

# Corporate Plan 2008-2011

## **CONTENTS**

<b>Section</b>	<b>Page</b>
Foreword	2
<b>1</b> Introduction	4
<b>2</b> <i>emda's</i> Ambitions	10
<b>3</b> Performance Framework	17
<b>4</b> Leadership	22
<b>5</b> Investment	25
<b>6</b> Regional and Sub-Regional Delivery	27
<b>7</b> Regional Strategic Priority Activity	31
<b>8</b> Organisational Capacity and Development	41
<b>Annexes</b>	
<b>1</b> Consultees to the Corporate Plan	50
<b>2</b> RES Priority Actions Addressed by <i>emda</i>	51
<b>3</b> Corporate Objectives	52
<b>4</b> Organisational Structure	56

## **FOREWORD**

The 2008-11 Corporate Plan has been drafted against the backdrop of the new Regional Economic Strategy (RES) – *A Flourishing Region* and the Review of Sub-National Economic Development and Regeneration (SNR) and the Comprehensive Spending Review (CSR) 2007.

### **Sub National Review**

The SNR is the single most significant issue facing RDAs and this Corporate Plan reflects our initial views on how to take forward the proposals contained within the SNR announcement. At the time of finalising this Plan, the SNR Consultation Document – *Prosperous Places* - has very recently been published. We will be working closely with Local Authorities, East Midlands Regional Assembly and Government Office for the East Midlands to shape the region's implementation of the SNR and 2008-9 is clearly expected to be a transition year as we move towards the new arrangements for delivering economic development in the East Midlands.

### **Comprehensive Spending Review**

The CSR announcement in October 2007 included a 5% real reduction in overall RDA funding and a ceiling on administration costs for each RDA. The reduction in funding has resulted in a need within this Corporate Plan to further prioritise investment into the areas where we can make a real impact on economic growth.

### **Enterprise Strategy**

Alongside the 2008 Budget announcement, the Government launched a new Enterprise Strategy. The Strategy's central vision is to make the UK the most enterprising economy in the world and the best place to start and grow a business. It is based around five themes - A culture of enterprise; Knowledge and skills; Access to finance Regulatory framework and Business innovation. The Strategy also highlighted the importance of the wider benefits of Enterprise. *emda* is well placed to respond to the Government policy direction on the Enterprise agenda and already has measures in place to deal with most of the recommendations in the Strategy.

**The Corporate Plan sets out how we will deliver our contribution to the new RES and meet the challenges contained within the SNR and CSR announcements. In drafting this Corporate Plan, we also took account of the views of partners and stakeholders obtained through a two stage consultation process.**

### **Our Mission**

In order to provide a clear statement of our role in the region, we have set out an overall Mission statement – “***emda's Mission is to use our influence and investment to deliver a measurable improvement in the sustainable economic performance of the East Midlands***”. This Mission is supported by a number of Corporate Objectives which cover the breadth of our activities and three Cross Cutting Principles which will be taken into account as we plan and deliver our interventions.

### **Areas of Focus**

In order to deliver this Mission and following the structure of the RES, this Corporate Plan highlights the following areas of focus where we should prioritise our resources (but not to the exclusion of certain activity in other areas):

- Employment, learning and skills
- Enterprise and business support
- Innovation
- Energy and resources – specifically addressing Energy White Paper
- Environmental protection – specifically Sustainable Construction
- Land and development.

### **Performance Framework**

The new Performance Framework represents a shift towards a more outcome focused approach. We will have a role in reporting the Region's Economic Performance structured around a Regional GVA Objective together with a set of five Outcome Indicators and our own performance will be measured by our contribution to these indicators. In addition, we have also decided to include a number of Output targets in the Corporate Plan. 2008-9 shows a continuance of the previous Tasking Framework targets while new targets are being introduced in 2009-10 and 2010-11.

The Corporate Plan 2008-11 was endorsed by the *emda* Board on 24 January 2008 for submission to the Department of Business Enterprise & Regulatory Reform (BERR) for review. Following comments received on 31 March 2008, the Plan was resubmitted on 11 April 2008, with the final version being approved by BERR on 12 July 2008.

## **1.0 INTRODUCTION**

### **1.1 REGIONAL ECONOMIC CONTEXT**

The East Midlands is a large and diverse region, with 4.3 million people and over 260,000 businesses, and is the third most rural region in England. On some measures, the economy of the region is doing very well. We have historically high levels of employment (the East Midlands is the only one of the five northern and midlands regions to have an employment rate above the national average) and relatively high levels of economic growth (in 2005 the East Midlands, along with London and the North East, was the fastest growing region in the country). Levels of business activity have been increased through the first half of 2007 and businesses are increasingly confident about their prospects over the next twelve months.

However, the region still performs less well than the UK average on productivity. GVA per hour worked is 96.4% of the UK average and the region is ranked 5th of the English regions, behind London, the South East, the East of England and the South West. In addition, we face a particular challenge in raising skill levels so we are better able to enhance our economic performance. In the East Midlands 28.1% of the economically active were qualified to NVQ Level 4 or above in 2006. This is below the UK average of 31.1% and well below the leading region (which is London with 41.2% qualified to this level). In the context of existing high levels of employment, future productivity growth in the region is unlikely to be driven simply by getting more people into employment.

The East Midlands has above average rates of population growth and high levels of net immigration. Having appropriate homes, in the right locations, with the right supporting infrastructure are critical issues for the realisation of the region's sustainable economic growth aspirations.

### **1.2 A FLOURISHING REGION**

The new Regional Economic Strategy (RES) has the vision that: "by 2020, the East Midlands will be a *Flourishing Region* - with growing and innovative businesses, skilled people in good quality jobs, participating in healthy, inclusive communities and living in thriving and attractive places."

