linked to innovation, business support and enterprise.

Relationship to key regional outcome targets from RES/RSS

2.2 Three high level regional outcome targets from the RES and RSS relate directly to Innovation, Business Support & Enterprise: GVA per capita per worker, employment rate and jobs growth. The resource efficiency outcome targets, particularly CO₂ reduction, are also particularly relevant to this Theme. In addition, investment in innovation, business support & enterprise is causally related to all other regional outcome targets. In particular:

- an increase in innovation and enterprise will increase jobs and earnings. This will affect earnings inequality, but the direction of impact depends on the nature of the business growth and the disposition of appropriate skills
- increased enterprise and business activity may increase water consumption and CO₂ emissions, unless investment in innovation significantly improves the efficiency of business processes, which could reduce per capita, and even total, resource use and emissions
- business and employment growth will support and stimulate housing development, which in turn is likely to increase the supply of affordable housing – although there is no direct relationship between business growth and the supply of affordable housing
- innovation and enterprise growth will increase the demand for new and higher level skills, and thereby should support the achievement of Leitch skills targets (equally, failure to achieve these targets may constrain innovation and enterprise growth).

Table 2-1 Summary - relationship between interventions related to the Innovation, Business Support & Enterprise Theme and their likely impacts on high level outcome indicators

Headline Indicator	Target	Direct effects	Indirect effects	"Induced"/second order
GVA per capita / per worker	Annual growth in real workplace-based GVA per capita of 2.3 per cent and GVA per worker of 2.1 per cent between 2008 and 2031	↑		
Employment rate	Employment rate for the working population of 80 per cent and for the 16-74 population of 70 per cent by 2031	↑		
Earnings inequality	A rise in lower-quartile earnings to 60 per cent of average earnings by 2031	↔		
Water consumption	Per capita consumption of water by households in 2030 that is 20 per cent below 2008 levels, or 120 litres/head/day	↔		
CO ₂ emissions	End-user CO ₂ emissions in 2031 that are 60 per cent below 1990 levels	↔		
Skills – Leitch targets	Over 40 per cent of adults qualified to at least level 4, 68 per cent of adults qualified to at least level 3 and over 90 per cent of adults qualified to at least level 2 by 2020 and maintained to 2031	↑		
Net additional dwellings	508,000 (2001-21)			↑
Jobs growth	452,000 (2001-21)	↑		
Affordable Housing	35% of new houses with planning permission granted after May 2008 are affordable			↔

Key: ↑ impacts ought to be positive in relation to the headline indicator; ↓ impacts likely to be negative in relation to the outcome indicator; ↔ impacts could be either positive or negative

Specific regional context, including key spatial dimensions

2.3 The East of England has been one of the most successful regional economies in the UK over the last 20 years, but in recent years has lagged behind the national average rate of GVA growth. The region is ranked third, after London and the South East, on the UK Competitiveness Index¹. Specifically in relation to innovation and enterprise, the region has a strong history of R&D and innovation, the highest level of business enterprise R&D per unit of GDP in the UK, and the second highest level of R&D expenditure by Government per unit of GDP. The region also has some internationally competitive clusters in areas such as health and life sciences, advanced engineering and product design.

2.4 The region performs well relative to the rest of the UK in terms of innovation activity: the 2007 UK Innovation Survey shows that the East of England was the most innovative region,

¹ The UK Competitiveness Index 2008, Robert Huggins and Hiro Izushi, Centre for International Competitiveness, Cardiff Metropolitan University. The index has three component parts, comprising input factors (R&D expenditure, economic activity rates, start ups per 1,000 inhabitants, no of businesses per 1,000 inhabitants, GCSE results – 5 or more grades A* to C, proportion of working age population with NVQ4 or above, and proportion of knowledge based businesses) output factors (GVA per head, exports per head, imports per head, proportion of exporting companies, productivity – output per hour worked – and employment rates) and outcome factors (gross weekly pay and unemployment rates)

with 70% of businesses involved in innovation activity. This compares favourably with the situation in 2005, when the survey revealed businesses in the East of England to be the least innovation active².

2.5 But the rate of business formation is only slightly better than the national average (though East of England still ranks third among UK regions) and well below London and the South East, and the region's strengths in R&D are not matched by its track record of technology commercialisation. Other relevant regional characteristics include:

- substantial growth in the older workforce living in the region is expected to 2021
- out commuting to London has a significant influence on the size and skills of the labour force available for employment in the region
- the region has a 77% employment rate amongst residents of working age. Demand for labour is relatively strong although worklessness is still a concern
- women's rate of entrepreneurship is similar to the national level, although this is relatively low compared to other developed countries.

Within the region there are some very significant spatial variations in performance in relation to innovation and enterprise, and in the quality and availability of financial and business services. In general, the most competitive local economies, with the best 'infrastructure' for enterprise and innovation, are located in the south and west, particularly Hertfordshire and around Cambridge, whereas the least competitive are located in the north and east, particularly on the periphery. For example³:

- a small number of innovation intensive companies are responsible for the strong performance of the region in relation to business R&D expenditure. These include GSK in Stevenage and Harlow and Unilever near Bedford. Specialist research institutes are also highly concentrated in parts of the region, primarily around Cambridge and, to a lesser extent, Norwich
- the distribution of publicly funded R&D is also geographically concentrated, with the University of Cambridge accounting for 70% of research funding for universities in the region. Three other universities account for almost all of the remainder: Cranfield University 13%, University of East Anglia 9% and University of Essex 5%. The Cambridge area has also been outstandingly successful in commercialising research and developing new innovative, knowledge based businesses
- Cambridge has a strong presence of specialist business and financial services for knowledge based businesses, and very well developed business networks. For example, there are around 10 specialist venture funds operating in Cambridge

² The dramatic contrast between 2005 and 2007 results is surprisingly large, which may cast some doubt over the reliability of the results.

³ Examples taken from various sources including the RES Evidence Base - East of England Regional Economic Strategy: Evidence Base, 6th June 2008, the UK Competitiveness Index 2008, DIUS information on research funding

- ranking on the UK Competitiveness Index 2008 ranged from St Albans (23rd), Three Rivers (26th) and South Cambridgeshire (29th), to Great Yarmouth (387th), Tendring (383rd) and Waveney (379th)
- in relation to enterprise, in 2006 new business VAT registrations ranged from a low of 19 per 10,000 adults in Waveney, 20 in Kings Lynn & West Norfolk and in Tendring, and 21 in Great Yarmouth, to a high of 53 in Watford and 46 in Uttlesford and St Albans (national average 29).
- the proportion of knowledge based businesses in the local economy in 2006 ranged from over 34% in St Albans to 12% in Forest Heath (national average 20.5%)
- the region has a high average employment rate amongst residents of working age - 77%. However, there are significant regional variations, with Luton, Fenland, Tendring and Great Yarmouth substantially below the regional average.

Wider trends and drivers

National Enterprise Strategy

- 2.6 In 2008, BERR published the Enterprise Strategy: ‘Enterprise: unlocking the UK’s talent’, which set out the following aims:
- raise the productivity of the UK economy
 - deliver the conditions for business success in the UK
 - improve the economic performance of all English regions and reduce the gap in economic growth rates between regions.
- 2.7 The strategy sets out five ‘enterprise enablers’, along with associated measures of success (see Table 2-2). In addition, there is a cross-cutting ambition to ‘bring wider benefits of enterprise to communities in deprived parts of the country’.

Table 2-2 Enterprise enablers

Factor	Contribution	Measure of success
Culture	Develop a culture, where talent can be unlocked and flourish, recognising differences in enterprise culture across different social groups, reducing fear of failure that prevents start-ups, and giving everyone the opportunity to be entrepreneurial.	An increase over time in the proportion of people with the ambition to start and grow their own business
Knowledge and skills	Ensure that individuals and business have access to and are able to develop the best possible knowledge and skills to support the growth of their business.	An increase over time in the proportion of small and medium sized businesses making use of external business advice and the proportion of small and medium businesses that provide training for their workforce and managers
Access to Finance	Enable new and growing businesses and those people seeking to exploit their ideas to have access to the appropriate level of finance and advice.	A drop over time in the proportion of businesses reporting problems in accessing finance
Regulatory Framework	Renew our focus on reducing regulatory burdens, recognising that unnecessary or overly complex regulation can stifle enterprise and have a disproportionate impact on small firms.	The extent to which the benefits of new regulation justify the costs and unnecessary increases in regulatory burdens are avoided
Business Innovation	Reinforce innovation's role as a driver of enterprise itself and at the root of all entrepreneurial activity, complementing the Government's new Innovation Strategy.	An increase over time in the proportion of small business turnover attributable to new or improved products and processes

Source: *Enterprise strategy, BERR, 2008*

Business Support Simplification Programme

- 2.8 The business support agenda is strongly conditioned by the national Business Support Simplification Programme (BSSP) promoted by BERR. Announced in the 2006 Budget, the BSSP seeks to simplify publicly-funded sources of business advice, in order to make it easier for business to understand and access business support (including advice and financial support). BSSP provides the structure through which business support will be delivered in future: the number of business support schemes will be reduced from over 3,000 to fewer than 100, with Business Link as the key point of contact and source of support. In October 2008, BERR announced the launch of 'Solutions for Business – funded by government' – a package of '30 national support products with a common look and feel accessible via Business Link' (www.berr.gov.uk).
- 2.9 The products in the 'Solutions for Business' portfolio will be launched nationally between October 08 and March 09. This will be a 'soft' launch, confirming that specifications are concluded and ensuring that information around which partners will shape services is available. Regions have until April 2010 to work with partners to identify the programmes which they wish to continue or start supporting, and to commission new services around the 'Solutions for Business' portfolio. As such there will not be a launch-related marketing campaign or awareness raising with business audiences at this stage as the region may not choose to invest in some of the products, so it is important to ensure that product 'launch' is not confused with product 'delivery'. The evidence base underlying Regional Strategies and this Implementation Plan will determine which BSSP products could act as solutions to deliver regional priorities.

2.10 In addition to this theme area, other areas related to business support where 'Solutions for Business' will play a role include economic participation, resource efficiency, and digital economy.

2.11 Table 2-3 shows the national business support products by theme

Table 2-3 Business support products by theme	
Theme	Business Support Products
Enterprise and Business Creation	Starting a Business
	Starting a High Growth Business
Skills and Expertise	Train to Gain
	Manufacturing Advisory Service
	Designing Demand
	Innovation Advice and Guidance
	Coaching for High Growth
Investment	Finance for Business
	Support to Lenders
	Understanding Finance for Business
	Maximising Foreign Direct Investment
Innovation	Networking for Innovation
	Knowledge Transfer Partnerships
	Innovation Vouchers
	Collaborative Research and Development
	Grant for Research and Development
Encouraging Competition and Global Market Access	Accessing International Markets
	Developing Your International Trade Potential
	Export Credit Insurance
	Business Collaboration Networks
	Business Premises
	Business Growth: Specialist Facilities and Environments
Reducing Inequalities	Intensive Start-Up Support
	Small Loans for Business
	Grant for Business Investment
	Enterprise Coaching
Climate Change and the Environment	Environmental Land Management Funding
	Environmental Land Management Advice
	Improving Your Resource Efficiency
	Low Carbon Energy Demonstration

Source: Supporting Analysis for 'Solutions for Business: Supporting Success', BERR, October 2008

2.12 BSSP has required regional agencies to align their business support schemes, refocusing activity around a number of core products. Partnership working is increasingly important (and in addition, the Sub National Review encourages co-investment by different public agencies).

- 2.13 In this regard, local authorities across the region are considering how best to align their approach to business support. While local level initiatives are beyond the scope of this Implementation Plan, there are opportunities for working regionally and sub-regionally.
- 2.14 A recent mapping exercise identified existing business support products being delivered by Local Authorities across the region. These are discussed in further detail in Chapter 3 of this paper. Local Authorities are still deciding the most appropriate BSSP product match for many of the interventions. The focus for the Implementation Plan is on programmes of regional scale activity rather than specific local projects. As such, existing interventions by local authorities should be considered in terms of they collectively support longer-term, regional scale programmes.

Economic downturn

- 2.15 Recent turmoil in the financial markets and the repercussions for the rest of the economy have meant that regional agencies are focusing on developing short term and immediate responses to the credit crunch. This has reduced the current capacity to develop programmes for the long term, which is an important component of the Implementation Plan.

Ambitions for the Theme set out in RES and RSS

- 2.16 Innovation, business support & enterprise are at the heart of the RES. There are specific high level and other targets relating to the theme set out in the RES, and more general ambitions in the RSS (apart from the target for net jobs growth, which is very specific). Table 2-6 summarises *the targets* relating to this theme in both strategies.

Table 2-4 Regional outcome targets associated with the Innovation, business support and enterprise Theme

Outcome targets of relevance to both RES and RSS with regard to the Innovation, business support and enterprise Theme
<i>High level outcome targets</i>
Between 2008 and 2031, annual GVA growth of 2.3% per capita, and 2.1% per worker (RES)
Employment rate by 2031 of 80% for working age population, 70% for population aged 16-74 (RES)
Net jobs growth 2001-2021 of 452,000
<i>Other outcome targets</i>
Increased share of businesses that are innovation active
Increased share of businesses that translate new ideas and research into new products, services and processes
European leading levels of private sector R&D and venture capital investment
UK exemplar region for open innovation and absorbing existing technologies
Start up rates increased to 60 per 10,000 residents by 2031 (12,000 more businesses created each year than in 2004)
Entrepreneurship activity rates to 2031 that are higher than in 2008, above the UK average and include female activity rates closer to male rates than in 2008
An increase in the share of SMEs using external advice

- An increase in the proportion of the region's SMEs that operate internationally
- A more efficient and innovative economy through maximum exploitation of ICT by businesses and households
- Employment sites of sufficient range, quantity and quality to cater for relevant employment sectors in appropriate locations (RSS, E2)
- Readily serviceable strategic employment sites in defined locations (RSS, E3)
- Successful business clusters - specific clusters and locations defined in RSS, E4)
- An effective retail hierarchy (RSS, E5)
- Sustainable development of tourism (RSS, E6)

Source: RES and RSS

2.17 Table 2-5 sets out the *RES implementation priorities* in relation to innovation and enterprise.

Table 2-5 RES implementation priorities in relation to innovation and enterprise.	
Innovation	Enterprise
develop a positive planning framework, ensuring timely delivery of key infrastructure and utilities provision, and tailored skills to create research and talent pools and enable the growth of existing and emerging clusters	develop the suite of high quality business support products within an agreed Business Support Simplification Programme framework, accessed through a single Business Link East gateway service
increase the rate of commercialisation of R&D, technology uptake and innovation in finance, marketing and distribution through integrated business support and access to finance packages	develop a strong enterprise culture in under-represented groups by widening mainstream support and developing targeted programmes within the BSSP framework
maximise productivity benefits of co-locating private sector, research institutes and universities and progressing the development of next generation science parks	create an integrated system of support for international trade, investment and collaboration
expand the full range of knowledge exchange, skills provision and business engagement of regional universities and increased investment in international quality research departments and institutes	improve access for regional businesses to leading edge leadership and management training, advice and support.
promote dense business and social networks to enable flows of ideas, advice and investment opportunities	
develop shared marketing propositions with key partners in London and the South east to promote international investment and talent attraction	
develop a suite of financial products, support for creativity and incentives to encourage social and public sector innovation.	