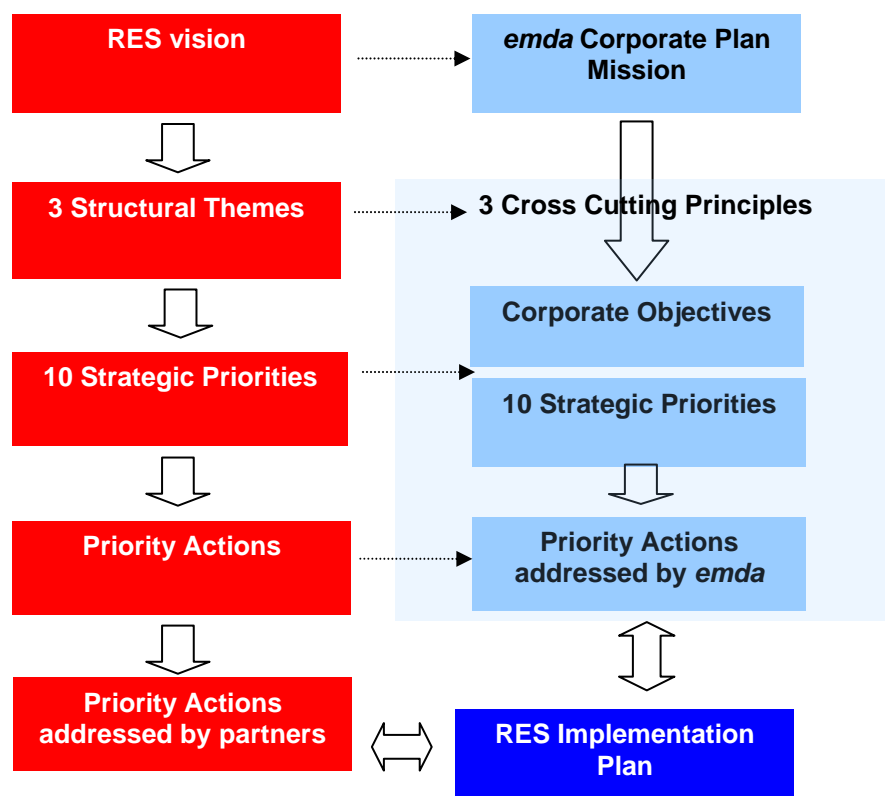
This vision of *A Flourishing Region* is supported by the three Structural Themes or cross-cutting principles of: **Raising Productivity, Ensuring Sustainability and Achieving Equality**. Section 2.4 sets out our approach to these cross-cutting principles.

Within the three Themes, the RES identifies Ten Strategic Priorities:

<b>Raising Productivity</b>	<b>Ensuring Sustainability</b>	<b>Achieving Equality</b>
<ul style="list-style-type: none"> <li>• Employment, learning and skills</li> <li>• Enterprise and business support</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Transport and logistics</li> <li>• Energy and resources</li> <li>• Environmental protection</li> <li>• Land and development</li> </ul>	<ul style="list-style-type: none"> <li>• Cohesive communities</li> <li>• Economic renewal</li> <li>• Economic inclusion</li> </ul>

Each Strategic Priority sets out a number of Priority Actions which are required to improve the region's performance. The Strategic Priorities and Priority Actions form the basis of our activities in this Corporate Plan. We have mainstreamed our rural activities and we will consider rural needs in the context of all the Strategic Priorities.

The relationship between the RES and our Corporate Plan can be illustrated as follows:



### 1.3 AN ENHANCED ROLE FOR *emda*

During 2007, two major announcements were made which have wide ranging implications for RDAs:

#### 1.3.1 The Review of Sub-National Economic Development and Regeneration

In July 2007 the Government published its “review of sub-national economic development and regeneration” or SNR. The SNR is set against the backdrop of globalisation and technological change and the requirement to provide regions and localities with the tools and incentives to build on their indigenous assets and allow them to respond quickly to changing economic circumstances. The Government’s response to these challenges is based around three principles:

- Managing policy and delivery at the right spatial levels;
- Ensuring clarity of roles; and
- Enabling places to reach their potential.

The SNR states that the current arrangement of multiple agencies and strategies operating at the regional level is confusing to stakeholders, inefficient and has led to inconsistencies in the way regional policy is both developed and delivered. To resolve these multiple concerns, the SNR proposes that RDAs will be given additional responsibilities, currently held by Regional Assemblies, for housing, transport and planning. RDAs will also be tasked with executive responsibility for developing a Single Regional Strategy (SRS), which will combine the Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS). This new Single Regional Strategy will co-ordinate regional policy on economic growth, job creation, housing, planning, transport and environmental objectives.

The SNR reforms are not only concerned with a restructuring of the regional landscape and architecture, but place great emphasis on a new relationship with local government – including ensuring that local authorities have greater flexibilities and incentives to promote economic growth and wellbeing. The Review proposes that upper tier authorities will have a statutory duty to deliver on economic development. In addition, we are expected to delegate funding to local authorities (where capacity exists and within an appropriate performance management and compliance framework) in order to support and facilitate economic growth and cross-boundary working. At the time of finalising this Plan, the Government has recently published its SNR Consultation Document, *Prosperous People* providing further information on the implementation of the SNR recommendations.

SNR implementation is the single most significant issue that will affect the scope and positioning of our Corporate Plan for 2008-11. It is clear that the SNR signals the establishment of “second generation” RDAs and we are committed to supporting the Government in implementing the required changes and working with partners to make it fit for purpose in the East Midlands. Given that, at the time of writing, the SNR implementation timetable has not been finalised and a consultation process is ongoing, we have sought (as far as we are able) to identify the issues associated with making the transition to new arrangements in the coming Corporate Plan period.

It should be noted, however, that discussions remain ongoing with Central Government regarding the transfer of appropriate resources to the RDAs to facilitate the effective transition to, and implementation of, the SNR arrangements. This is set against a challenging settlement for the RDAs from the Comprehensive Spending Review (see below). It is recognised that the Agency’s more strategic role in the future, along with the new areas of responsibility with regards planning, transport and housing, will require us to ensure that we have the right skills and expertise to effectively undertake our new role. This will clearly form part of our internal transition planning over this Corporate Plan period.

In terms of the development of a Single Regional Strategy (SRS), planning is underway in order to identify the optimum timetable and process for the development of the SRS for the East Midlands. This will clearly require effective collaboration with the local authorities, East Midlands Regional Assembly (EMRA) and other key regional partners. In addition, we will work with the Homes and Communities Agency and bodies such as the National Housing Planning Advisory Unit in order to ensure that the SRS responds to the Housing Green Paper and other national policy priorities. In support of this, we are already working closely with EMRA in relation to the finalisation (and response to the Panel recommendations) of the RSS in 2008 and the RSS partial review that will follow. Work has therefore already begun in order to determine the scope and focus of the Strategy, the potential development timetable, and the research and evidence requirements that will underpin it. In addition, we are committed to ensuring that we move towards a fully integrated evidence base which can underpin not only the development of the SRS, but also support our engagement in the RSS partial review.

In terms of the transfer of responsibilities (for planning, transport and housing) from EMRA, the key issues are concerned with the extent and nature of the required legislative changes and the associated timetable. The *emda* Board has strongly articulated the need to maintain the Agency’s business-led focus as we implement the SNR and integrate the Regional Planning Body (RPB) responsibilities. As set out above, we are working closely with EMRA on the RSS and, in addition, consideration will need to be given to the transition to new RPB arrangements, in order to ensure that we can build on the skills and expertise of EMRA staff and supporting partnership structures. Clearly, the amendments to the Planning Bill in early 2008 provide an opportunity for EMRA and *emda* to determine if early delegation of RPB responsibilities is desirable – this may be considered further in 2008.