2.18 Innovation, business support and enterprise are also very important to the **RSS**, with the main policy focus being to ensure an appropriate scale and quality of land and premises for economic development and employment activities. This includes:

- specifying quantitative targets for net jobs growth 2001-21 in every part of the region (Policy E1)

- requiring Local Development Documents to ensure an adequate range of sites and premises to achieve the job targets specified in Policy E1, focusing on quantity, quality and locational aspects of provision (E2)
- providing strategic employment sites in specified parts of the region to meet the needs of specialist activities (e.g. bio-technology in Norwich, or port expansion and related businesses in the Haven Gateway) or regeneration needs (E3)
- supporting the development of particular business clusters both within and across regional boundaries (E4)
- ensuring the development of a network of regional and major town centres, and appropriate retail development within these centres (E5)
- supporting realistic and sustainable investment in the tourism sector, including managing the sustainable exploitation of major assets through appropriate management (E6)
- supporting development of the region's airports in accordance with the 2003 Air Transport White Paper.

2.19 Better for Business - the regional business support strategy - urges business support providers to focus actions on six key priorities for action. These further support the RES priorities, as well as reflecting national-level policy. The priorities are: enhancing provision with the highest impact on small to medium-sized enterprise growth; prioritising businesses with recognised potential for productivity improvement or growth; developing a consistent standard of support to start-ups and young businesses across the region; expanding the impact of brokerage by strengthening account management; simplification of support schemes; and developing sub-regional and local input into future regional business support plans.

2.20 Priorities in other areas of the RES and RSS are also relevant to the innovation, business support and enterprise theme. These include and number of priorities relating to resource efficiency and ICT, as listed in Table 2-6 below

Table 2-6 Other relevant RES/RSS priorities	
Resource efficiency	ICT
supporting applied R&D and supply chain development for de-centralised, renewable and low carbon energy sources	improving efficiency and innovation through the application of digital technologies
business support to improve resource efficiency	supporting growth of the digital technologies and software clusters in the region
supporting R&D into environmental technologies	enhancing SMEs' productivity through advice and skills development.
the use of public procurement, business support and finance to increase demand for and viability of near market environmental technologies	

2.21 Finally, in Table 2.7 we have brought together all of the ambitions in the relevant regional strategies under a number of common themes, to show how the different policy documents are inter-related and mutually reinforcing in terms of priority areas for intervention.

Table 3.7: RES/RSS priorities and policies by topic

Topic	RES implementation priorities relating to innovation	RES implementation priorities relating to enterprise	Relevant RSS policy foci	Regional business support strategy's key priorities for action
Planning/ infrastructure	<ul style="list-style-type: none"> develop a positive planning framework, ensuring timely delivery of key infrastructure and utilities provision, and tailored skills to create research and talent pools and enable the growth of existing and emerging clusters 		<ul style="list-style-type: none"> requiring LDDs to ensure an adequate range of sites and premises to achieve the job targets specified in Policy E1, focusing on quantity, quality and locational aspects of provision (E2) providing strategic employment sites in specified parts of the region to meet the needs of specialist activities or regeneration needs (E3) ensuring the development of a network of regional and major town centres, and appropriate retail development within these centres (E5) supporting realistic and sustainable investment in the tourism sector, including managing the sustainable exploitation of major assets through appropriate management (E6) 	
Culture change		<ul style="list-style-type: none"> develop a strong enterprise culture in under-represented groups by widening mainstream support and developing targeted programmes within the BSSP framework 		
Internationalisation	<ul style="list-style-type: none"> develop shared marketing propositions with key partners in London and the South east to promote international investment and talent attraction 		<ul style="list-style-type: none"> supporting development of the region's airports in accordance with the 2003 Air Transport White paper 	
Business support		<ul style="list-style-type: none"> develop the suite of high quality business support products within an agreed Business Support 		<ul style="list-style-type: none"> developing a consistent standard of support to start-ups and young

Table 3.7: RES/RSS priorities and policies by topic

Topic	RES implementation priorities relating to innovation	RES implementation priorities relating to enterprise	Relevant RSS policy foci	Regional business support strategy's key priorities for action
		<p>Simplification Programme framework, accessed through a single Business Link East gateway service</p> <ul style="list-style-type: none"> • create an integrated system of support for international trade, investment and collaboration • improve access for regional businesses to leading edge leadership and management training, advice and support 		<p>businesses across the region</p> <ul style="list-style-type: none"> • enhancing provision with the highest impact on small to medium-sized enterprise growth • simplification of support schemes • expanding the impact of brokerage by strengthening account management
Commercialisation and growth	<ul style="list-style-type: none"> • increase the rate of commercialisation of R&D, technology uptake and innovation in finance, marketing and distribution through integrated business support and access to finance packages 		<ul style="list-style-type: none"> • specifying quantitative targets for net jobs growth 2001-21 in every part of the region (Policy E1) 	<ul style="list-style-type: none"> • prioritising businesses with recognised potential for productivity improvement or growth
Business clusters	<ul style="list-style-type: none"> • maximise productivity benefits of co-locating private sector, research institutes and universities and progressing the development of next generation science parks 		<ul style="list-style-type: none"> • supporting the development of particular business clusters both within and across regional boundaries (E4) 	
Business networks	<ul style="list-style-type: none"> • promote dense business and social networks to enable flows of ideas, advice and investment opportunities • expand the full range of knowledge exchange, skills provision and business engagement of regional universities and increased investment in international quality research departments and institutes 			<ul style="list-style-type: none"> • develop sub-regional and local input into future regional business support plans

Table 3.7: RES/RSS priorities and policies by topic

Topic	RES implementation priorities relating to innovation	RES implementation priorities relating to enterprise	Relevant RSS policy foci	Regional business support strategy's <i>key priorities for action</i>
Financial support	<ul style="list-style-type: none">develop a suite of financial products, support for creativity and incentives to encourage social and public sector innovation.			

Rationale for intervention

- 2.22 The rationale for public sector support intervention in enterprise, business support and innovation activities across the East of England has two main components:
- the first mirrors the rationale for such intervention nationally – that is, to ensure that the UK as a whole is globally competitive
 - the second is to enable the region to meet the targets set out in the RES and RSS
- 2.23 In ‘Supporting Analysis for ‘Solutions for Business: Supporting Success’’ (October 2008), BERR set out the economic drivers of (and rationale for) Government-funded business support. This has been used as a key part of the evidence base in identifying the rationale for programme-level interventions for innovation, business support and enterprise in the East of England.
- 2.24 BERR identify a number of areas across which Government support for businesses is warranted. Those of particular relevance to this theme include:
- Enterprise and Business Creation
 - Skills and Expertise
 - Investment
 - Innovation
 - Encouraging Competition and Global Market Access
 - Reducing Inequalities.
- 2.25 The over-riding rationale for supporting **enterprise and business creation** is that information failures ‘may prevent some people from knowing how to start an enterprise and where to go to find that information’. Given that new business creation is of benefit not only to those who start new businesses, but to the economy as a whole (as new businesses tend to be more innovative and develop new products and services of benefit to business consumers), it is argued that new business creation should be supported ‘up to the point where new benefits across all firms equal additional costs’. In addition, interventions with managers of existing firms improve their entrepreneurial skills, and research indicates that skilled managers and entrepreneurs will tend to operate businesses which survive for longer, so generating longer term economic benefits
- 2.26 In the East of England context, it is clear that, although the region performs relatively well in comparison to other parts of the UK on various enterprise and business creation measures (e.g. the East of England performs above the UK average on business registrations and higher than average three year business survival rates), there is considerable room for improvement. The region is competing internationally, not just within the UK, and International comparisons regarding enterprise rates are not favourable (eg if the UK as a whole matched US enterprise rates, there would be an extra 1.9 million businesses in the economy).

- 2.27 In the area of **skills and expertise**, the rationale for intervention is that market failures restrict the amount and level of training provided by employers – either because employers do not understand the potential benefits of particular skills, or because they may not be able to judge the relative merits of suppliers of training.
- 2.28 Interventions in the skills area are principally covered in the Skills theme. However, there are specific areas relevant to this theme. For example, the Davies Review⁴ found that the development of young people’s enterprise capability “*is probably held back by the mix of business/enterprise-related learning opportunities that are currently available*”. The report includes a number of detailed recommendations designed to help teachers, supported by business and brokers, deliver both financial literacy programmes and enterprise activities. In the UK, fewer than 30% of young people take part in enterprise training at any point in their school careers, which compares very unfavourably with countries such as Finland, where the aim is to develop broader “*entrepreneurship attitudes’ in schools involving flexibility, creativity, capacity for risk-taking and capacity for initiative*”⁵. If the East of England is to increase enterprise and successful entrepreneurship consistently over the next 20 years, the attitudes and aptitudes of the current school age population will be crucial.
- 2.29 Government intervention in **investment** aims to overcome information failures in the financial markets, which make it difficult for potential lenders/investors to assess financial risk, and for companies to assess the relative merits of different funding streams. In addition, SMES in particular do not always have the skills or confidence to seek financing. BERR argue that this ‘constrain[s] investment, innovation and growth in SMEs with significant growth potential’, and that ‘positive externalities may be generated from investment in the form of knowledge spillovers’ to the wider local economy.
- 2.30 In the East of England, there remains a gap in relation to finance packages for growth businesses which are not yet at the point where they can access finance from private investment sources. Needs here are for smaller packages of equity finance and/or high risk loans where the proposition carries too great a risk for banks to be interested but is not sufficiently developed to attract private sector investment. There is also still a need for funding to ‘de-risk’ technology in the early stages of development, again before it is sufficiently validated to be able to attract equity investment⁶.
- 2.31 More generally, as a result of the recent financial crisis, access for SMEs to all forms of loan and equity finance has severely diminished, as financial institutions’ attitudes to risk has hardened significantly. There is therefore an urgent short term need to improve access to finance to enable business investment in the region, as well as a case for longer term programmes of action.
- 2.32 **Innovation** can be simply defined as “*the successful exploitation of new ideas*”⁷. This definition is useful because it emphasises that for innovation to occur, the generation of a creative idea is not enough: the insight must be operationalised in some way . BERR argue

⁴ Davies (2002) for DfES *Review of Enterprise and the Economy in Education*
<http://www.dfes.gov.uk/ebnet/download/Review.pdf>

⁵ OECD (2002) *Small and Medium Enterprise Outlook* p18

⁶ East of England *Better for Business Strategy* – developed by the East of England Skills and Competitiveness Partnership

⁷ <http://www.dti.gov.uk/innovation/index.html>

that intervention is warranted to support innovation for three main reasons: spillovers (where the returns on investment are not restricted to the investor, but may also benefit competitors); coordination failures (where ‘firms separately develop new products in a way that does not enable consumers to exploit complementarities between them’); and information failures (where companies are unaware or unwilling to pay for privately-held information as they may not be able to assess its potential value). The role of Government is to reduce these barriers (BERR note the evidence suggests that this support is of benefit to supporting innovation relating to new technologies).

- 2.33 The East of England is very good at generating knowledge through R&D – it has high levels of both corporate and government funded R&D. However, its performance in commercially exploiting R&D through innovation is less impressive. The R&D undertaken in the region is also geographically concentrated around a few major firms and university/research institute clusters. More needs to be done to overcome market barriers both the ensure these geographical concentrations of R&D are as innovative and productive as possible, and also to ensure firms throughout the region are “innovation-active”.
- 2.34 The rationale for Government intervention in terms of **Encouraging Competition and Global Market Access** is that it is a cost-effective mechanism for encouraging increased trade and investment.
- 2.35 The East of England is a very open region internationally, and it is centrally important that it remains globally competitive.⁸ Successful export performance by East of England companies results in greater specialization and innovation, which in turn drives growth. Foreign direct investment is a major driver of productivity driver because multinational firms are more productive, they drive up the productivity of domestic firms through competitive effects and through knowledge and technology spillovers⁹.
- 2.36 The rationale for **reducing inequalities** (by providing enterprise support and advice to disadvantaged individuals, and financial support to firms and intermediaries located in deprived areas) is to increase the level of entrepreneurial activity, and to contribute to reducing geographic inequality.
- 2.37 Within the East of England, there are significant variations in business-start rates, female entrepreneurial activity is significantly lower than that for men, and rates of entrepreneurship across minority ethnic groups vary greatly. Market failures therefore clearly affect some groups, and some parts of the region, more than others: for example, women tend to experience more barriers to entrepreneurship than men (eg lack of accessible or affordable childcare), and a survey by the SBS has shown that ethnic minorities are less likely than others to seek any form of help or business advice.¹⁰

⁸ The OECD definition of a nation's competitiveness is "the degree to which a country can, under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the long term".

⁹ HM Treasury/DTI (March 2006) *Productivity in the UK 6: Progress and new evidence*

¹⁰ SBS Booster Survey Small Business Service, <http://www.sbs.gov.uk/sbsgov/action/layer?r.12=7000000243&r.11=7000000229&r.s=tl&topicId=>

3: Implementation imperatives – to 2021/31

On-going activity

- 3.1 Although the two regional strategies are new, the priorities linked to this Theme generally are not, and there is a large amount of on-going regional scale activity contributing to their delivery, much of it led by EEDA. The scope of interventions which are consistent – directly or indirectly – with this Theme, and the objectives, ambitions and responsibilities it encompasses are enormous. In highly summarised form, Table 3-1 identifies the main on-going or committed regional scale programmes, including their objectives and key components, their rationale, and the way in which they map onto the identified joint outcomes from RES/RSS (set out in Table 2-1).
- 3.2 Some of these programmes are long established and have already produced significant outputs (e.g. Finance for Business, Enterprise Hubs), others are relatively new (e.g. Third Generation Science Parks) or are committed but not yet started (e.g. Manufacturing Advisory Service, Innovation Advisory Services and Design Advisory Service). Most are EEDA led programmes (an exception in Table 3.1 is Business Premises, where most incubators and similar facilities are provided by local authorities, with EEDA playing a supporting role in some cases).
- 3.3 Many of the existing programmes are compatible with the national products identified under the Business Support Simplification process, and are likely to continue indefinitely into the future. There may be some shifts in focus over the short-term in order to respond to the credit crunch and wider economic context. However, it should be noted that the programme-led approach of the Implementation Plan is designed to be relevant to a wide range of economic contexts, and as such the programmes outlined in this Theme are expected to remain relevant to 2031.

Local activities contributing to regional ambitions

- 3.4 In addition to the regional scale interventions led by EEDA, most local authorities in the region are engaged to a greater or lesser extent in activities which contribute to the regional targets and priorities for enterprise and innovation. As mentioned above, a business support mapping exercise was carried out by EEDA during August and September 2008 as part of on-going work on the Business Support Simplification Programme in the region. This provides a snapshot of current local scale activity.
- 3.5 The scale and nature of local interventions depends on a variety of factors, including local authorities' perceptions of relative priorities and the availability of external funding. In the latter context, EEDA's devolved Investing in Communities (IiC) programme and the economic participation agenda have clearly been important in supporting business support activities in local areas.
- 3.6 The main focus of local support is on business creation, particularly at a pre-start up stage, and very small firms. This includes support for enterprise training and advice provided

through local enterprise agencies, grants and loans for start ups, information and networking initiatives, and the provision of managed workspaces, incubators and other low cost business premises. There is also some sector specific support – notably for tourism and land-based businesses, and also for some clusters which are also regional priorities – for example, motorsport and precision engineering.