We support the move towards greater delegation of funding to local authorities and sub-regions and 2008-9 represents a transition year (working closely with local authorities and Sub-Regional Strategic Partnerships); this will include consideration of issues such as the development of local authorities' capacity for the delivery of increased economic performance. The SNR consultation document highlights the likely requirement for legislative change to further support delegation and accountability arrangements. In the interim, RDAs are required to explore, within the current legislative constraints, how greater flexibility can be given to local authorities to meet agreed outcomes, whilst ensuring that appropriate accountability and value for money requirements are in place.

We have been working closely with the region's unitary and county authorities and the Sub-Regional Strategic Partnerships in order to begin discussions on the preferred approach to the delivery of economic development at the sub-regional level, including alignment with Local Area Agreements and Multi Area Agreements (where relevant). We have also stressed that, in two tier areas, county authorities will need to work closely with their respective districts and boroughs in defining their priorities for economic development. It is anticipated that new arrangements will be in place from 1 April 2009 and will be managed through a robust performance management framework. Work will also be finalised in 2008-9 to identify those programmes and priorities that should be co-ordinated or managed at the regional level, in line with the key considerations outlined in the SNR Consultation Document. **As 2008-9 is the year in which the framework for delegation under SNR will be finalised, the information contained within this Plan for 2009-10 and 2010-11 is subject to change through our annual Business Planning process when the final details are agreed. This issue is explored in more detail in section 6.1.**

### **1.3.2 Comprehensive Spending Review 2007**

The Comprehensive Spending Review (CSR) announcement was made on 9 October 2007 and included information on:

- The RDA resource settlement for 2008-11 reflecting a 5% real cut in RDA funding;
- An enhanced role for RDAs in co-ordinating the funding and procurement of business support, and bringing together business support and skills into a single regional brokerage service managed by the RDAs from April 2009; and
- New responsibilities for the RDAs in leading the response to industrial crises or natural disasters which have the potential to create substantial economic shocks and impact severely on business.

### **1.3.3 Government's New Enterprise Strategy**

Enterprise has been a strong theme of successive East Midlands Regional Economic Strategies. The region is, therefore, well positioned to respond to the new national Enterprise Strategy and has already developed a strong programme of regional enterprise activity that aligned with this Strategy – including:

- the Business Link Start up offer and campaign/outreach, building on the previous new Business New Life campaign;
- working with the Prince's Trust to reach out to disadvantaged youth;
- providing new and existing businesses with experienced mentors;
- *emda's* co-ordination of the annual Enterprise Week campaign, the Enterprising Britain competition and associated partnership network activity;
- investment readiness training has been in place for some time and a regional Community Development Finance Institution is currently being established;
- innovation vouchers are being put in place for the region's target sectors;
- *emda's* work to ensure business support activity reaches out to diverse communities, and our role on the national Women's Enterprise Taskforce; and
- the work of the Employment Skills and Productivity partnership (esp) Task and Finish Groups on Enterprise Culture and Business Support Simplification (both chaired by *emda*).

Key challenges to address in this Corporate Plan period include:

- ensuring the Business Link network responds to the needs of women through the Women's Business Centre approach;
- building on our Enterprise Culture work to create an Enterprise Culture Network connecting schools, further education colleges and universities in the region; and
- while the East Midlands currently has no Premiership football teams, *emda* will work with sub-regional partners to identify key local institutions that can engage young people in enterprising activities and use the Premiership Football model from other regions to engage young people in the enterprise agenda.

## **1.4 PROGRESS AGAINST CORPORATE PLAN 2005-8**

### **1.4.1 Corporate Plan 2005-8**

The 2005-8 Corporate Plan set out how we would deliver our contribution to the *Destination 2010* Regional Economic Strategy (RES). The Corporate Plan reflected the three Key Drivers of success for the East Midlands:

1. Building Employment, Learning and Skills
2. Creating a Climate for Investment
3. Encouraging Enterprise and Innovation.

The Investment Programme set out in the 2005-8 Corporate Plan was structured around the three Key Drivers and the 12 Strands which underpinned them and articulated outcomes and outputs which we committed to deliver. The 2005-8 Corporate Plan also reflected a significant expansion of *emda's* responsibilities with responsibility for the delivery of the Business Link service, the Haskins Review of Rural Delivery and Research and Development Grants.

### **1.4.2 Progress Made**

The Corporate Plan set out a range of objectives spanning the three Key Drivers of the RES which were linked to the PSA targets to which RDAs were to contribute. In order to ensure that objectives were met, Critical Success Factors were set out in each Annual Business Plan identifying the key objectives for each year. In addition, output targets were established in compliance with the Targetry Framework and Efficiency Targets in line with the Gershon Review target of 2.5% efficiency savings per annum.

In 2005-6 and 2006-7, all output targets were exceeded and the Critical Success Factors were all substantially achieved. The full three year Efficiency target was also reached by the middle of 2007-8.<sup>1</sup>

The Independent Performance Assessment (IPA) undertaken by the National Audit Office in December 2006 scored *emda* as the joint highest rated RDA with OneNorthEast, with both RDAs scoring 22 points from a possible 24. A significant element of the assessment process focused on how we had performed against the objectives set in the 2005-8 Corporate Plan and the final report from the NAO noted that:

***“emda has made substantial progress against its Corporate Plan, its own Critical Success Factors and its targets against the PSA Framework”<sup>2</sup>***

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<sup>1</sup> At the time of writing the Corporate Plan, all targets are on track to be achieved for 2007-8.

<sup>2</sup> '2007 Independent Performance Assessment – East Midlands Development Agency' published by the NAO.

## **2.0 emda's AMBITIONS**

The current Regional Economic Strategy (RES) sets out the region's vision, along with the strategic priorities that need to be addressed in order for the East Midlands to realise its ambition to become *A Flourishing Region*. The vision and overall focus of the RES has garnered a great deal of support from partners. Whilst *emda* has responsibility for drafting the RES, it is the region's strategy and our success depends on partners' engagement with, and support for, the issues and priorities it identifies.

In January 2007, we published the RES Implementation Plan ([www.emda.org.uk/resimplementationplan](http://www.emda.org.uk/resimplementationplan)) – this sought to build on partners' positive engagement in the RES consultation process and to quantify their activities and investments against the 59 Priority Actions of the RES. Of the key partners contacted, over 95% provided information for the RES Implementation Plan. This is a further demonstration of partners' commitment to taking ownership of, and helping to deliver, the RES. We believe that this provides an extremely solid foundation on which to move forward with the development of the Single Regional Strategy and collective action to support the delivery of future regional objectives.

### **2.1 *emda's* MISSION**

In order to continue to build upon our strong performance as a driver of economic growth and to provide a clear statement of our role in the region, we have set out an overall mission statement:

**“*emda's* Mission is to use our influence and investment to deliver a measurable improvement in the sustainable economic performance of the East Midlands”**

The Mission includes a reference to the fact that we use not only investment to deliver our ambitions but also our influence. The Mission also states that we will continue to develop measures to monitor economic performance and the impact of our activities in driving improvements.

### **2.2 *emda's* FOCUS**

Our single programme contribution to the RES of £160M in 2008-9 should be put into context against a backdrop of circa £24bn deployed by the Public Sector as a whole in the region. Our Mission states that we aim to deliver a measurable improvement in sustainable economic performance and to achieve this with the scale of resources available requires a level of focus to ensure that we invest our resources where they can have the greatest impact.

In determining the areas of the RES where we should target our activities we have taken into account the following:

- In order to capture where our public sector partners are focussing their investment against the actions contained in the RES, we have updated the **RES Implementation Plan** which shows the level of resources invested by partner organisations into the Priority Actions under each Strategic Priority and Structural Theme;
- We introduced a large scale programme of strategic impact **evaluation** consistent with national guidance during 2004. The Corporate Plan has been informed by the interim findings from this evaluation programme, which is due to be completed in 2008;

- The pattern of **previous investments** - the *Flourishing Region* RES was launched in 2006 and we took the opportunity to begin to reflect the priorities outlined in the new RES in our 2007-8 Business Plan. Whilst many of the investments planned for 2007-8 were committed in prior years against the 2005-8 Corporate Plan and Destination 2010 RES, we were able to begin to change the emphasis of our activities in preparation for this new Corporate Plan. The transition to the new RES initiated by the 2007-8 Business Plan has informed the allocation and management of resources in this Corporate Plan;
- Our analysis of **Return on investment** in terms of output delivery;
- **Existing commitments** - many of our investments are long term, spanning a number of years. Over the period of this Corporate Plan, many of the investments will have been committed to in prior years under the previous RES and Corporate Plan. We have undertaken a full review of each committed project to ensure that the objectives of the new RES are delivered and these commitments shape a significant element of the investments made in the early years of this Corporate Plan; and
- The relationship between the new European Regional Development Fund (**ERDF**) and **RDPE** (Rural Development Programme for England) **Investment Frameworks** and our Corporate Plan in order to ensure that European and domestic funding streams work coherently together in support of regionally agreed outcomes.

### **2.2.1 Consultation**

Consultation for this Corporate Plan has been undertaken in two stages. The views collated at each stage have informed the development of this Corporate Plan.

#### Stage 1

Ahead of drafting the Corporate Plan, we undertook a programme of internal and external **consultation** based around the 59 Priority Actions contained within the RES. We sought views from key partners such as Government Office for the East Midlands, the East Midlands Regional Assembly, unitary and county local authorities and representative groups of public and private and third sector organisations. The consultation exercise highlighted that partners recognise that we have a role to play across all Strategic Priorities of the RES and almost all Priority Actions. However, in terms of significant investment and areas of influence, we need to clearly articulate our priority areas of intervention.

#### Stage 2

Taking into account the initial soundings taken in Stage 1, we undertook a consultation exercise which involved publication of a Consultation Draft on *emda's* website with an invitation for comments and formally requesting views from a number of regional partners and stakeholders shown in **Annex 1**.

### **2.2.2 Areas of Focus for 2008-11**

By bringing together these contributing factors, we have undertaken a review of our activities and have identified a number of areas where we can have the greatest impact with our resources. In recognising the need to meet the efficiency challenges of CSR 2007, determining our areas of focus (in conjunction with our partners) has enabled us to maximise our impact with fewer resources. At the overarching Strategic Priority level, the consultation and our analysis of previous interventions indicated that we should focus our investment activities as follows (but not to the exclusion of certain activity in other Priorities):

- **Employment, learning and skills**
- **Enterprise and business support**
- **Innovation**
- **Energy and resources** – specifically addressing Energy White Paper
- **Environmental protection** – specifically Sustainable Construction
- **Land and development**

The specific RES Priority Actions where we will focus our investment activities are shown in **Annex 2**. As previously articulated, the Agency is active in all RES Priority Actions through either investment or influence, but with limited resources our investment priorities need to be focused on those areas that are most appropriate for RDA investment and will deliver against the regional economic growth objective and the key regional outcomes. We will still look to work with partners to ensure that appropriate action and investment is being directed to all RES Priority Actions.

## 2.3 CORPORATE OBJECTIVES

Reflecting *emda*'s mission, we have also agreed a number of new Corporate Objectives that are broadly structured around the Strategic Priorities of the RES; cover new corporate responsibilities and operational efficiency; and demonstrate where our activities will contribute to the regional economic growth objective and key regional outcomes (see below). The cross-cutting principles of Productivity, Sustainability and Equality are embedded within these Corporate Objectives. Further details on activity to support these Corporate Objectives can be found in sections 7.1 and 7.2 (Annex 3).

### 2.3.1 Delivery Objectives

<b>RES STRATEGIC PRIORITY</b>	<b>emda CORPORATE OBJECTIVE</b>
Employment, learning and skills	To work with key partners to strengthen the regional skills base, enhance the employability of the workforce and therefore improve productivity and increase economic growth in the region.
Enterprise and business support	To provide a coherent and co-ordinated suite of programmes in line with the Business Support Simplification Programme (BSSP), and Government's Enterprise Strategy " <i>Unlocking the UK's Talent</i> ", that will increase regional growth by promoting enterprise and increasing productivity through business investment.
Innovation	To implement the region's Innovation Strategy by delivering a co-ordinated suite of funded activities that aim to raise regional productivity by encouraging the development of knowledge, skills and creativity within businesses and individuals, whilst also building on the industrial and research strengths of the region.
Transport and logistics	To work with partners and delivery agencies to increase economic growth through enhancing the efficiency, flexibility and sustainability of the region's transport infrastructure.
Energy and resources	To work with key partners to develop and deploy renewable and low carbon technologies, processes and skills to improve economic growth, resilience and efficiency and work towards the development of a sustainable and secure supply of energy and waste services.
Environmental protection	To work with partners to improve environmental quality and contribute to sustainable economic growth through the protection and enhancement of the region's environmental infrastructure.
Land and development	To work with partners and delivery agencies to increase economic growth through the development of employment sites, mixed use schemes and associated infrastructure necessary to support the changing needs of a productive economy, while embedding the principles of sustainable design and construction.
Achieving equality*	To work with partners and delivery agencies to increase economic growth by enabling people and communities in the East Midlands to contribute to, and benefit from, the region's prosperity – promoting access to opportunity for all and reducing economic inequalities within the region.

\* To note – this Objective covers the three Strategic Priorities of Cohesive communities, Economic renewal and Economic inclusion.