- 3.7 There appears to be relatively little support from local authorities for larger and more established businesses (a notable exception is support in Essex to promote inward investment and exporting), and little evidence from the survey of collaboration between authorities to support interventions with greater critical mass or at sub regional scale.

Table 3-1: Innovation, business support and enterprise – existing & committed programmes including objectives, rationale & links to RES/RSS outcome targets

Activity	Objectives and main components	Rationale	Principal links to identified RES/RSS outcomes
Financial support to businesses	<p>This programme assists businesses in: accessing funding; taking advantage of international opportunities in a way that mitigates some of the risks involved</p> <p>Public sector support includes: Investment readiness support; Small Loans for Business; Grants for Business Investment (to support the acquisition of key assets, such as buildings, plant and machinery and to support the creation of new jobs or to safeguard existing ones); Support to Lenders (where the Government acts as a guarantor to lenders to encourage them be less risk averse when considering marginal lending decisions); and the provision of debt, equity and mezzanine support to small and medium sized businesses unable to raise finance on the commercial market but having viable business plans</p>	<p>Component parts mirror several BSSP products (small loans for business, understanding finance for business, finance for business, support to lenders, etc)</p> <p>Provision of public sector funding can help to leverage in private sector funding.</p>	<ul style="list-style-type: none"> European leading levels of private sector R&D and venture capital investment
Pre-start up support to potential entrepreneurs from under-represented groups, including women	<p>One-to-one coaching to cultivate interest in enterprise amongst people who would not otherwise consider setting up in business as an option</p>	<p>Increasing awareness of self-employment and setting up a business likely to increase business start-up rates in the region</p> <p>Level of female entrepreneurship in the UK is way below the USA. Research shows that increasing numbers of women entrepreneurs would significantly impact on regional economy.</p>	<ul style="list-style-type: none"> Start up rates increased to 60 per 10,000 residents by 2031 (12,000 more businesses created each year than in 2004) Entrepreneurship activity rates to 2031 that are higher than in 2008, above the UK average and include female activity rates closer to male rates than in 2008
Support to mainstream business start ups	<p>Mainstream support through Business Link - provision of free access to clear information and advice for anyone thinking about starting a business</p> <p>Give businesses with high-growth potential access to sophisticated, multi-faceted support packages</p> <p>'Response to Redundancy' programme supports 'at risk' companies</p>	<p>Research shows that increasing numbers of start-up business and providing additional support in the early phases would significantly impact on success rates and so on the regional economy.</p> <p>Ongoing support is also important, particularly for businesses which are struggling</p>	<ul style="list-style-type: none"> Start up rates increased to 60 per 10,000 residents by 2031 (12,000 more businesses created each year than in 2004) An increase in the share of SMEs using external advice
Intensive business support to targeted	<p>Structured programme of intensive coaching and assistance provided on on-going basis to targeted groups – particularly disadvantaged and businesses with high</p>	<p>SMEs require particular types of support in order to maximise their development and economic contribution to the region</p>	<ul style="list-style-type: none"> Entrepreneurship activity rates to 2031 that are higher than in 2008, above the UK average and include female activity

Activity	Objectives and main components	Rationale	Principal links to identified RES/RSS outcomes
groups	<p>growth potential – to increase survival rates and job creation potential..</p> <p>Increase the stock of strongly growing SMEs in each region</p>		<p>rates closer to male rates than in 2008</p> <ul style="list-style-type: none"> An increase in the share of SMEs using external advice
Strengthening Links Between Schools & Industry to promote entrepreneurship	<p>Encourage young people to think about potential employment opportunities; and to develop Higher Level Skills</p>	<p>Need for more young people to enter industry</p>	<ul style="list-style-type: none"> Employment rate by 2031 of 80% for working age population, 70% for population aged 16-74 Start up rates increased to 60 per 10,000 residents by 2031 (12,000 more businesses created each year than in 2004) Entrepreneurship activity rates to 2031 that are higher than in 2008, above the UK average and include female activity rates closer to male rates than in 2008
Business premises	<p>Provision of incubator, innovation centre and managed workspace for new and small firms to support higher business survival and growth rates</p>	<p>Incubators, innovation centres etc have proven track record in increasing business survival and growth rates. Centres can act as focal points for local business community and stimulate development of networks, etc</p> <p>There is also evidence that the clustering of businesses can support innovation – for example, by reducing information gaps</p>	<ul style="list-style-type: none"> Readily serviceable strategic employment sites in defined locations (RSS, E3) Employment sites of sufficient range, quantity and quality to cater for relevant employment sectors in appropriate locations (RSS, E2) Successful business clusters - specific clusters and locations defined in RSS, E4)
Regional Business Information Systems	<p>To encourage sharing of information and support for networking. Encourage businesses to build relationships with other businesses, intermediaries, knowledge base institutions and government.</p> <p>EEDA system shared with Business Link, Job Centre+, MAS, etc</p>	<p>Need for a coordinated point of reference for all support, information about publicly owned assets and sources of grants and funding.</p>	<ul style="list-style-type: none"> An increase in the share of SMEs using external advice
Business	<p>Set up Business Collaboration Network to bring</p>	<p>Business networks support businesses to address</p>	<ul style="list-style-type: none"> UK exemplar region for open innovation

Activity	Objectives and main components	Rationale	Principal links to identified RES/RSS outcomes
Collaboration Networks	businesses together to address business/commercial opportunities or challenges which they could not address alone and which are essential for developing and strengthening regional economies	business/commercial opportunities or challenges which they could not address alone and which are essential for developing and strengthening regional economies.	<p>and absorbing existing technologies</p> <ul style="list-style-type: none"> • An increase in the share of SMEs using external advice • Successful business clusters - specific clusters and locations defined in RSS, E4)
Engagement with employers	<p>improve understanding of business community and its needs, and improve business community's understanding of public sector and what it can offer.</p> <p>Collaboration with organisations which interact with businesses – chambers, IoD, etc – to sanity check supply side proposals and obtain feedback from stakeholders and direct from businesses on strengths and weaknesses in business support infrastructure</p> <p>Work with employers through fora such as the East of England Business Group (EEBG) to understand the needs of regional employers</p> <p>Includes EEDA business summits</p>	Promotion of widespread engagement of employers in development activities in the region	<ul style="list-style-type: none"> • Employment rate by 2031 of 80% for working age population, 70% for population aged 16-74 • An increase in the share of SMEs using external advice
Supplier Matching/Partnering Service	<p>Regional manufacturers benefit from access to improved information about local suppliers</p> <p>Smaller regional manufacturers benefit from being supported to create new partnerships for the purposes of tendering and collaboration</p> <p>The region benefits from reduced environmental impact and increased wealth from local sourcing</p>	A regional supplier matching service will increase opportunities for local businesses; minimise financial leakage from contract tenders to businesses outside the region and minimise environmental impacts	<ul style="list-style-type: none"> • Successful business clusters
Support to manufacturing – including Manufacturing Advisory Service, Innovation Advisory Service and Design	<p>An integrated service combining MAS, IAS and Design Advisory Service, given the potential synergy between the service elements.</p> <p>Target market – innovative businesses seeking to enhance their growth and profitability through new techniques and methodologies.</p>	<p>There are 600,000 jobs in the region affected by the manufacturing (i.e. manufacturers or in manufacturing supply chain –e.g. R&D, logistics, after sales support)</p> <p>The purpose of this product is to provide direct advice to businesses to assist them to develop and implement innovation strategies as part of a cultural change, which</p>	<ul style="list-style-type: none"> • Increased share of businesses that are innovation active • Increased share of businesses that translate new ideas and research into new products, services and processes • Start up rates increased to 60 per

Activity	Objectives and main components	Rationale	Principal links to identified RES/RSS outcomes
Advisory Service, Exemplars programme	Various business support programmes to benefit from increased profile through the Exemplars Programme	<p>increases their capacity and capability to innovate.</p> <p>The Innovation Advisory Service (IAS) will be aimed at facilitating an increase in the levels of innovation and hence the productivity in the East of England. The IAS is expected to work with others to achieve this, especially other EEDA initiatives.</p> <p>Exemplars programme is a key way of influencing hard to reach organisations; it is a marketing tool; and younger people will benefit from having information about careers in manufacturing</p>	10,000 residents by 2031 (12,000 more businesses created each year than in 2004)
Internationalisation – including support for inward investors and support for exports	<p>Increase the contribution of foreign direct investment to economic activity in the UK, including research and development.</p> <p>Increase no of SMEs which export and the volume and value of those exports</p> <p>Promote the 'Passport to Export' scheme and encourage an increase in referrals into the programme and through this influence an increase in regional exports</p> <p>Provide Information and advice to businesses who are considering exporting or entering new overseas markets, or who have limited experience in exporting or other aspects of international business development</p> <p>Export Credit Insurance for contracts involving the export of capital equipment and project-related goods and services: Insures UK exporters against non-payment by their overseas buyers; Guarantees banks who make loans available to overseas buyers to purchase goods and services from UK-based companies; and insures UK investors in overseas markets against political risks.</p>	<p>Increasing foreign direct investment, and improved retention of existing inward investors, means the region will benefit from increased wealth</p> <p>Financial risks and lack of information can prevent SMEs from exporting</p> <p>Increasing opportunities for export opens up new markets for regional businesses, and the region will benefit from increased wealth generated from exports</p>	<ul style="list-style-type: none"> • European leading levels of private sector R&D and venture capital investment • UK exemplar region for open innovation and absorbing existing technologies • An increase in the proportion of the region's SMEs that operate internationally
Enterprise Hubs	Provide points of focus (physical and virtual facilities) for key regional sectors; and support start-ups and spin-outs across the region	<ul style="list-style-type: none"> • In April 2004, the region's Start up Strategy was published, identifying the need for improving the support available to innovative high value start-ups. The strategy aims to derive greater economic benefit from the R & D 	<ul style="list-style-type: none"> • UK exemplar region for open innovation and absorbing existing technologies • Successful business clusters - specific

Activity	Objectives and main components	Rationale	Principal links to identified RES/RSS outcomes
	<p>'An Enterprise Hub is a dynamic network of high-level support of the region's knowledge-based companies. A hub is likely to build on existing strengths, such as an asset in research or technology, or where there is a critical mass of business in a particular sector. The hubs act as a focus for investment advice, support and mentoring, and can also help establish improved links between support services and educational bodies.' A Shared Vision, The Regional Economic Strategy for the East of England 2005, p45</p> <p>The Enterprise Hubs product's strategic aims are to:-</p> <ul style="list-style-type: none"> • develop a network of high level support for the region's knowledge based businesses. They are (virtual or physical) places where entrepreneurs and high growth start ups can come together to learn and share knowledge to de-risk their business and increase productivity. • support pre-start ups, start up and early stage business in regionally supported knowledge intensive clusters • foster a culture of innovation among the region's knowledge intensive businesses which are part of the driving force behind the region's economy. <p>Components</p> <ul style="list-style-type: none"> • Availability of appropriate physical infrastructure, such as incubators and science parks • Access to finance • Access to higher level skills • Access to information and knowledge (networks) 	<p>carried out within the region through the development of more knowledge-based start-ups</p> <ul style="list-style-type: none"> • Encourage the rich R&D base to be exploited into innovation potential. • Increase the number of technology based start ups. • Encourage a higher number of technology based entrepreneurs. • Provide the appropriate support as described in above (components) • Networking business in a like minded community 	<p>clusters and locations defined in RSS, E4)</p>
Third Generation Science Parks	<p>Enable start-up companies (incubators) to benefit from corporate 'neighbour' through:</p> <ul style="list-style-type: none"> • Obtaining IP • Obtaining business management support 	<p>Business environment supporting incubator, start-up and spin-off companies as well as SME's, specifically located closely to the region's major (1000+ R&D employees) commercial corporations, so as to form an innovation cluster – thus achieving greater success for SMEs and also to anchor the</p>	<ul style="list-style-type: none"> • Increased share of businesses that translate new ideas and research into new products, services and processes • Successful business clusters - specific clusters and locations defined in RSS,

Activity	Objectives and main components	Rationale	Principal links to identified RES/RSS outcomes
Innovation grants and support	<p>Encourage innovation; research development and knowledge transfer to:</p> <ul style="list-style-type: none"> • enable companies to share IP and maximise intellectual cross-fertilisation • increase business involvement in a range of R&D activity where there is a high risk and uncertainty around the expected results and ability to commercially exploit them is seen as a barrier • increase knowledge exchange, business spend on R&D and encourage technological diffusion between businesses and knowledge base institutions through collaborative research and development activities <p>through a system of grants and support, the key components including:</p> <ul style="list-style-type: none"> • Innovation Vouchers • grants to enable the placement of an under-graduate or graduate in a business or the exchange of staff • grants for (Collaborative) Research and Development 	<p>major corporations to the region</p> <p>Specific objective:</p> <ul style="list-style-type: none"> • Grow small enterprise into medium size enterprise by integrating them with the interests of the major coporate; getting SMEs to stay in the region will address a key regional weakness. • Promotion of sub-region to increase inward investment (foreign companies and money) 	<p>E4)</p> <ul style="list-style-type: none"> • Increased share of businesses that are innovation active

How far on-going activity is likely to take us

- 3.8 There are various sources of information regarding progress against targets, including evidence from the monitoring and evaluation of interventions, and evidence derived from the analysis of trajectories. In some cases, it is relatively straightforward to assess progress, particularly where targets are quantitative and can be measured using standard data sources (e.g. “start up rates increased to 60 per 10,000 residents by 2031” can be measured using VAT registration data) or they are expressed as a simple improvement over time (e.g. “an increase in the share of SMEs using external support” is likely to be achieved if the new regional Business Link East continues to exceed its targets (as it did for 2007/08) for the overall number of businesses engaged with, and the number of in-depth added value relationships).
- 3.9 However, some other targets are more difficult to measure, or standard data sources do not provide the information required. In addition, many existing programmes do not have output or outcome targets which relate to the RES/RSS ambitions. In addition, the link between the Theme-specific targets in Table 2-4 and the high level outcome targets for GVA and employment growth is very difficult to assess.
- 3.10 As a result, whilst it may be relatively straightforward to assess whether the direction of change is appropriate, it is much more difficult to assess whether the past and current level of investment in a programme or project is sufficient to achieve the scale of change sought.

Evidence derived from evaluations

- 3.11 Most of EEDA’s activities between 2002/03 and 2006/07 were recently evaluated as part of a national evaluation prompted by BERR. Over the next few weeks key findings from the evaluations will be analysed according to the content of each JIP Theme, and supplementary information will be provided regarding the effectiveness of past RDA’s interventions to support enterprise, business and innovation during this period.

Evidence derived for analysis of trajectories

- 3.12 For each of the high level outcome targets, past trends have been projected to 2021 and 2031 and compared with the targets. The following paragraphs assess these comparisons for the three main outcome targets relating to this theme:
- Between 2008 and 2031, annual GVA growth of 2.3% per capita, and 2.1% per worker (RES)
 - Employment rate by 2031 of 80% for working age population, 70% for population aged 16-74 (RES)
 - Net jobs growth 2001-2021 of 452,000.
- 3.13 The trajectories are based largely on data for a period of sustained economic growth, collected before the recent financial crisis and its knock on effects for the broader economy, therefore

they are likely to be over-optimistic in terms of likely performance of the regional economy relative to targets.