### **2.3.2 New Corporate Responsibilities and Operational Efficiency**

- Sub-Regional Delivery: To delegate funds through an agreed strategic framework to local authorities in order that sub-regional partnerships can contribute to the achievement of RES outcomes and the successful achievement of Local Area Agreements (LAAs).
- ERDF Competitiveness Programme: To effectively manage the implementation of the 2007-13 ERDF Competitiveness Programme in order to ensure that activity brought forward meets the strategic objectives of the Operational Programme (including a contribution to regional productivity) and, through effective partnership working, that the region meets its first N+2 (spend) target at the end of 2009.
- Single Regional Strategy and New Responsibilities: To develop the specification, capacity and processes needed to underpin the development of a Single Regional Strategy and support the integration of the Regional Planning Body function by 2010, working closely with local authorities and other key regional partners.
- Operational Efficiency: To ensure that *emda's* resources are deployed as efficiently and effectively as possible in order to maximise the contribution to the regional economic growth objective. This is to be achieved through continuous review of internal *emda* processes and investments and through working with partners.

## **2.4 CROSS-CUTTING PRINCIPLES**

The Corporate Plan cross-cutting principles of Productivity, Sustainability and Equality are derived from the three Structural Themes of the RES. This structure recognises that all actions undertaken in support of the RES ambitions and priorities must facilitate progress towards the regional aim of sustainable economic wellbeing. Pursuing such an approach will ensure that we unlock the economic opportunity of all East Midlanders and strive towards equality of access to opportunity regardless of race, gender, disability, age, sexual orientation or faith. In addition, the ambition of sustainable economic growth seeks to protect and enhance our green and environmental infrastructures; and minimise negative impacts whilst finding mechanisms to compensate for damage or depletion.

We therefore have a key role to play in terms of policy development and advocacy both regionally and nationally in relation to these cross-cutting principles, as well as ensuring that they underpin our day-to-day activity including, but not restricted to, our investment decisions and those of key partners.

Given the focus afforded to Raising Productivity in both the RES and the new RDA Performance Framework, it is clear that this issue is central to *emda's* policy development and investment planning. It should be recognised, however, that the structure of the RES and the mainstreaming approach adopted within the Agency results in a range of programmes that sit within the Raising Productivity theme, but equally support the issues and priorities identified in the Achieving Equality and Ensuring Sustainability themes. For example, enterprise and start-up activity focused on disadvantaged areas and under-represented groups or resource efficiency support for businesses.

As set out in greater detail below, issues in relation to our cross-cutting principles are fully integrated into our corporate processes, including programme/project development and

appraisal. In terms of Equalities and Economic Opportunities for All, this includes Equality Impact Assessments and rural proofing; along with Sustainable Development considerations. In addition, our systems and processes support the disaggregation and monitoring of outputs in terms of spatial distribution and we are developing our capturing and reporting of end beneficiary data.

#### **2.4.1 Equalities and Economic Opportunities for All**

We continue to strive towards fully embedding equalities issues across the full range of our work. The consideration of whether our investment decisions will have an equitable impact on all communities is embedded in our Single Programme documentation through the use of Equality Impact Assessments. Furthermore, we are developing a three year plan for 2008-11 that will ensure that a high level Equality Impact Assessment is undertaken on each of our key business activities. We are developing a project beneficiary monitoring system which will allow us, in partnership with our service deliverers, to identify and remove barriers in order to promote equality of opportunity to access for all. High level Equality Impact Assessments will also be monitored to ensure that agreed recommendations are taken forward. To complement this mainstreaming approach, we remain committed to providing specific and targeted interventions to address equality issues where appropriate e.g. addressing ill health as a barrier to employability.

The RES is also clear that support must be provided to ensure that all sub-regions and localities in the region, including rural and urban areas, can achieve their potential. The Agency is committed to ensuring that opportunities and challenges are tackled at the most appropriate spatial level. In the previous Corporate Plan period, we delegated approximately a third of our budget per annum to our seven Sub-Regional Strategic Partnerships. We are committed to enhancing and developing this approach as part of our implementation of the SNR.

In addition to ensuring that funding is directed to the right spatial level, we also work with partners across the region to explore and support spatially-specific issues, including the East Midlands Rural Affairs Forum, the Urban Partnership Group and the Coastal Action Zone.

#### **2.4.2 Sustainable Development**

Contributing to sustainable development – meeting the needs of the present without compromising the ability of future generations to meet their own needs – is one of *emda's* five statutory functions as embodied in the RDA Act and reflected in the collective mission of RDAs “to transform England’s regions through sustainable economic development”. This statutory duty is delivered through *emda's* functions as a corporate entity, regional influencer and investment/grant maker.

At a policy level, the *Flourishing Region* RES takes account of, and is consistent with, the principles of the UK Sustainable Development Strategy, *Securing the Future (2005)*, which describes the overarching objective of a strong, healthy and just society which lives within environmental limits, delivered by means of a sustainable economy, good governance, and sound science. *Securing the Future* details four national Sustainable Development (SD) priorities: sustainable consumption and production; climate change and energy; natural resource protection and environmental enhancement; and creating sustainable communities. In terms of how these are represented in the RES, a number of Strategic Priorities directly reflect the national priorities (e.g. Energy and Resources and Environmental Protection). In other cases, the national SD priorities are delivered through a number of Strategic Priorities: e.g. sustainable consumption and production is delivered through the Innovation, Enterprise and Business Support and Energy and Resources Strategic Priorities. Creating sustainable communities is embedded within all Strategic Priorities with significant ‘place shaping’

investments provided for through the Land and Development Strategic Priority. In terms of Land and Development, Blueprint (our Public Private Partnership with English Partnerships and Igloo Regeneration) is our primary vehicle for the delivery of urban regeneration. All Blueprint activity is underpinned by a Socially Responsible Investment Policy which has sustainable development at its heart.

The operationalisation of our SD aspirations will be achieved through a range of different approaches. All projects supported through *emda* are subject to sustainable development considerations. *emda* has a dedicated SD Team which works across the Agency and with external partners discharging a range of functions: strategy and policy development; advisory and influencing roles; programme development and delivery. To enhance our SD capabilities we are also undertaking a programme of work related to actively mainstreaming SD throughout our corporate processes including enhancements to corporate reporting, integrating SD issues within our staff training products, the adoption of an Environmental Management System for our estate and the integration of sustainability criteria within our corporate procurement arrangements.

The RES also contributes to the East Midlands Integrated Regional Strategy (the region's sustainable development strategy) and has been appraised through a combined Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA). Consequently, the *emda* Corporate Plan embeds SD principles across each of the 10 RES Strategic Priorities.

Our contribution to regional SD priorities will be measured using our Regional Index of Sustainable Economic Wellbeing (R-ISEW) and SEA monitoring. At a corporate, programme and project level, SD monitoring will be applied via sustainable procurement benchmarking and the SD appraisal of projects supported by our Single Programme funds. These processes will help ensure our policy and delivery activity consistently contribute to the cross-cutting principle of Ensuring Sustainability.

### **2.4.3 Corporate Carbon Reduction Commitment**

*emda* is committed to meeting its Energy White Paper obligations and has developed a methodology for estimating the carbon savings associated with our Programmes and project investments. We intend to apply this methodology, estimate and publish the carbon saving potential for each Business Plan period, starting in 2008-9. These carbon reduction targets will be adjusted on an annual basis in line with the development of new Programmes and Government legislation. Monitoring and reporting of carbon savings will be reported in our Annual Performance Report.

In terms of our own carbon footprint, *emda* aims to reduce the environmental impacts of its operations and exemplify this approach to regional businesses. To this end, we will adopt an environmental management system approach to reducing carbon emissions associated with our corporate estates (energy, water, waste) and business operations.

In addition, we will play an active role in delivering the Regional Climate Change Programme of Action, working in conjunction with businesses, regional bodies and wider stakeholders to provide a regional contribution to national greenhouse gas reduction targets. As well as efforts to mitigate our impact on the climate, the Programme for Action will also emphasise the need for action to adapt to inevitable climactic changes.

### **3.0 PERFORMANCE FRAMEWORK**

In line with the flexibilities offered by the new RDA Sponsorship Framework, *emda*'s 2008-11 performance framework supports the move towards a more outcomes-focused approach, which seeks to assess the wider impact of the Agency's activities and investment.

In support of a regional economic growth objective, overall progress will be measured annually against a set of regional outcome indicators, with relevant output targets being agreed by the *emda* Board on an annual basis as part of the Agency's Business Planning cycle. Further details on this approach are set out below.

#### **3.1 REGIONAL ECONOMIC GROWTH OBJECTIVE**

The Sub National Review set out a strengthened role for the English Regions in order to achieve the objectives of the Regional Economic Performance Public Service Agreement (REP PSA) - *"to improve the economic performance of all English regions and reduce the gap in economic growth rates between regions"*.

Consistent with this objective, each region will have a single overarching economic growth objective, to which RDAs will be key contributors.

***To increase sustainably its trend rate of growth (measured in terms of GVA per head) in comparison with its trend growth over the most recent full economic cycle.***

In line with the final RDA Sponsorship guidance, this Corporate Plan will not seek to quantify a specific target or range and the *Flourishing Region* RES sets out an aspiration to achieve a growth rate above the UK average. It is clear that further consideration of the region's economic growth objective will be required both by *emda* and partners as part of the development of the Single Regional Strategy, particularly in relation to the overall focus of the SRS and the issues set out in *Prosperous Places*.

It is important to recognise that whilst *emda* will be a key contributor to the regional economic growth objective, it will be critical to ensure that the activities and investments of key regional partners also support this new approach. The East Midlands has a strong tradition of co-operation and, building on the RES Implementation Plan, we will seek to work with partners to identify how our collective action can positively influence the economic performance of the region.

Improved regional GVA data is currently being produced by the Office for National Statistics but will not be available until 2009. However, the data will still be produced with a time lag of around 12 months. These time lags will apply not only to the regional economic growth objective, but also to the publication of data used as outcome indicators. It is important to note that we will use the latest available data at all times so that we have the best assessment of regional performance.

In addition to GVA, we currently use the Regional Index of Sustainable Economic Wellbeing (R-ISEW) as a high level outcome measure against which to assess the progress of the region. R-ISEW is a groundbreaking composite measure of economic wellbeing. It enables us to take account of factors such as the value of voluntary work, the costs of pollution, the quality of the natural environment and the costs of crime. It enables the region to measure its aspirations to ensure that economic growth and increased productivity are shared for the benefit of the whole region, that disparities within the region are being addressed, and that our ambitions for increasingly cohesive, inclusive and participative communities are being fulfilled. Between 2004 and 2005, R-ISEW grew more quickly than GVA in the East Midlands and

R-ISEW per capita in the East Midlands is now the 6th highest of the English regions, compared to 9th in 1994.

## 3.2 REGIONAL OUTCOMES

### 3.2.1 Key Regional Outcome Indicators

The regional economic growth objective is underpinned by five regional outcome indicators, related to the Government's five drivers of productivity framework. It should be noted that these indicators will be used as a monitoring tool and no targets will be set for them. The indicators and the most recent performance figures for the East Midlands are:

1. **Productivity:** GVA per hour indices;
2. **Employment:** Employment rates, showing proportion of working age population in work;
3. **Skills:** Percentage of working age population with basic, intermediate and higher level skills attainments;
4. **Innovation: Business** Gross Domestic Expenditure on R&D as a proportion of GVA; and
5. **Enterprise:** Number of VAT start-ups per 10,000 resident adults\*.

Indicator	East Midlands	England
<b>GVA per hour indices</b> (UK = 100, 2005) <sup>3</sup>	96.8 <sup>4</sup>	101.4
<b>Employment rates – working age</b> - (APS 2006) <sup>5</sup>	76.3	74.3
<b>Percentage of working age population with basic, intermediate and higher level skills attainments</b> (APS 2006)	No qual: 13.9 NVQ1: 16.1 NVQ2: 18.8 NVQ3: 18.7 NVQ4+: 24.8	No qual: 13.6 NVQ1: 14.3 NVQ2: 18.4 NVQ3: 17.8 NVQ4+: 27.1
<b>Gross Domestic Expenditure on R&amp;D as a proportion of GVA</b> (2004) <sup>6</sup>	1.8	1.9
<b>Number of VAT registrations per 10,000 resident adults</b> (2006) <sup>7</sup>	35	39

\* Following the change in the Structural Business Statistics Regulation by Eurostat, all Member States are required to produce statistics on business births, deaths and survival rates using definitions and methodology determined by Eurostat. The new statistics will include businesses registering for PAYE and not just VAT and so will provide better estimates of new business registrations. We will switch to this new measure as soon as the new statistics become available (later in 2008).

<sup>3</sup> Source: Employment, Earnings & Productivity Division, Office for National Statistics  
<http://www.statistics.gov.uk/cci/nscl.asp?ID=6638>  
<http://www.statistics.gov.uk/statbase/expodata/files/9337299681.csv>

<sup>4</sup> This data will be revised in the first part of 2008 based on the new GVA numbers.

<sup>5</sup> Source: ONS Crown Copyright, Annual Population Survey, January 2006 – December 2006, from NOMIS.