Annual GVA growth of 2.3% per capita (RES)

- 3.14 Table 3-2 and Figure 3-1 and Figure 3-2 show the differences between the underlying trend and the relevant RES target for GVA per capita. The ‘underlying trend’ is derived from the East of England Forecasting Model’s unrestricted baseline forecast, and is based on data from the Annual Business Inquiry (ABI).

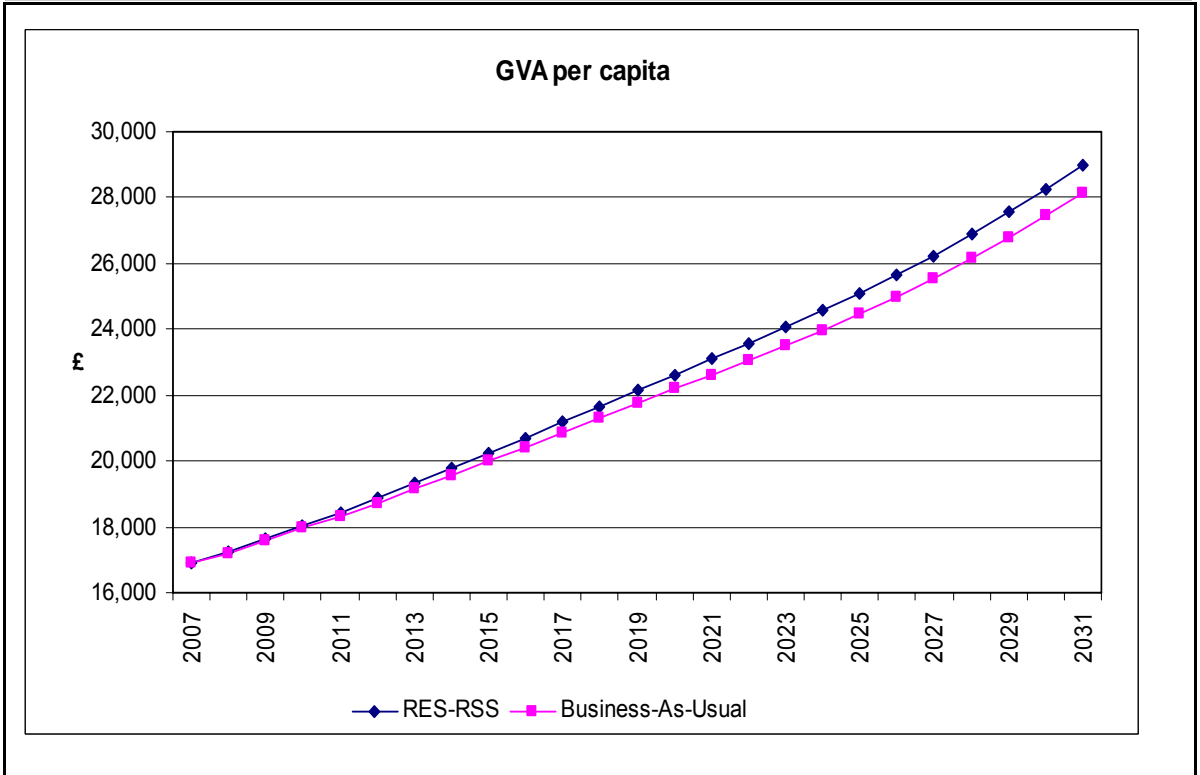
Table 3-2 GVA per capita – trend and target

	GVA per capita, £		Difference between target and underlying trend, £	
	RES-RSS Scenario (target)	Business-As-Usual (underlying trend)	Annual Difference	Cumulative Difference
2007	16,921	16,921	-	-
2008	17,256	17,205	51	51
2009	17,616	17,561	55	106
2010	18,039	17,954	85	192
2011	18,443	18,323	119	311
2012	18,864	18,711	152	463
2013	19,320	19,134	186	649
2014	19,790	19,570	219	868
2015	20,240	19,987	253	1,121
2016	20,713	20,426	287	1,408
2017	21,191	20,870	322	1,730
2018	21,668	21,311	356	2,086
2019	22,140	21,749	391	2,478
2020	22,613	22,186	426	2,904
2021	23,087	22,625	461	3,366
2022	23,565	23,067	498	3,863
2023	24,053	23,518	535	4,399
2024	24,559	23,986	573	4,972
2025	25,089	24,478	611	5,583
2026	25,642	24,999	643	6,226
2027	26,236	25,557	680	6,906
2028	26,877	26,152	725	7,631
2029	27,556	26,781	774	8,405

2030	28,262	27,436	826	9,231
2031	28,990	28,109	880	10,112

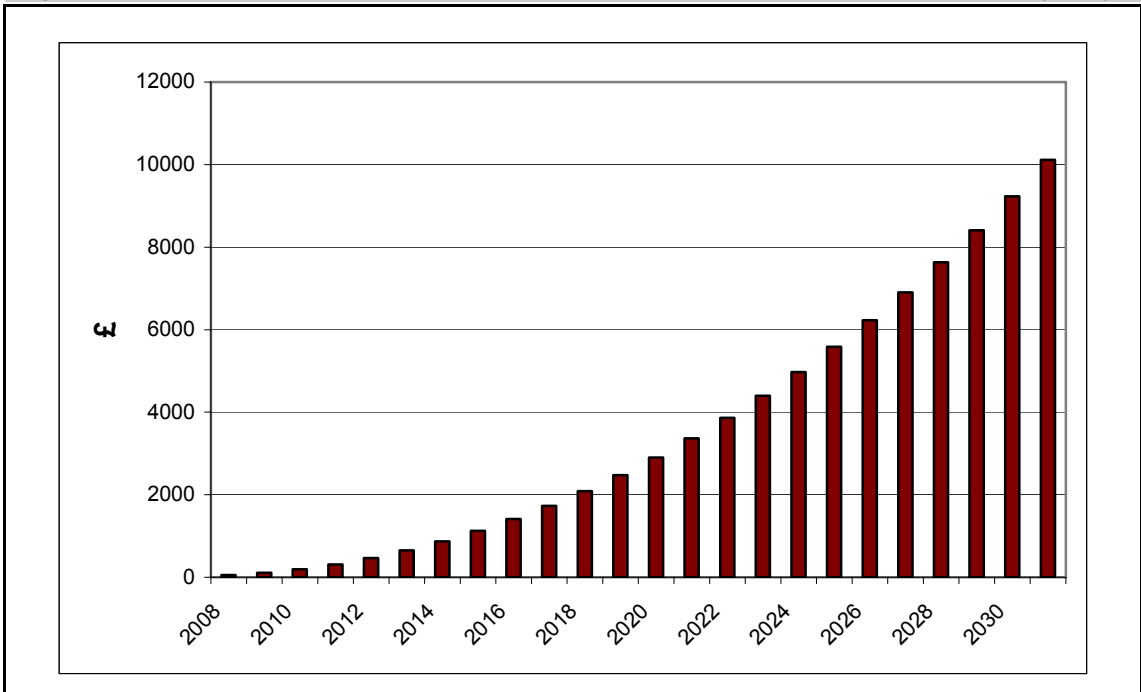
Source: EEDA

Figure 3-1 GVA per capita (East of England)- projected change 2007 to 2031 compared with RES target



Source: EEDA

Figure 3-2 GVA per capita – cumulative difference between RES-RSS scenario and baseline trajectory



Source: EEDA

3.15 The data suggest that, based on past trends - which we must assume include the effects of most existing programmes - the RES target will not be achieved, therefore additional interventions will be necessary. The recent severe economic downturn is likely to increase the relatively small difference between trend and target shown in Figure 3.1 and increase the cumulative difference by 2031 shown in Figure 3.2.

3.16 EEDA identifies the following methods of increasing GVA per capita at a regional scale:

- increasing the percentage of people working in high value-added activities
- increasing the percentage of residents (aged 16+) in work and working in the region
- increasing the number of filled jobs in the region’s economy
- increasing the productivity of workers through skills development/ training and use of technologies.

3.17 (It should be noted that these are restricted to channels through which regional-level interventions can work, so that macroeconomic tools such as monetary and fiscal policy are excluded here)

Annual GVA growth of 2.1% per worker (RES)

3.18 Similarly, Table 3-3 and Figures 3-3 and 3-4 show the differences between the underlying trend and the relevant RES target for GVA per employee. Again, the ‘underlying trend’ is derived from the East of England Forecasting Model’s unrestricted baseline forecast, and is based on data from the Annual Business Inquiry (ABI).

3.19 The underlying trend data are a measure of employee jobs and self-employed jobs by 28 sectors on a workplace basis and HM forces. ‘Jobs’ relates only to filled positions and employed people may hold more than one job. Jobs in each sector and district are projected as a trend on the share of the regional or national forecast in each sector and district. For most service sectors, it is the trend in the location quotient that is projected, i.e. the ratio of sectoral jobs to population or total employment relative to the same ratio at regional or national level.

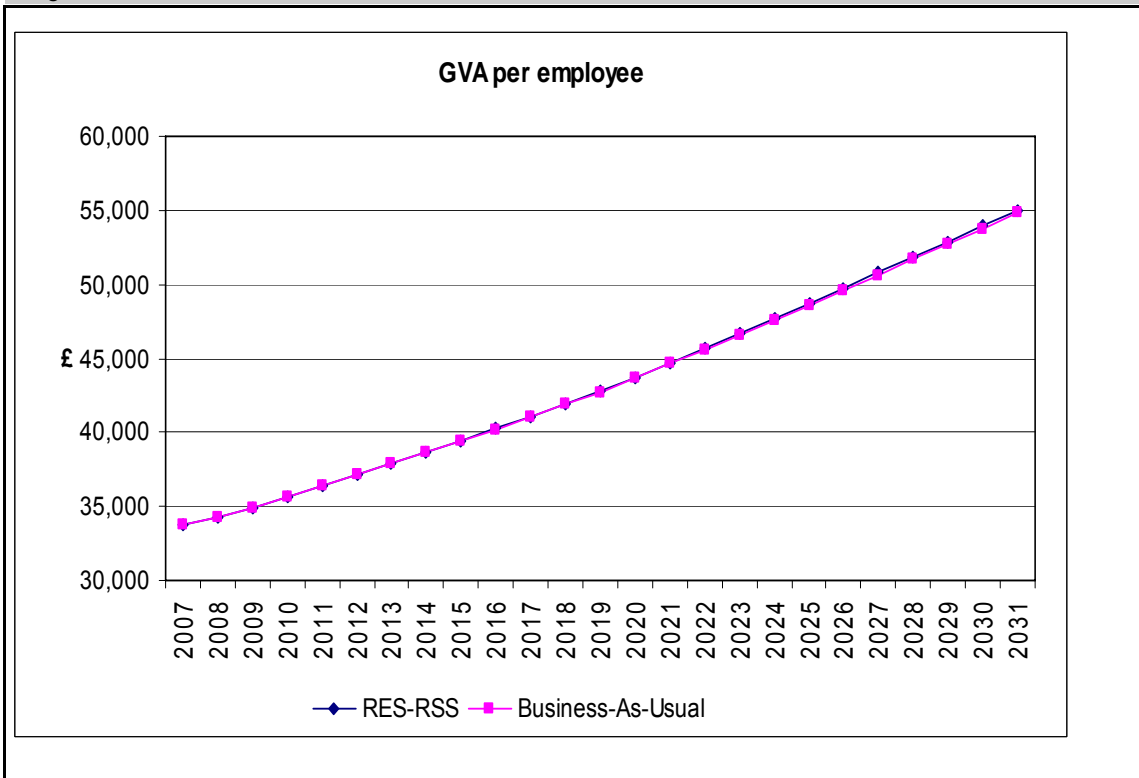
Table 3-3 GVA per employee – trend and target

	GVA per employee, £		Difference between target and underlying trend, £	
	RES-RSS Scenario (target)	Business-As-Usual (underlying trend)	Annual Difference	Cumulative Difference
2007	33,707	33,707	-	-
2008	34,223	34,234	-11	-11
2009	34,919	34,917	2	-9
2010	35,683	35,684	-1	-10
2011	36,409	36,406	3	-7
2012	37,130	37,122	8	0

2013	37,882	37,868	14	14
2014	38,652	38,631	21	35
2015	39,429	39,399	30	65
2016	40,233	40,194	39	104
2017	41,066	41,018	48	152
2018	41,923	41,865	58	210
2019	42,803	42,735	68	277
2020	43,717	43,639	78	355
2021	44,721	44,632	89	444
2022	45,686	45,587	99	543
2023	46,679	46,569	110	653
2024	47,693	47,572	121	775
2025	48,722	48,589	134	908
2026	49,760	49,613	147	1,055
2027	50,799	50,640	158	1,213
2028	51,836	51,668	168	1,381
2029	52,876	52,697	178	1,560
2030	53,925	53,736	189	1,749
2031	54,993	54,793	200	1,949

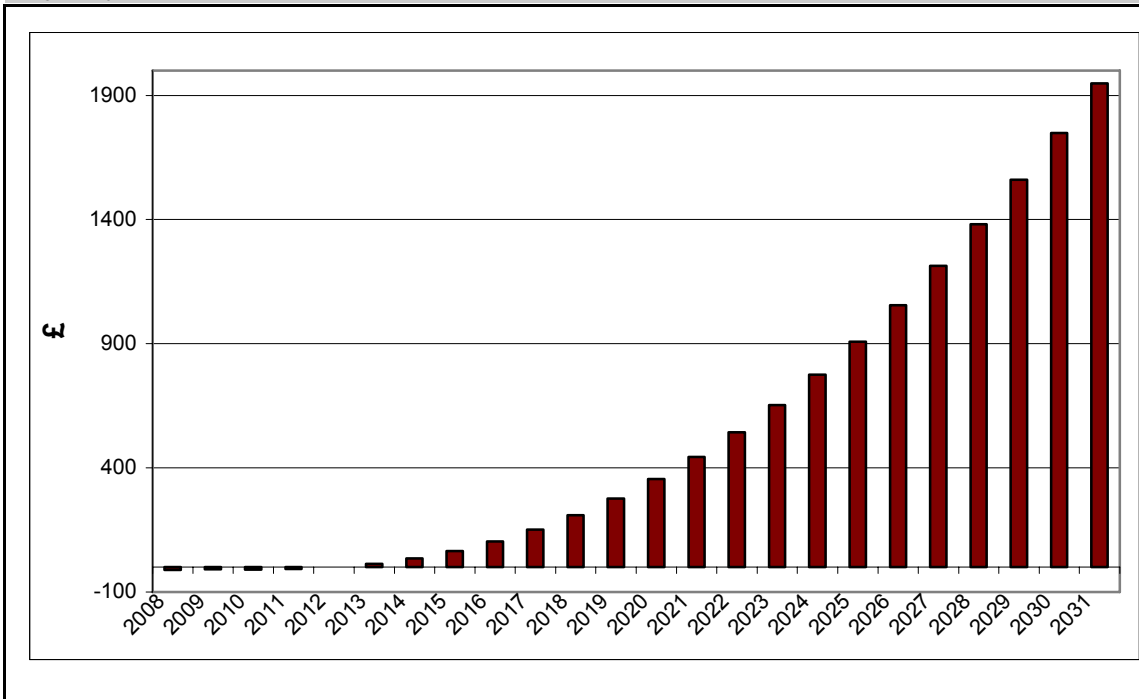
Source: EEDA

Figure 3-3 GVA per employee (East of England) – projected change 2007 to 2031 compared with RES target



Source: EEDA

Figure 3-4 GVA per employee – cumulative difference between RES-RSS scenario and baseline trajectory



Source: EEDA

3.20 Analysis within EEDA for the 2007 Annual Monitoring Report has highlighted the difficulty in measuring the number of jobs in the East of England. Comparing ABI jobs data to workplace population data from the Labour Force Survey/Annual Population Survey (LFS/APS) produces vastly different results, with the ABI appearing to show that the region

is on track to meet the Policy E1 jobs target and the LFS/APS suggesting otherwise. Evidence from the ABI and LFS/APS also suggest different trends in several sub-regions. It is therefore important to note that the underlying trend set out above is based on only one of these datasets. Overall, the data suggest that current activity will not be sufficient to meet the RES target, and that the implementation plan will need to address this gap.

3.21 Methods of increasing GVA per employee identified by EEDA) include:

- Increasing the percentage of people working in high value-added activities – through creation of high value-added jobs and ability of people to take up high skilled/high productivity jobs
- Increasing the productivity of workers through skills development/ training
- Increasing the productivity of workers through use of technologies

Employment rate by 2031 of 80% for working age population, 70% for population aged 16-74 (RES)

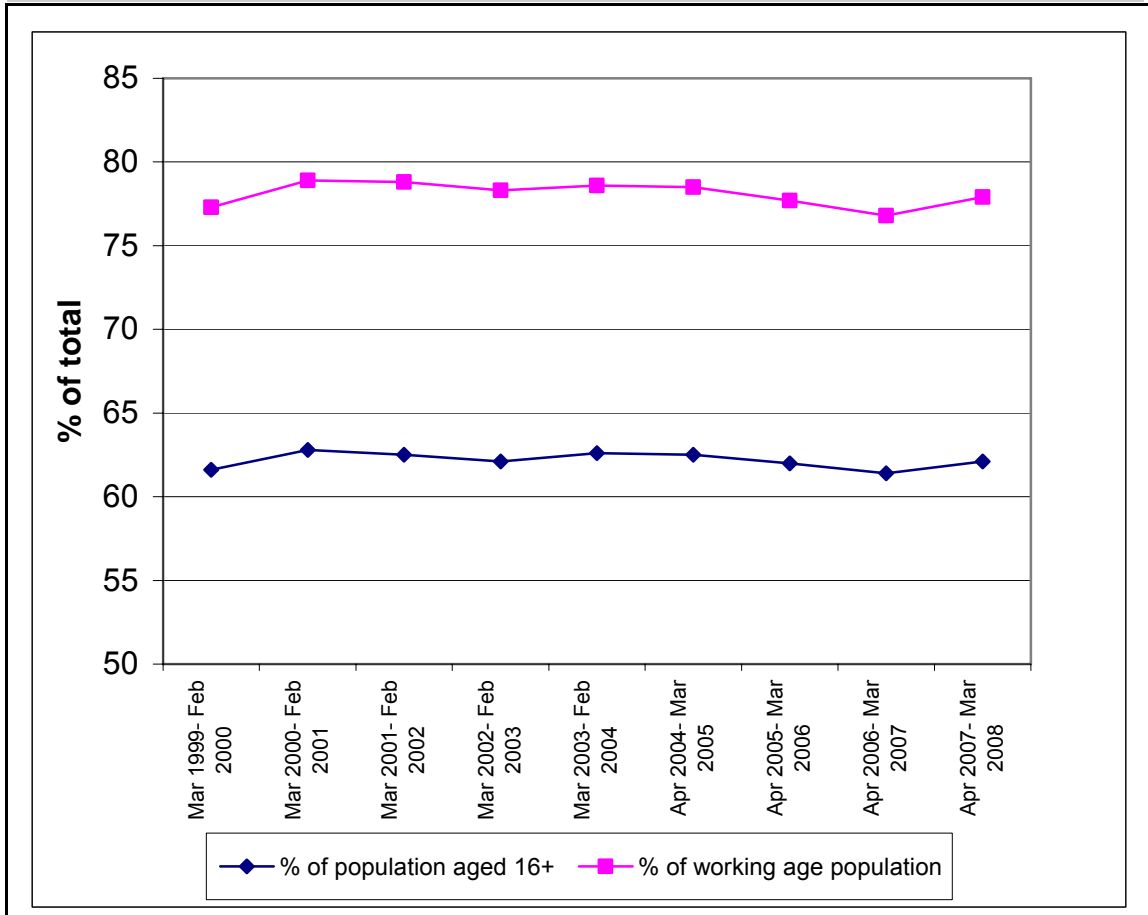
3.22 Employment rates in the East of England are above the national average: 77.9% in 08-09 as opposed to 74.5% nationally for the same period (Labour Force Survey, April 07- March 08). However, these RES targets remain stretching. The recent announcement of a rise in the state pension age to 66 by 2024, 67 by 2034 and 68 by 2044 may also make it more difficult to hit the 80% target. Based on current trends, it is unlikely that these targets will be met. Annual Population Survey/Labour Force Survey data (sourced from NOMIS, 2008) provides the following evidence:

Table 3 -2 Employment rate in the East of England

	% of population aged 16+	% of working age population	% of population over retirement age
Mar 1999- Feb 2000	61.6	77.3	9.1
Mar 2000- Feb 2001	62.8	78.9	9.7
Mar 2001- Feb 2002	62.5	78.8	9.3
Mar 2002- Feb 2003	62.1	78.3	9.4
Mar 2003- Feb 2004	62.6	78.6	10.4
Apr 2004- Mar 2005	62.5	78.5	11.2
Apr 2005- Mar 2006	62.0	77.7	11.5
Apr 2006- Mar 2007	61.4	76.8	12.4
Apr 2007- Mar 2008	62.1	77.9	12.6

Source: APS/LFS, Nomis 2008

Figure 3-5 Employment rate in the East of England



Source: APS/LFS, Nomis 2008

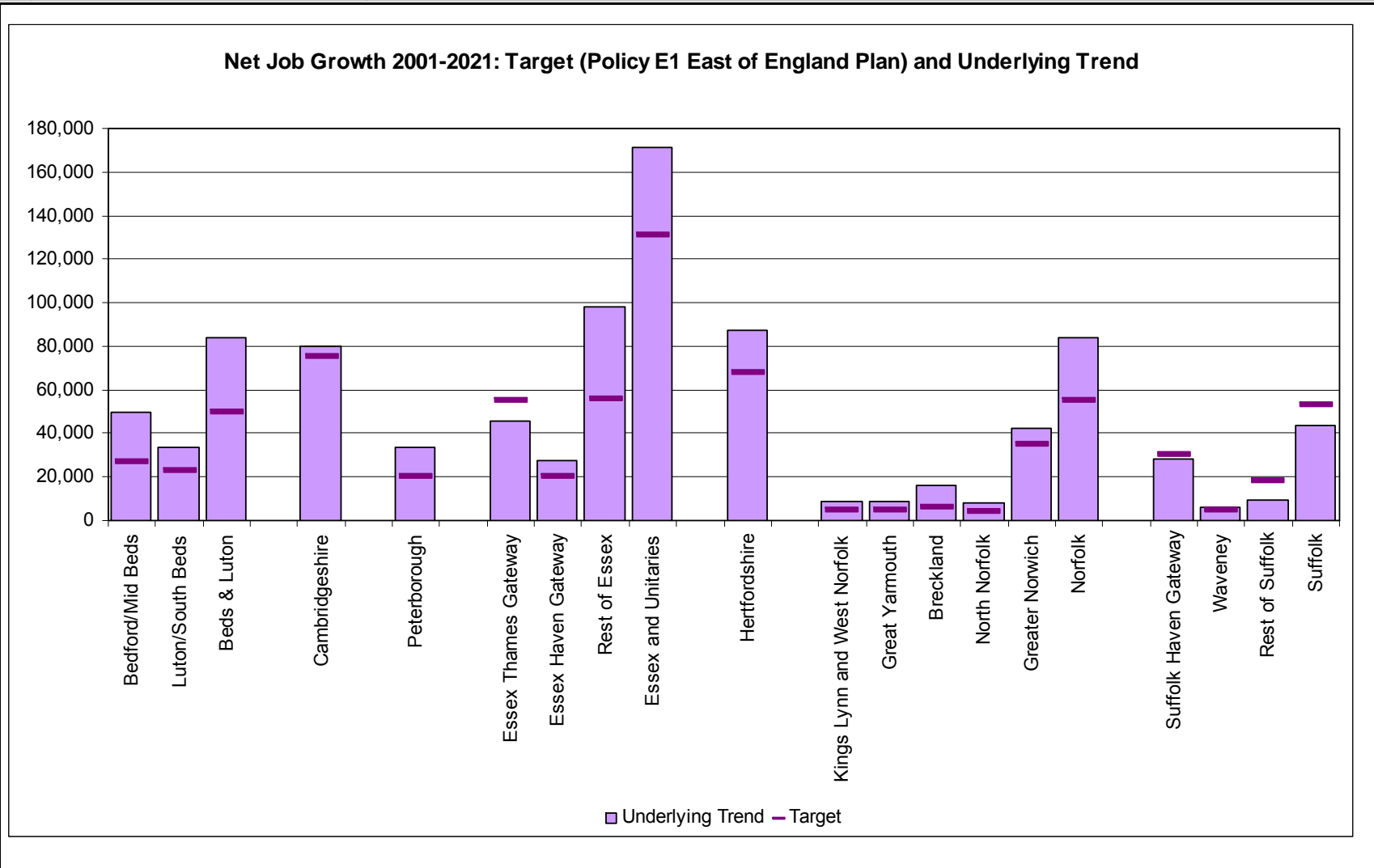
Net jobs growth 2001-2021 of 452,000 (RSS)

3.23 Net jobs growth and performance against target varies significantly across the East of England. Targets and underlying trends by sub-region are set out in Figures 3.5 and 3.6 below. The data suggest that current activity will be sufficient to meet the RES target (see Figure 3.6, last column). However, in the light of the recent severe downturn in the national economy it seems unlikely that the number of jobs in the region will increase as previously expected over the next few years, therefore the scale of growth shown in Figures 3.5 and 3.6 may be regarded as overly optimistic.

3.24 For those sub-regions where past trends suggest that – even based on these ‘optimistic’ figures - they are unlikely to contribute as much as expected towards the regional jobs target (Suffolk, Essex Thames Gateway, Rest of Suffolk and Suffolk Haven Gateway), it will be particularly important to develop existing or new programmes to increase the number of new jobs created by:

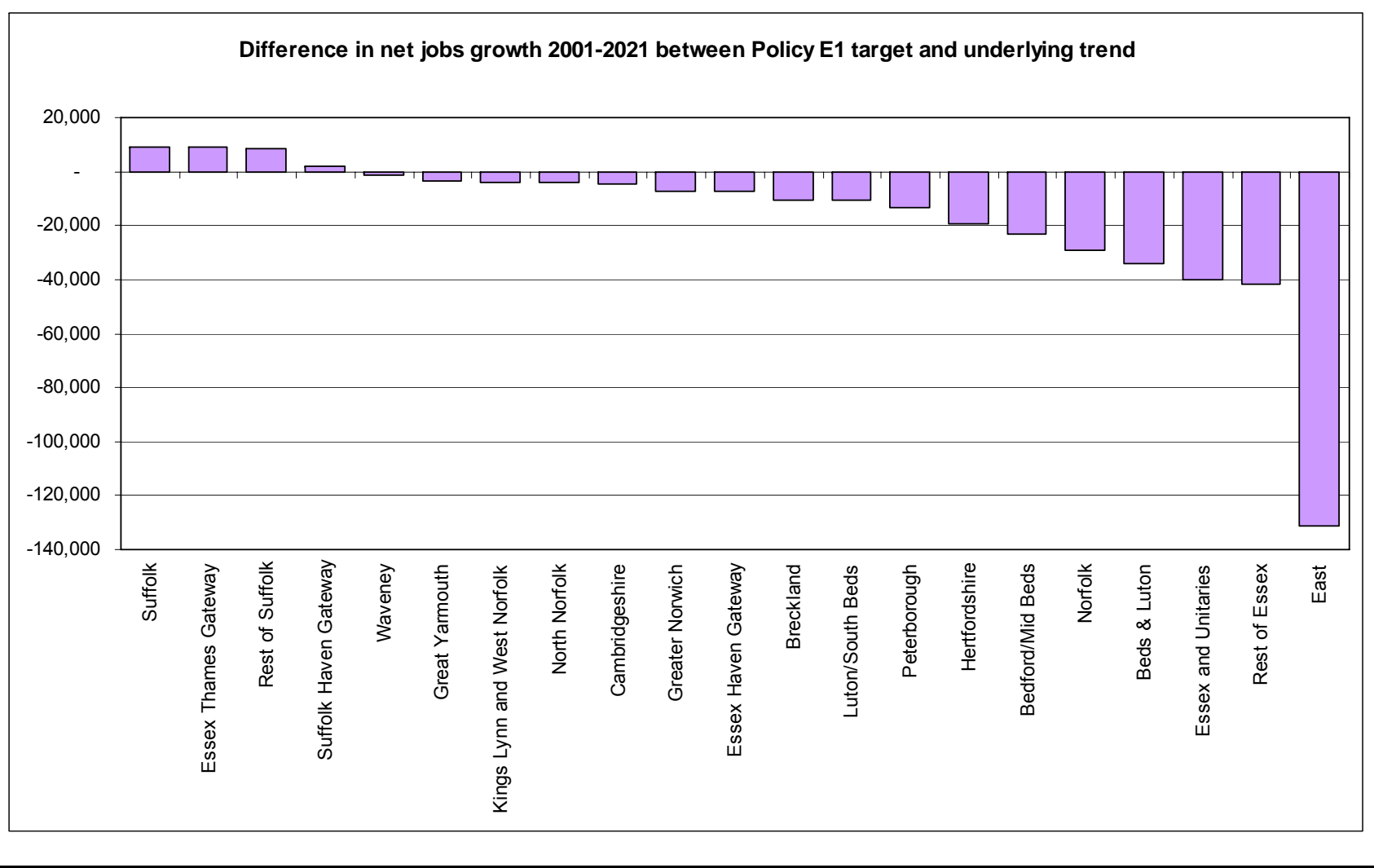
- increasing the number of new business start-ups
- expanding existing enterprises as a result of improved enterprise performance, and
- attracting new enterprises from outside the region.

Figure 3-5 Net Job Growth 2001-2021: target and trends



Source: EEDA

Figure 3 -6 Difference in Net Job Growth between target and trend



Source: EEDA

4: Programmes of regional-scale impact which have been identified by partners in response

4.1 In considering how the range of interventions may be developed to achieve the RES/RSS targets, it is helpful to segment activities into:

- **Service programmes** – business support interventions that will draw upon the BSSP’s ‘Solution for Business’ product portfolio
- **Enabling activities** – those activities that are outside of the scope of the BSSP but where EEDA and others have a role in progressing the region’s enterprise, business development and innovation priorities
- **Influencing and supportive actions** – EEDA support which unlocks other sources of funding: for example by commissioning ‘Solutions for Business’ products; coordinating activities that encourage the development of an enterprising culture; and the seamless, coordinated and coherent integration of cross partner support programmes.