<sup>6</sup> Regional Competitiveness and State of the Region published in Aug 2007<sup>6</sup>, table 14c

<sup>7</sup> Regional Competitiveness and State of the Region published in Aug 2007<sup>7</sup>, table 1e

### **3.2.2 RES Performance Management Framework**

In addition to the five outcome indicators set out above, regions will retain the flexibility to utilise a wider range of regional outcome measures reflecting regional circumstances and priorities. In the East Midlands, most of the above indicators are already used as part of the RES Performance Management Framework (PMF) – a framework that was subject to extensive consultation as part of the RES Review completed in July 2006. *emda* will therefore retain the full suite of measures included in the existing RES PMF and use these as the basis of our annual reporting on regional outcomes and progress. Full definitions, sources and time series analysis of these outcome measures is published in the RES Performance Update available from [www.emintelligence.com](http://www.emintelligence.com). The Government's revised denominator used for the skills indicators (working age rather than economically active population) mean that they are no longer consistent with those used in the RES PMF. Future RES Performance Updates will therefore include these indicators.

The activities and investments of the Agency will be required to contribute to the regional economic growth objective and the key regional outcomes – this includes any funding that may be delegated to sub-regional or local partners.

### **3.3 MEASUREMENT OF CORPORATE OBJECTIVES**

The Corporate Objectives (set out in 2.3, 7.1 and 7.2 [Annex 3]) reflect our contribution to the delivery of the RES and are clearly linked to the regional economic growth objective and key regional outcome indicators. Given that these Objectives need to be suitably flexible for a three year period and are primarily focused on the overall impact of *emda*'s activities, the Corporate Objectives will be assessed via our programme of impact evaluation (and we will ensure that our evaluation timetable aligns with this requirement – see section 8), alongside annual performance monitoring of key regional outcomes. Programme activity funded by *emda* in support of these Corporate Objectives will continue to be measured and monitored annually via a framework of output targets.

### **3.4 *emda* OUTPUTS**

Although no longer formally part of the RDA Sponsorship Framework, *emda* will continue to utilise a framework of core outputs to monitor project level progress. The Corporate Plan sets out the framework of output indicators for the period 2008-11, along with the targets for 2008-9. The *emda* Board will agree annual output targets as part of the Business Planning cycle and disaggregation of these targets by Strategic Priority will be contained in our annual Business Plans. As we move towards implementation of SNR, with increasing delegation of funding to Local Authorities, it is important that we do not "straightjacket" partners with fixed outputs and outcomes in line with the priorities for each sub-region going forward.

The new RDA Sponsorship Framework offers significant flexibility to adapt the list of core outputs that we collect in order to better reflect regional circumstances and priorities, and the full range of our activity. We will therefore be able to act on one of the key recommendations arising from our existing programme of impact evaluation and ensure that we capture output measures that provide a fuller picture of the nature of our delivery activity. Whilst recognising these new flexibilities, it will be important that we still utilise a well established and appropriate output framework that is familiar to external stakeholders, delivery partners and will ensure that we maximise our current pipeline of outputs.

It is therefore proposed that we operate a phased approach to implementing a revised set of core output measures, with 2008-9 used as a transition year. As set out in the table below, we will no longer contract for outputs that we wish to phase out after 2008-9, instead concentrating on contracting for activity to deliver the new or ongoing output measures. This

will allow us to maximise our current pipeline of outputs and ensure that information (including definitions) on any new output measures is fully disseminated and understood by partners and project sponsors.

Output measures	2008-9	2009-10	2010-11
1. Job Creation - number of jobs created or safeguarded	✓	✓	✓
2. Employment Support - number of people assisted to get a job	✓	✓	✓
3. Business Creation - number of new businesses created and surviving 12 months and businesses attracted to the region	✓	✓	✓
4. Business Support - number of businesses assisted to improve their performance	✓	✓	✓
4a. Number of businesses within the region engaged in new collaborations with the UK knowledge base (HE/business collaboration projects)	✓	✓	✓
5. Regeneration: Public and private regeneration infrastructure investment levered (£M)	✓		
5a. Hectares of Brownfield land	✓		
New: Financial leverage – public and private investment levered (£M) (disaggregated by public and private sector)		✓	✓
New: Hectares of land brought into beneficial use (to be disaggregated by land reclaimed/land serviced/developed floor space)		✓	✓
6. Skills: The number of people assisted in their skills development as a result of RDA programmes	✓		
6a. Number of adults gaining basic skills as part of the Skills for Life strategy that count towards the Skills PSA Target	✓		
6b. Number of adults in the workforce who are supported in achieving at least a full Level 2 qualification or equivalent	✓		
New 6a: Number of adults in work gaining vocational skills at Level 3 or above		✓	✓
New 6b: Number of people in compulsory education or adults not in work, gaining an additional 12 hours of learning at any level, as a result of RDA programmes		✓	✓

It should be noted that a number of these output measures could be disaggregated by sector to facilitate a closer match to RES priorities. In addition, all will require further work on detailed definitions prior to implementation. In addition to the output framework, the Agency will wish to regularly monitor a range of Key Performance Indicators. These will be agreed by the Board and the Executive.

### 3.5 2008-9 Output Targets

The following table outlines the targets for 2008-9 which have been agreed as part of the Business Planning process and are disaggregated by Strategic Priority in the 2008-9 Business Plan.

Output measures	2008-9
1. Job Creation - number of jobs created or safeguarded	10,000
2. Employment Support - number of people assisted to get a job	5,200
3. Business Creation - number of new businesses created and surviving 12 months and businesses attracted to the region	2,500
4. Business Support - number of businesses assisted to improve their performance	25,000
4a. Number of businesses within the region engaged in new collaborations with the UK knowledge base (HE/business collaboration projects)	500
5. Regeneration: Public and private regeneration infrastructure investment levered (£M)	150
5a. Hectares of Brownfield land	80
6. Skills: The number of people assisted in their skills development as a result of RDA programmes	18,000
6a. Number of adults gaining basic skills as part of the Skills for Life strategy that count towards the Skills PSA Target	500
6b. Number of adults in the workforce who are supported in achieving at least a full Level 2 qualification or equivalent	1,700

Additional detail on outputs is contained in section 7.2 (Appendix 3)

The table at 3.4 shows the planned changes in core output focus. The new outputs will require work with key partners during 2008-9 to determine appropriate targets for the first two years of the Plan. These will be agreed by the *emda* Board and the Plan will be updated to reflect the revised outputs.

The output measures that are not changing will maintain the targets established for 2008-9 across three years of the Corporate Plan.

## **4.0 LEADERSHIP**

Our mission highlights the fact that in order to deliver our ambitions, we must use both influence and investment. Section 7.1 sets out how we will use both of these assets to deliver our objectives alongside the targets set in the Performance Framework. In addition, we have a key role to play in providing strategic leadership both within the region and beyond in order to ensure that regional and local stakeholders and Central Government align activity, support and influence behind the region's agreed objectives as set out in the RES.