4.2 In relation to Service Programmes, EEDA’s draft Corporate Plan for the three year period 2008/09 to 2010/11 proposes spend of £32m on programmes delivered through Business Link, and a total of £63.7m on science, innovation and high level skills (including £54.7m capital and £9m current. Note that this programme area is broader than covered in this Theme). It is important to note that:

- these expenditures are for EEDA only. Many other sources of funding will be used to implement the enterprise, business support and innovation priorities of the RES and RSS
- the draft Corporate Plan figures are already out of date, as they have been affected by changes in Government funding to RDAs. The actual level of EEDA spend in these programme areas over the next three years is therefore uncertain, but on current indications likely to be lower than the figures in the draft Corporate Plan.

4.3 Other sources of funding at regional scale include the Operational Programme for the Regional Competitiveness and Employment Objective 2007-2013, with a budget of approximately 100m euros for the five year period for interventions which support low carbon economic growth. No information is available on the resources likely to be allocated by local authorities’ for interventions on enterprise, business support and innovation in the region.

Direction of travel for future programmes

- 4.4 This section describes the direction of travel for EEDA in developing programmes to address the enterprise, business support and innovation priorities in the RES. It then identifies the main programme areas, comprising a mixture of existing programmes which are expected to continue indefinitely into the future, and new programmes.

Enterprise and business support priorities

RES Priority 1 – Strengthening the Region’s Enterprise Culture

- **Service Programmes** – these will build on the existing suite of business creation and pre-start up activities, including mainstream Business Link support (‘Starting a Business’), Inspiring Women (‘Enterprise Coaching’) and Enterprising Women (‘Intensive Start Up Support’). Synergies with other themes include Train to Gain (Skills) and Enterprise Coaching (Economic Participation)
- **Enabling activities** – a culture of Enterprise is one of the ‘enablers’ of BERR’s Enterprise Strategy. EEDA will need to work with the RDA network on jointly agreed implementation activities, including campaigns and other new and innovative approaches such as activity to inspire young people (synergy with skills theme). Two emerging ideas are Enterprise Education and more widespread activity and partner engagement around the Women’s Enterprise theme. In the short term, promotion of the business opportunities arising from the 2012 Olympics is also a major area of activity. It is anticipated that the East of England will benefit to a significant level - both directly, and in terms of encouraging businesses (particularly SMEs) registered on the CompeteFor tendering system to enhance their performance around public sector procurement. In addition, it is hoped that businesses in the region will develop new supply chains once they have won Olympic contracts, both within the UK and internationally, and build on this experience to bid for other international sporting events
- **Influencing and supportive actions** – partners across the region, particularly local authorities, will commission services that will deliver: business premises, including managed workspace and business incubators); enterprise coaching; intensive start up support (particularly for disadvantaged areas and groups); and support to start high growth businesses. To ensure individuals can access an effective and coherent set of provision, EEDA will need to support the joined-up planning activities of partners, for example by informing the local economic assessment process and emerging LAA priorities, and by providing help and guidance on the use of the ‘Solutions for Business’ product portfolio as their service delivery mechanism. Regional partners will face a shared duty to support the coordinated roll out of support activity

Priority 2 – Increasing opportunities from international trade, investment and collaboration

- **Service Programmes** – Three globalisation products: Maximising Foreign Direct Investment; Accessing International Markets; and Developing Your International

Trade Potential. Interventions will build on the dual key delivery mechanism of UKTI and East of England International

- **Enabling activities** – None apart from creating a partnership environment with Business Link – i.e. synergy with priority 4 in respect to the integration of the regional brokerage activity
- **Influencing and supportive actions** – Providing a linkage to the knowledge based institutions and resources, particularly universities.

Priority 3 – Enabling high-growth businesses to realise their potential

- **Service Programmes** – a suite of Access to Finance products (also highlighted as an area of market failure that RDAs will need to play a role in overcoming, re. BERR's Enterprise Strategy), plus the inter-related programmes of Manufacturing Advisory Service, Innovation Advice and Guidance and Designing Demand. Synergies with other themes include Skills (Train to Gain) and resource efficiency
- **Enabling activities** – As with priority 1, promotion of opportunities provided by the 2012 Olympics. Cross cutting business engagement, including work with the East of England Business Group to build intelligence on what issues are worrying businesses and to determine points of market failure where new or additional business support is required to support growth. Cross cutting, communication, campaign and event activities to stimulate awareness and desire in businesses to utilise the support available to help them develop, grow and prosper. An example of an event and major programme in its own right is the 2009 Destination Growth
- **Influencing and supportive actions** – There is a gap in provision, particularly in respect to influencing partners to commission support that could lead to the delivery of the BSSP Coaching for High Growth and Starting a High Growth Business. Partnership working should be promoted to help plan the delivery of BSSP products that would impact on this priority, together with better utilisation and connection with support provided by HEIs.

Priority 4 – Improving enterprise performance through effective business support

- **Service Programmes** – none is to be delivered direct at regional scale, although some will be at local and sub regional levels. At regional scale, the enabling activity below is the primary value added feature of the whole theme
- **Enabling activities** – this priority focuses on EEDA as a catalyst working with partners to create a more effective, easy to access, integrated and coherent business support environment. Two key activities are supporting and advocating the BSSP and building upon the success of the regional Business Link model to ensure it is effective and fit for purpose to realise Government's aspiration that Business Link becomes the primary place that businesses go to be connected to the support and information they require. A proactive Business Engagement activity is key here, including work with the East of England Business Group – which will also support BERR's work

regarding the better regulation reform advocated in the Enterprise Strategy. This activity should be undertaken in collaboration with the East of England Skills and Competitiveness Partnership

- **Influencing and supportive actions** – Supporting the BSSP transition and implementation. Open and collaborative consideration of business development requirements, and planning to use and promote the ‘Solutions for Business’ products. Supporting the integration of brokerage activity and positioning of Business Link as the primary point of access to business support.

Innovation priorities

Priority 1: Developing a thriving culture of innovation and creativity

- **Service Programmes** – Innovation Vouchers are being launched to encourage the region’s SMEs to interact to a much greater extent with the region’s knowledge base. Key programmes are focussed on regional core sector strengths (Energy/Environment, Life sciences/Healthcare, and – eventually - ICT/Creative Industries)
- **Enabling activities** – provision of cluster co-ordinators in the above areas in order to ensure that component parts of the cluster communities (from networks to incubators) interact with each other
- **Influencing and supportive actions** – Liaising with Central Government bodies such as the Technology Strategy Board and Research Councils, as well as sector specialists, to ensure a joined up approach to establishing an innovative culture across the region. At a more local level, a recent example is FutureFest, held in July 2008, which brought together a range of innovative people to discuss ‘what’s coming next’ in the fields of Earth, Communication, Life and Machines, and to come up with innovative business ideas around each theme.

Priority 2: Commercialising R&D and adopting innovation

- **Service Programmes** – EEDA and the region’s Strategic Health Authority are collaborating on procurement of innovative goods and services, also known as the Small Business Research Initiative
- **Enabling activities** – working with the region’s Research Council institutes, universities, and major R&D organisations on collaborative actions where joint working can exceed what can be achieved / financed by a single organisation (e.g. the Babraham Bio incubator, co-funded with BBSRC)
- **Influencing and supportive actions** – providing a linkage to the knowledge based institutions and resources, particularly universities.

Priority 3: Strengthening clusters around leading private sector R&D companies and research-intensive universities

- **Service Programmes** – EEDA’s “next generation” Science Parks provide a business environment supporting incubator, start up and spin-off companies as well as SMEs. These are specifically located closely to the region’s major commercial corporations (1000+ R&D employees), so as to form an innovation cluster – thus achieving greater success for SMEs and also to anchor the major corporations to the region. Additionally, the Enterprise Hub programme provides points of focus (physical and virtual facilities) for key regional sectors, and support start-ups and spin-outs across the region
- **Enabling activities** – encouraging maximum productivity benefits from co-locating private sector, research institutes and universities, especially through the progressing of next-generation science parks, and expanding a range of knowledge exchange, skills provision and business engagement of regional universities through the provision of support for Knowledge Transfer Partnerships
- **Influencing and supportive actions** – ensuring that the key players in the region from universities and leading R&D companies are engaged as members of the Science and Industry Council and/or as champions of key areas of EEDA activity (sectorally or geographically focussed). Working with the UK European Commission.

Priority 4: Positioning the East of England and Greater South East as global innovation regions

- **Service Programmes** – alignment of RES priorities with those of the national Technology Strategy Board; support for key technology / sector networks where East of England / Greater South East has international advantage
- **Enabling activities** – develop shared marketing propositions with key partners in London and the South East to promote international investment and talent attraction, such as a Technology Roadmap focussing on the key clusters of Life sciences/ Healthcare, Energy/Environment, and ICT/Creative Industries
- **Influencing and supportive actions** – informing innovation policy development at UK Government and European Commission level, by emphasising the need to focus on retaining and building upon world-class success; an innovation framework agreed with the Science and Industry Council.

Programmes

- 4.5 Tables 4.1 to 4.12 describe a mixture of programmes including existing activities which are expected to continue indefinitely into the future, and new sector-focused programmes, concerning energy and the environment and life sciences and healthcare. As noted above, there will in future be a third sector focused programme for ICT and the creative industries. In addition, Business Link’s integrated brokerage service could be regarded as another programme, which from April 2009 will include a merger of skills brokerage elements of

Train to Gain, and will also build on collaborative work of partners in supporting the East of England Skills and Competitiveness Partnership.

Objectives and key components	<p>Implementation of the BSSP, creating an architecture that is:</p> <ul style="list-style-type: none"> • Easy to understand for businesses • Easy to access • Easy to recognise as publicly funded • Better and more effectively targeted* • Easy to measure – I.e. impact and effectiveness of activity is easier to measure if the offer is consistent and effective in delivering the RSS/RES <p>The intention is to get the East of England working together to use limited resource more effectively. Impact assessment of local business need; collaborative planning or planning that is aligned to principles; and potential joint commissioning of services i.e. co-investment</p>
Rationale for intervention	<p>information failures prevent some individuals/businesses from knowing how to start and grow their business, and where to go to find the best information and advice. In addition, the plethora of organisations offering advice and information in the past was confusing to businesses and sub-optimal in terms of public sector funding, tending to lead to competition between organisations or inadequate scale of operations to provide high quality support.</p>
Stage of development and delivery timescale (including phasing)	<p>Substantial progress has already been made in aligning regional programmes to the BSSP agenda.</p>
Resource requirements, including total cost,. Public sector funding secured, public sector funding required, & gap	<p>Large – advocacy & support provided by internal EEDA resource</p> <p>Work in progress in respect to mobilising and accelerating partnership input and action to this agenda. All support the agenda principles, but regional clarity required on the next step actions</p>
Delivery processes and responsibilities	
Key constraints and issues regarding delivery	
Expected outputs and outcomes	
Link to high level RES/RSS outcomes	
Spatial dimensions	

Objectives and key components	<p>Various activities and contributors to capture the business voice and translate key messages into a way that will enable the region to be proactive in impact assessing need, aligning trends to policy planning and commissioning or re-configuring services</p> <p>Improve understanding of business community and its needs, and improve business community's understanding of public sector and what it can offer.</p> <p>Collaboration with organisations which interact with businesses – chambers, IoD, etc – to sanity check supply side proposals and obtain feedback from stakeholders and direct from businesses on strengths and weaknesses in business support infrastructure</p> <p>Includes EEDA business summits</p>
Rationale for intervention	<p>Key point of linkage to LAAs and use of the 'Solutions for Business' portfolio – plus providing the opportunity for leverage</p> <p>Promotion of widespread engagement of employers in development activities in the region</p>

Stage of development and delivery timescale (including phasing)	
Resource requirements, including total cost,. Public sector funding secured, public sector funding required, & gap	Large but fragmented. Needs development to provide additionality. New approaches (i.e. EEDA) are under development, but will use existing resource
Delivery processes and responsibilities	EEDA and Business Link will take primary responsibility for ensuring the BSSP products are delivered in an effective, efficient and coordinated manner
Key constraints and issues regarding delivery	Existing organisations at regional and local scales are not used to working together, and may resist doing so for political or other reasons. Business Link does not have a good reputation with many firms – this perception needs to be overcome if it is to provide the primary entry point for firms seeking advice in the region.
Expected outputs and outcomes	tbc
Link to high level RES/RSS outcomes	Outcome targets relevant to this programme include: <ul style="list-style-type: none"> • Employment rate by 2031 of 80% for working age population, 70% for population aged 16-74 • An increase in the share of SMEs using external advice This programme is also central to achieving the RES priority to develop a suite of high quality business support products within the BSSP framework, accessed through a single Business Link East gateway service.
Spatial dimensions	Region wide

Table 4.3: Olympics	
Objectives and key components	The Olympics are intended to encourage businesses to register on CompeteFor (currently > 5,000 businesses in the region) to do this they may need some support so they are driven to Business Link to acquire certain policies etc. This is also part of a plan to enhance performance of SMEs around public sector procurement to access further opportunities. In addition to this once businesses have engaged with Olympic contracts they may establish new supply chains, both within the UK and internationally.
Rationale for intervention	Strong line on the intended benefits of the Olympics to the businesses and the significant intended legacy benefits. We are hoping that the East of England will benefit to a significant level. In addition to this the evidence suggests that many businesses having been providers of services for one Olympic games go on to service other international events - and the Commonwealth Games of course follow on quite quickly from the Olympics. In short therefore the Legacy benefits should be very positive.
Stage of development and delivery timescale (including phasing)	On-going. Full adaptation of existing programmes and new product areas to be rolled out over next two years
Resource requirements, including total cost,. Public sector funding secured, public sector funding required, & gap	Staff and budget - £110k 08-14. Regional input is advocacy, so large potential gains with limited resource implications resource
Delivery processes and responsibilities	Work in progress in respect to mobilising and accelerating partnership input and action to this agenda. All support the agenda principles, but regional clarity required on the next step actions
Key constraints and issues regarding delivery	Budget constraints over the next few years may be a crucial constraint on the effectiveness of this programme
Expected outputs and outcomes	Much higher level of involvement of East of England's businesses in the supply chain opportunities generated by the Olympics, both before, during and after (legacy programmes)
Link to high level RES/RSS outcomes	Contributes to RSS jobs target and RES GVA target.

Spatial dimensions	Region wide
---------------------------	-------------

Table 4.4: Starting and growing a business

Objectives and key components	<p>Business creation products plus pre-start. Includes One-to-one coaching to cultivate interest in enterprise amongst people who would not otherwise consider setting up in business as an option, plus support to mainstream business start ups</p> <p>Particular focus on Women's Enterprise.</p> <p>Mainstream support through Business Link - provision of free access to clear information and advice for anyone thinking about starting a business</p> <p>Give businesses with high-growth potential access to sophisticated, multi-faceted support packages</p> <p>Also includes managed workspace and general purpose business incubation centres (NB innovation centres and science parks included in innovation programmes)</p>
Rationale for intervention	<p>Increasing awareness of self-employment and setting up a business likely to increase business start-up rates in the region. Research shows that increasing numbers of start-up business and providing additional support in the early phases would significantly impact on success rates and so on SME performance and productivity.</p> <p>Level of female entrepreneurship in the UK is way below the USA. Research shows that increasing numbers of women entrepreneurs would significantly impact on regional economy.</p> <p>Business incubators have a proven track record in increasing business survival and growth rates. Centres can act as focal points for local business community and stimulate development of networks, etc</p> <p>'Enterprise Coaching', 'Starting a Business' and 'Business Premises' are BSSP products</p>
Stage of development and delivery timescale (including phasing)	<p>On-going – variety of business support activities at regional and local scales.</p> <p>Most local authorities already have a stock of small premises for start ups, some have sponsored incubation and innovation centres (e.g. Colchester), others are planned (e.g. Stevenage).</p>
Resource requirements, including total cost,. Public sector funding secured, public sector funding required, & gap	<p>Large in terms of mainstream BL offer.</p> <p>Women's Enterprise is a key stand alone component (£1m 08-11). Local area investment likely also in terms of pre-start and intensive start up support. Also large local investment in premises. Gap already highlighted around growth activity, creating a regional opportunity for further investment</p> <p>EEDA support supplemented by substantial local authority funding to local enterprise agencies, etc</p>
Delivery processes and responsibilities	<p>Strong case for co-investment across local authority boundaries</p>
Key constraints and issues regarding delivery	<p>Not enough quality control of local supply (enterprise agencies, etc)</p>
Expected outputs and outcomes	<p>Increase enterprise in targeted areas and amongst under-represented groups - who are otherwise unlikely to consider self-employment or starting a business</p> <p>Increase in enterprise activity leading to a higher rate of business start-up and survival</p> <p>Achieving optimal growth rates</p> <p>Stronger culture of entrepreneurialism – particularly within disadvantaged communities and under-represented groups, which will contribute significantly to regional economic performance</p> <p>More sustainable businesses will be created and more will survive.</p>
Link to high level RES/RSS outcomes	<p>Relevant outcome targets are:</p> <ul style="list-style-type: none"> • Start up rates increased to 60 per 10,000 residents by 2031 (12,000 more businesses created each year than in 2004) • Entrepreneurship activity rates to 2031 that are higher than in 2008, above the UK average and include female activity rates closer to male rates than in 2008 • An increase in the share of SMEs using external advice

	<p>The programme will also help deliver RES priorities to:</p> <ul style="list-style-type: none"> • develop a strong enterprise culture in under-represented groups by widening mainstream support and developing targeted programmes within the BSSP framework • promote dense business and social networks to enable flows of ideas, advice and investment opportunities • develop the suite of high quality business support products within an agreed Business Support Simplification Programme framework, accessed through a single Business Link East gateway service
Spatial dimensions	Region wide

Table 4.5: Financial support for business

Objectives and key components	<p>This programme assists businesses in: accessing funding; taking advantage of international opportunities in a way that mitigates some of the risks involved</p> <p>Package to include capital, risk, debt and innovation finance: Investment readiness support; Small Loans for Business; Grants for Business Investment (to support the acquisition of key assets, such as buildings, plant and machinery and to support the creation of new jobs or to safeguard existing ones); Support to Lenders (where the Government acts as a guarantor to lenders to encourage them be less risk averse when considering marginal lending decisions); and the provision of debt, equity and mezzanine support to small and medium sized businesses unable to raise finance on the commercial market but having viable business plans</p>
Rationale for intervention	<p>Component parts mirror several BSSP products (small loans for business, understanding finance for business, finance for business, support to lenders, etc)</p> <p>Provision of public sector funding can help to leverage in private sector funding.</p> <p>In short term, also meeting the challenge of economic slowdown and need to change manage to become sustainable</p>
Stage of development and delivery timescale (including phasing)	On-going
Resource requirements, including total cost,. Public sector funding secured, public sector funding required, & gap	<p>Suite of activity at regional level, some of which is evolving due to responses to the economic slow down. Large current scale to activity, e.g.</p> <ul style="list-style-type: none"> • Grants for business investment - £4.3m pa (dBERR funds) • Finance for Business from EEDA - £5m 2008-2011, total £8m for a revolving loan fund <p>but still restrained by budget – investment in other regions is higher and leverage opportunities with partners have not been fully explored</p>
Delivery processes and responsibilities	Various existing
Key constraints and issues regarding delivery	Budget constraints
Expected outputs and outcomes	Businesses which are better and more appropriately funded to start up, survive and grow
Link to high level RES/RSS outcomes	<p>European leading levels of private sector R&D and venture capital investment</p> <p>This programme is fundamental to delivering the RES priority to “develop a suite of financial products, support for creativity and incentives to encourage social and public sector innovation”, and will also be important in relation to the priority to “increase the rate of commercialisation of R&D, technology uptake and innovation in finance, marketing and distribution through integrated business support and access to finance packages”</p>
Spatial dimensions	Region wide programme, though access to specialist financial products varies across the region

Table 4.6: Support to manufacturing – including Exemplars programme, Manufacturing Advisory Service, Innovation Advisory Service, Design Advisory Service, etc

<p>Objectives and key components</p>	<p>Regional manufacturers to benefit from improved information of how to apply best practice to their own business</p> <p>Various business support programmes to benefit from increased profile through the Exemplars Programme</p> <p>An integrated service combining MAS, IAS and Design Advisory Service, given the potential synergy between the service elements. The purpose of this product is to provide direct advice to businesses to assist them to develop and implement innovation strategies as part of a cultural change, which increases their capacity and capability to innovate.</p> <p>Target market – innovative businesses seeking to enhance their growth and profitability through new techniques and methodologies.</p>
<p>Rationale for intervention</p>	<p>There are 600,000 jobs in the region affected by the manufacturing (i.e. manufacturers or in manufacturing supply chain –e.g. R&D, logistics, after sales support)</p> <p>Exemplars programme is a key way of influencing hard to reach organisations; it is a marketing tool; and younger people will benefit from having information about careers in manufacturing</p> <p>The Innovation Advisory Service (IAS) will be aimed at facilitating an increase in the levels of innovation and hence the productivity in the East of England. The IAS is expected to work with others to achieve this, especially other EEDA initiatives.</p> <p>MAS is a BSSP product</p>
<p>Stage of development and delivery timescale (including phasing)</p>	<p>Expected to commence in early 2009. Preferred supplier appointed through OJEU tender process.</p>
<p>Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap</p>	<p>MAS - £800k pa for 3 years 2008-2011, supplemented by ERDF</p> <p>IAS - £100k per annum from EEDA and 40% additional funding from ERDF.</p>
<p>Delivery processes and responsibilities</p>	<p>Business Link East and the regional Manufacturing Advisory Service</p> <ul style="list-style-type: none"> • Strong working relationship with BLE, MAS, DD and other innovation intermediaries including HEI. • Offer practical, expert and focused support by working with and within individual businesses on all parts of the innovation process, product, service, process and business model innovation, using good design and applying leading edge business practices; • Use specialist advisors depending on the nature of the business and the advice required, tailored to meet regional or local conditions; • Assist business to implement incremental and radical innovation strategies and action plans; • Provide confidential, impartial and expert innovation assessment on site; • Provide a potential mechanism to facilitate and encourage open innovation between sectors and within supply chains; • Provide an action plan, developed with the company, prioritising innovation process gaps and innovation motivation & needs; • Give guidance on the eventual exploitation of the developed idea or technology and choice of partners / route to market; • Provide tools to achieve step-change improvements in innovation performance, and ; • Outline the calibre and role of Innovation Advisors – providing innovation advice to a company will require high quality advisors. It is therefore essential that this is taken into account on selecting advisors in this role
<p>Key constraints and issues regarding delivery</p>	<ul style="list-style-type: none"> • practical delivery of specialist support , configured to compliment the business support information, diagnostic and brokerage gateway.

	<ul style="list-style-type: none"> The service is for 'Delivery of solutions' only and not the front end enquiries, marketing, outreach, basic workshops and basic diagnostics, which should be part of the Business Link East service. Constraints include targeting the right business and getting them to realise the innovation potential and realising the importance of building on the current innovation infrastructure.
Expected outputs and outcomes	<ul style="list-style-type: none"> The IAS is expected to offer EEDA, and organisations in the East of England, proven expertise and experience in delivering innovation improvements in businesses of all sizes. Link companies in the region into the regional and national knowledge base of universities and research institutes Help companies in the region to access resources for innovation. Help companies in the region to identify major growth opportunities Improve level of innovation and competitiveness in small and medium sized companies. <p>Business Benefits</p> <ul style="list-style-type: none"> Improved product and service offerings. Improved processes and process technologies Enabling technologies implemented and exploited Improved value propositions Improved supply chain management Increased competitiveness , productivity and profitability Helps respond to the challenges and opportunities arising from global warming and environmental sustainability. <p>Outputs</p> <ul style="list-style-type: none"> Jobs Created / safeguarded No. of businesses assisted to improve performance No. of businesses assisted to engage in collaborations with UK knowledge base Private sector investment levered No. of people assisted in skills development
Link to high level RES/RSS outcomes	<p>Outcome targets relevant to this programme include:</p> <ul style="list-style-type: none"> Increased share of businesses that are innovation active Increased share of businesses that translate new ideas and research into new products, services and processes Start up rates increased to 60 per 10,000 residents by 2031 (12,000 more businesses created each year than in 2004) <p>This programme should also have a significant impact on the achievement of regional CO2 and water resource targets, by encouraging increased efficiency and innovation in businesses, and therefore lower resource use.</p>
Spatial dimensions	- A regional integrated service covering the East of England.

Table 4.7: Internationalisation – including support for inward investors and support for exports

Objectives and key components	<p>Increase the contribution of foreign direct investment to economic activity in the UK, including research and development.</p> <p>Increase no of SMEs which export and the volume and value of those exports</p> <p>Promote the 'Passport to Export' scheme and encourage an increase in referrals</p>
--------------------------------------	---

	<p>into the programme and through this influence an increase in regional exports</p> <p>Provide Information and advice to businesses who are considering exporting or entering new overseas markets, or who have limited experience in exporting or other aspects of international business development</p> <p>Export Credit Insurance for contracts involving the export of capital equipment and project-related goods and services: Insures UK exporters against non-payment by their overseas buyers; Guarantees banks who make loans available to overseas buyers to purchase goods and services from UK-based companies; and insures UK investors in overseas markets against political risks.</p>
Rationale for intervention	<p>Increasing foreign direct investment, and improved retention of existing inward investors, means the region will benefit from increased wealth</p> <p>Financial risks and lack of information can prevent SMEs from exporting</p> <p>Increasing opportunities for export opens up new markets for regional businesses, and the region will benefit from increased wealth generated from exports</p> <p>'Developing your international trade potential' , 'accessing international markets', 'maximising FDI' and 'export credit insurance' are all BSSP products</p>
Stage of development and delivery timescale (including phasing)	On going
Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap	£2.5m pa through EEI to support inward investment
Delivery processes and responsibilities	East of England International, UKTI
Key constraints and issues regarding delivery	Current Global economic situation will exacerbate existing trend for declining inward investment and increase competition between regions and countries
Expected outputs and outcomes	Tbc
Link to high level RES/RSS outcomes	<p>RES outcome targets relevant to this programme include:</p> <ul style="list-style-type: none"> • European leading levels of private sector R&D and venture capital investment • UK exemplar region for open innovation and absorbing existing technologies • An increase in the proportion of the region's SMEs that operate internationally <p>This programmes directly addresses the RES Priority to "create an integrated system of support for international trade, investment and collaboration"</p>
Spatial dimensions	Regional

Table 4.8: Regional Business Information and Networking Systems

Objectives and key components	<p>To encourage sharing of information and support for networking. Encourage businesses to build relationships with other businesses, intermediaries, knowledge base institutions and government.</p> <p>Business Collaboration Networks bring businesses together to address business/commercial opportunities or challenges which they could not address alone and which are essential for developing and strengthening regional economies</p> <p>Includes potential for stronger supplier matching and partnering services - e.g. regional manufacturers benefit from access to improved information about local suppliers, and smaller regional manufacturers benefit from being supported to create new partnerships for the purposes of tendering and collaboration.</p>
Rationale for intervention	<p>Need for a coordinated point of reference for all support, information about publicly owned assets and sources of grants and funding.</p> <p>Business networks support businesses to address business/commercial opportunities or challenges which they could not address alone and which are essential for developing and strengthening regional economies.</p> <p>Local sourcing potentially leads to reduced environmental impact and increased wealth from local sourcing</p> <p>'Business Collaboration Networks' is a BSSP product</p>

Stage of development and delivery timescale (including phasing)	EEDA sponsored information system in place, shared with Business Link, Job Centre+, MAS, etc Most established, and with EEDA exit strategies in place
Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap	Tbc
Delivery processes and responsibilities	EEDA Business Link East Local business organisations
Key constraints and issues regarding delivery	Resources to create and particularly to maintain information systems and networks
Expected outputs and outcomes	Better informed, more successful businesses Improving knowledge exchange and linkages across business supply chains and leadings to more collaborative innovation activity, whether funded privately or with public sector support.
Link to high level RES/RSS outcomes	Outcome targets and policies relevant to this programme include: <ul style="list-style-type: none"> • UK exemplar region for open innovation and absorbing existing technologies • An increase in the share of SMEs using external advice • Successful business clusters - specific clusters and locations defined in RSS, E4) Relevant RES Priorities include "create dense and shared business networks to enable flows of ideas, advice and investment opportunities"
Spatial dimensions	Region wide

Table 4.9: Enterprise Hubs

Objectives and key components	<p>Provide points of focus (physical and virtual facilities) for key regional sectors; and support start-ups and spin-outs across the region</p> <p>'An Enterprise Hub is a dynamic network of high-level support of the region's knowledge-based companies. A hub is likely to build on existing strengths, such as an asset in research or technology, or where there is a critical mass of business in a particular sector. The hubs act as a focus for investment advice, support and mentoring, and can also help establish improved links between support services and educational bodies.' A Shared Vision, The Regional Economic Strategy for the East of England 2005, p45</p> <p>The Enterprise Hubs product's strategic aims are to:-</p> <ul style="list-style-type: none"> • develop a network of high level support for the region's knowledge based businesses. They are (virtual or physical) places where entrepreneurs and high growth start ups can come together to learn and share knowledge to de-risk their business and increase productivity. • support pre-start ups, start up and early stage business in regionally supported knowledge intensive clusters • foster a culture of innovation among the region's knowledge intensive businesses which are part of the driving force behind the region's economy. <p>Components</p> <ul style="list-style-type: none"> • Availability of appropriate physical infrastructure, such as incubators and science parks • Access to finance • Access to higher level skills • Access to information and knowledge (networks)
Rationale for intervention	<ul style="list-style-type: none"> • In April 2004, the region's Start up Strategy was published, identifying the need for improving the support available to innovative high value start-ups. The strategy aims to derive greater economic benefit from the R & D carried out within the region through the development of more knowledge-based start-ups • Encourage the rich R&D base to be exploited into innovation potential. • Increase the number of technology based start ups.

	<ul style="list-style-type: none"> • Encourage a higher number of technology based entrepreneurs. • Provide the appropriate support as described in above (components) • Networking business in a like minded community
Stage of development and delivery timescale (including phasing)	<ul style="list-style-type: none"> • The region's Enterprise Hubs are established, the challenge and focus now is to configure the existing network so it is more responsive to the needs of businesses and encourage greater collaboration between the hubs.
Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap	<ul style="list-style-type: none"> • A partnership approach to funding, including both the public and private sector. • Demand and needs should be established and if this can not be determined, added value and additionality should be illustrated.
Delivery processes and responsibilities	The Enterprise Hub CEX is fundamental to success of Enterprise Hubs and therefore have a central role in the delivery of this programme.
Key constraints and issues regarding delivery	<ul style="list-style-type: none"> • Clarity around the meaning of Enterprise Hubs. • Capturing the outcomes. • Engaging businesses outside local area. • Connectivity between the hubs.
Expected outputs and outcomes	<ul style="list-style-type: none"> • Potentially they contribute to enhanced business survival rates, business growth and retention in the region, thereby increasing the stock of value added businesses engaged in the global knowledge based economies, enhancing the region's GVA and attracting greater public and private sector investment into the region. • increase the rate of growth of innovative high growth start-ups and facilitate greater commercial exploitation of the region's HE and private sector R and D and the time to market
Link to high level RES/RSS outcomes	<p>RES outcome targets and RSS policies relevant to this programme are:</p> <ul style="list-style-type: none"> • UK exemplar region for open innovation and absorbing existing technologies • Successful business clusters - specific clusters and locations defined in RSS, E4) <p>Relevant RES Priorities include "create dense and shared business networks to enable flows of ideas, advice and investment opportunities"</p>
Spatial dimensions	Locally based but have a regional focus.

Table 4.10: Third Generation Science Parks

Objectives and key components	<p>Enable start-up companies (incubators) to benefit from corporate 'neighbour' through:</p> <ul style="list-style-type: none"> • Obtaining IP • Obtaining business management support • Obtaining finance support • Access to distribution channels • Sharing resources
Rationale for intervention	<p>Business environment supporting incubator, start-up and spin-off companies as well as SME's, specifically located closely to the region's major (1000+ R&D employees) commercial corporations, so as to form an innovation cluster – thus achieving greater success for SMEs and also to anchor the major corporations to the region</p> <p>Specific objective:</p> <ul style="list-style-type: none"> • Grow small enterprise into medium size enterprise by integrating them with the interests of the major coporate; getting SMEs to stay in the region will address a key regional weakness. • Promotion of sub-region to increase inward investment (foreign companies and money)
Stage of development and delivery timescale	Colworth Park (Unilever): Building started, complete <td>, project delivery end

(including phasing)	<p>date:</p> <p>BioScience Park (Glaxo): Planning Permission Granted, building to start in 2009, complete 2011, project delivery end date: 2013</p> <p>InnovationMartlesham (BT): Planning Application Submitted, building to start in 2009, complete 2014, project delivery end date: 2014</p> <p>Hethel Technology Park (Lotus): Planning Application Drafted, building to start in 2010, complete 2015, project delivery end date 2015</p>
Resource requirements, including total cost. Public sector funding secured, public sector funding required, and gap	<p>Colworth Park (Unilever): public funding secured: £4m (EEDA)</p> <p>BioScience Park (Glaxo): Gap £15m, Public funding required probably £10m (EEDA £5m)</p> <p>InnovationMartlesham (BT): Gap £15m, Public funding required probably £10m (EEDA £5m)</p> <p>Hethel Technology Park (Lotus): Not quantified in detail. Probably £5m for phase 2 and 3 of Hethel Engineering Centre.</p>
Delivery processes and responsibilities	<p>Through Special Purpose Vehicle:</p> <ul style="list-style-type: none"> • Capital build • Business support services <p>Direct:</p> <ul style="list-style-type: none"> • Influencing innovation activities of corporate and other tenants & establishing collaborations
Key constraints and issues regarding delivery	<p>EEDA budget primarily capital, thereby making it very difficult to deploy major business support initiatives.</p> <p>EEDA has limited resources, each science park project should have a project manager. EEDA personnel not skilled in influencing/advocacy.</p>
Expected outputs and outcomes	<p>Colworth Park (Unilever): direct: ? new jobs, total: 750 new jobs</p> <p>BioScience Park (Glaxo): direct: ? new jobs, total: 1500 new jobs</p> <p>InnovationMartlesham (BT): direct: ? new jobs, total: 2000 new jobs</p> <p>Hethel Technology Park (Lotus): direct: ? new jobs, total: 1200 new jobs.</p>
Link to high level RES/RSS outcomes	<p>This programme relates to the following RES outcome targets and RSS policies:</p> <ul style="list-style-type: none"> • Increased share of businesses that translate new ideas and research into new products, services and processes • Successful business clusters - specific clusters and locations defined in RSS, E4) <p>This programme is designed to address the RES Priority to “maximise productivity benefits of co-locating private sector, research institutes and universities and progressing the development of next generation science parks”. It will also contribute to the RSS Policy E3 regarding the provision of strategic employment sites</p>
Spatial dimensions	<p>Third generation science parks give sub-regions an international positioning/promotion for inward investment. They are engines of growth in jobs to stimulate housing developments in sub-regions.</p>

Objectives and key components	Support for innovation within: energy related areas such as renewable energy, improved resource efficiency for <i>all</i> types of energy, carbon capture & storage, and nuclear; environmental sustainability such as development of a low carbon economy, minimising the use of finite global resources, and improving the management of the natural and built environments.
Rationale for intervention	<p>Specific energy/environmental drivers include:</p> <p>Stern Review – we have 10 years to act (written in 2006) to reduce the risk of catastrophic impacts of climate change. Also, strong early action will cost less and provide significant commercial opportunities.</p> <p>Government strategy on sustainable development - Securing the Future (2005). This sets out 5 guiding principles of sustainability which need to be integrated within all aspects of policy development:</p> <p>Living within environmental limits; ensuring a strong, healthy and just society; achieving a sustainable economy; promoting good governance; using sound science responsibly.</p> <p>Energy White Paper – links challenge of tackling climate change to energy security; market failure within renewables (private sector not investing adequately)</p> <p>Code for Sustainable Homes – all new homes to be zero carbon by 2016 (EEDA are also working with the Building Research Establishment on developing a possible code for refurbishment).</p> <p>On a regional level, the challenging Carbon reduction target of 60% of 1990 baseline level by 2031 and the 20% reduction in per capita consumption of water by 2020. Also the target to produce 20% of primary energy (electricity, heat & transport) from renewable sources by 2020 (UK target is 15%).</p> <p>EoE is the English region most susceptible to climate change due to being the driest region and also due to having significant areas of low lying topography and an extensive coastline.</p>
Stage of development and delivery timescale (including phasing)	Programme is in Draft form, being considered by EEDA CET.
Resource requirements, including total cost, Public sector funding secured, public sector funding required, & gap	Tbc
Delivery processes and responsibilities	Tbc
Key constraints and issues regarding delivery	Resources; Skills and labour supply
Expected outputs and outcomes	tbc
Link to high level RES/RSS outcomes	<ol style="list-style-type: none"> 1. CO₂ emissions - end user attributed CO₂ emissions 60% below 1990 baseline level by 2031 2. Water consumption - reduce the per capita consumption of water by 20% by 2030 (from 2008 baseline), to no more than 120 litres per head per day 3. Also links to GVA –UK CEED estimates that within the UK the sector will grow (in terms of turnover) by 84% between 2005 and 2015 (from £25 billion to £46 billion). We need to ensure businesses are well placed to take advantage of the opportunities
Spatial dimensions	<p>Centres of Excellence such as:</p> <p>OrbisEnergy, our regional Enterprise Hub for Offshore Renewables in Lowestoft, which aims to position Lowestoft as a world leader in offshore renewables.</p> <p>Building Research Establishment – world leading research, consultancy, training, testing and certification organisations delivering sustainability and innovation across the built environment and beyond.</p> <p>Eco-Innovation Centre, Peterborough – to support the Environmental Goods and</p>

	Services sector within the region, and to build on the success of the Peterborough Enviro-Cluster: with over 350 companies, the strongest concentration of EGS businesses in one city.
--	--

Table 4.12: Lifelong Health (Life Sciences and Healthcare)

Objectives and key components	<p>To assist the region's businesses and institutions in transforming the way in which health related and technology based products and services are designed, adopted and brought to market</p> <p>To build on the region's position as the most successful cluster of biotech outside the USA (in terms of number of companies, research excellence, products and investment) by:</p> <ul style="list-style-type: none"> • being the leading European 'partner of choice' for the global development, commercialisation, adoption and exploitation of new ideas in medical biosciences, translational medicine and convergent technologies • developing global alliances and partnerships and attracting major R & D investment into the region, supporting co-investment in R & D internationally, where it makes business sense • promoting and developing the region's capacity for bringing new innovative therapeutics and medical devices to market • instigating or adopting innovative financing models, possibly existing elsewhere, to support the commercialisation and growth of businesses at later stages along the lifecycle • developing, retaining and attracting talent to maintain the skills pool through global 'knowledge flows' • stimulating, encouraging and supporting the attraction of large international companies to establish R & D facilities in the region <p>Four key workstreams:</p> <ul style="list-style-type: none"> • International profile • Collaboration • Skills for innovation • Finance for innovation
Rationale for intervention	<p>Key drivers for the programme are:</p> <ul style="list-style-type: none"> • Open Innovation and the Ideas economy – models for developing new ideas and knowledge • International dimension – increasing levels of international trade and collaboration, inward investment and attracting and retaining the best international talent in the East of England. • Growing the region's international presence as part of the Greater South East
Stage of development and delivery timescale (including phasing)	Tbc
Resource requirements, including total cost, Public sector funding secured, public sector funding required, and gap	Tbc
Delivery processes and responsibilities	Tbc
Key constraints and issues regarding delivery	Resources

<p>Expected outputs and outcomes</p>	<p>The programme aims to increase the contribution of the biosciences and healthcare stakeholders and businesses to the region's GVA. Outcomes and quantification of outputs will be developed during the corporate planning period. At a high level, expected outcomes include:</p> <ul style="list-style-type: none"> • International profile raising and collaborative activity, facilitating market growth, capture of global market share of 'niche' technologies, supporting new business models and clearer routes to market • Increasing the skills supply chain to support the development of this sector from both within and outside the region • Finance for innovation accelerating the rate of commercialisation and adoption of research into technologies and therapies which prevent, diagnose, treat and cure illness and disease and maintain quality of life for the elderly • Skills for innovation enhancing workforce productivity
<p>Link to high level RES/RSS outcomes</p>	<p>This programme relates to the following RES outcome targets and RSS policies:</p> <ul style="list-style-type: none"> • Increased share of businesses that translate new ideas and research into new products, services and processes • Successful business clusters - specific clusters and locations defined in RSS, E4)
<p>Spatial dimensions</p>	<p>Likely to focus on those parts of the region with the strongest existing presence of healthcare and life science activities, including Hertfordshire, Greater Cambridge and Greater Norwich</p>

5: Conclusions

- 5.1 The regional programmes for enterprise, business support and innovation are crucial to delivery of the RES, and the high level employment target of the RSS. They are still developing as a result of the BSSP exercise, but it is possible at this stage to identify some issues regarding their coverage in relation to the RES/RSS ambition. These issues concern both the scale and coverage of programmes.
- 5.2 In regard to scale, it is difficult to comment because at present there is no information on planned future expenditure other than that in the EEDA Corporate Plan. There are uncertainties regarding the absolute scale of expenditure, and the distribution of that expenditure between programmes and priorities. There also appear to be some anomalies when comparing expenditure on similar programmes across regions. For example, the innovation advisory service proposed for the East of England has a budget allocation which is only 10% of the budget spent on a broadly equivalent IAS in the SE region over the last three years. The two regions are different in size, but have many similarities, and the difference in scale of the programmes is surprising. However, the only way to determine systematically whether programmes are individually or collectively large enough is to monitor their implementation over time against targets and priorities, and evaluate their absolute and relative contributions.
- 5.3 In relation to the coverage of programmes, there appear to be some gaps in the existing range of interventions, in relation both to the activities needed to achieve the regional outcome targets and also to the range of Solutions for Business products. These include:
- Support for high growth businesses, including both start up and on-going support such as coaching. Filling this gap is particularly crucial to achieving the GVA targets of the RES and the RSS employment growth target., because economic outcomes are maximised if programmes are targeted on businesses with good prospects for sustained growth¹¹
 - Support for entrepreneurs from under-represented groups, including the over 50s, BME groups, and community businesses. There are both equalities¹² and economy reasons for increasing business start up and survival rates among under-represented communities. More support is planned for women entrepreneurs, but this still needs to feed through in to programmes on the ground. Filling this gap is crucial to achieving the high level targets regarding the employment rate and earnings inequality
 - The entrepreneurship culture is clearly much better embedded in some parts of the region than others, and demonstrated by variations in start up rates which are

¹¹ According to research by David Storey (*Understanding the small business sector, 1994*), only about 5-10% of firms surveyed over a time period will typically account for 40-50% of the total employment generated by a given cohort of surviving firms. In other words, job generation in the SME sector is dominated by only a few fast-growing firms.

¹² i.e. equal freedom for individuals to choose employment or self employment depending on their personal preferences and abilities, and regardless of their ethnic background

generally lowest in the east and north, and highest in the south west of the region. Despite the fact that there are many local and some regional initiatives to support start ups, a major increase in business start up rates is necessary to achieve the RES target: even in the most successful parts of the region (and before the current economic downturn), VAT registration rates were over 10% below the level targeted for 2031, and in the worst performing parts of the region they are less than one third the target rate

- strengthening links between schools and industry to promote entrepreneurship is a significant gap given the need to increase business start ups by around 12,000 per year across the region, every year up to 2020. This will require a much stronger culture of entrepreneurship in future, yet nationally, fewer than 30% of young people take part in enterprise activities at any point in their school careers, and the proportion is unlikely to be higher in this region
- two programmes have been identified to support the growth potential of key economic clusters in the region – energy and environment, and life sciences and healthcare. A third, focusing on ICT and creative industries, is planned. The specialist expertise required by these high potential clusters is partly covered in the programme proposals: for example, a component of the life sciences and healthcare programme is ‘developing, retaining and attracting talent to maintain the skills pool through global knowledge flows’. However, the experience of one of the best established clusters in the region – the Cambridge high tech cluster – is that a serious manpower constraint on growth has been in occupations where mobility is limited – for example, technicians.

5.4 Many enterprise, business support and innovation activities are currently undertaken by local authorities and other organisations operating at a local scale. In isolation these programmes are not relevant to an Implementation Plan for the region, because they are not regional in scale. But collectively they are very important to what can be achieved in relation to regional targets. There appears to be a case for much stronger collaboration between organisations delivering services at a local scale to increase critical mass and improve the overall quality of the services provided, and to complement region-wide programmes. For example, local authorities are the main sponsors of business incubators and innovation centres in the region, and there is a strong case (supported by the need to increase business start up and growth rates, and consistent with the BSSP product range) to support a denser network of such facilities -some general purpose, some focused on particular sectors and clusters – across the region.