It is critical that we broker these key relationships and foster an environment in which all stakeholders can work together to benefit the region. Moving forward, we will also seek to work closely with the Minister for the East Midlands in order to maximise the benefits of the establishment of the role of Regional Ministers. In addition, we remain committed to ensuring that the public, private and third sectors have the opportunity to play an active role in shaping and delivering the region's aspirations – we will fully utilise and support the established regional forums and platforms in this regard (including the Business Champions).

The reforms set out in the SNR further strengthen the need to ensure that all relevant stakeholders in the East Midlands work together effectively, and we will play a key role, working closely with the unitary and county authorities (working with other tiers of local government), East Midlands Regional Assembly (EMRA) and Government Office for the East Midlands (GOEM) to ensure that the region maximises the opportunities presented by the SNR and can move towards the new arrangements as quickly as possible. Significant progress has already been made with regards discussions with these partners and we believe that the East Midlands can build on these solid foundations in order to manage a smooth and effective transition to the post SNR landscape. With the executive responsibility for developing a Single Regional Strategy, and additional responsibilities for housing, transport and planning, we will seek to bring the same degree of partnership engagement and best practice consultation to our new responsibilities as demonstrated in the development of the RES. In addition, we will build upon our highly regarded evidence-based strategy and policy making approach to ensure that the evidence and analysis underpinning both regional and sub-regional economic assessments and strategies is comprehensive and robust. As set out in section 1.3.1, we are working closely with EMRA to ensure that we develop an integrated and shared evidence base to underpin the development of the SRS and to support the partial review of the RSS.

This focus on evidence and analysis will also support our engagement in a second Regional Funding Allocations (RFA) exercise which is due to take place in summer 2008 - it is expected that this will seek to include economic development, transport, housing, skills and European funding streams. We will build on the effective collaboration that took place in the region as part of the first RFA round, which resulted in a coherent and regionally agreed set of priorities.

We will also use our role to catalyse regeneration (in urban, rural and coastal areas), ensuring that investments in the region's built environment will ensure better economic performance. In addition, we will work with the Homes and Communities Agency, local authorities and other public/delivery agencies to ensure the effective alignment of housing, infrastructure and economic investments to support the region's sustainable economic growth.

We are also faced with a series of challenges and opportunities in the coming years in relation to additional new responsibilities, responding to legislative and policy changes and planning for significant events (e.g. London 2012). In addition to the new responsibilities highlighted above in the SNR, we will move further forward on Business Support Simplification, co-ordinating partner activity across the region in order to ensure non-proliferation of new products. This will include aligning programmes where applicable with the BSSP approved

skills solution. *emda*, through its role in the Regional Skills Partnership, will work closely with delivery partners (including our Sub-Regional Strategic Partnerships) on raising the skills base of the region (including skills for life, level 2, level 3 and higher level skills). As set out elsewhere in this Plan, we believe that our limited investment funds should be focused on higher level skills development and stimulating the business demand for skills. The transition of the Train to Gain brokerage service to *emda* in April 2009 and the delivery of an integrated brokerage service will also increase the role *emda* plays in promoting the Skills Pledge. These changes will allow *emda* to play an even stronger role in promoting the availability of Train to Gain to businesses, along with reinforcing the critical importance of investing in skills development across all skills levels. Implementing key strategies such as the Regional Innovation Strategy and its associated Regional Technology Framework will help to drive further improvements in the region's economic performance. Embedding new responsibilities with regards to Energy and Climate Change will raise the profile of the significant economic opportunity for the region in terms of productivity savings, new market opportunities and increased economic resilience, as well as further supporting our Sustainable Development agenda.

As part of our role in European issues, we will continue to provide strategic direction and management to the East Midlands European Office partnership in order to ensure that the region is represented by a visible, credible and influential presence in Brussels. In late 2007 the management of the 2007-13 European Regional Development Fund (ERDF) Competitiveness Programme was transferred from GOEM to *emda*. We will effectively manage the implementation of the Programme to ensure that activity is brought forward that meets the strategic objectives of the Operational Programme and contributes to its output and outcome targets. In addition, we will implement a robust performance management approach to the Funds in order to ensure that the region meets its annual spend targets.

Influencing Central Government policy, planning and thinking is also critical for the Agency and this will continue to be done both as part of the national RDA network and individually. In addition, we will champion and lead some of this cross-RDA activity through our lead roles on Construction, Europe, International Trade and Investment, and Manufacturing.

## **4.1 RDA Lead Role Responsibilities**

### **4.1.1 Construction**

As the lead on construction, we are committing to co-ordinating a consistent construction strategy across the RDAs. In order to do so, we must engage with other strategic government bodies with an interest in construction and develop strong links with industry in order to provide a strategic and collaborative approach for an industry wide improvement programme.

We will continue our work on the development and deployment of the Common Minimum Standards for construction projects. This will take place in partnership with OffPAT (Office of Project Advice and Training) and the national network of construction centres and will be linked to the adoption of the Construction Commitments by industry and clients. We will also support Central Government in the implementation of the Sustainable Construction Strategy and co-ordinate RDA support for innovation in construction through the simplified business support offer and other initiatives, such as the Innovation Platform for Low Impact Buildings and Knowledge Transfer Network for the Modern Built Environment. In addition, in partnership with the lead RDA on skills, we will work with the Construction industry to address its skills needs, with particular focus on the National Academy for Construction Skills initiative and skills for sustainable construction.

#### **4.1.2 Europe**

As detailed above, responsibility for the management and delivery of the 2007-13 ERDF (European Regional Development Fund) Programmes transferred to the RDAs at the end of 2007 following detailed negotiations between Central Government and the RDAs (led by *emda* in our European lead role capacity). The 2008-11 period will therefore be essential in terms of successfully concluding the final, detailed aspects of the transfer process and commencing the implementation and delivery of the ERDF Programmes. Where a collective RDA approach is required, *emda* will continue to co-ordinate the RDA network's input and lead dialogue with Central Government and the European Commission.

In addition, we will continue to nurture our strategic relationships with Central Government and European Commission officials in order to ensure that both the RDAs and the region can play a constructive role in wider European policy debates. In particular, discussions regarding future EU Cohesion Policy, the review of the EU budget in 2008, and the priorities for the next financial perspective (2014-20).

#### **4.1.3 International Trade and Investment**

Through our lead role responsibility, we manage the relationship with UK Trade & Investment (UKTI) and other 'International' issues requiring a collective input from RDAs.

The Action Plan from UKTI's 5-year strategy published in July 2006 continues to be shaped with the full involvement of RDAs. We will work to achieve this through working closely with the newly formed International Business Development Forum (the agreed streamlined mechanism for RDA engagement with UKTI, replacing the previous Committee of Overseas Promotion and Trade & Investment Partnership Group). We will also work to ensure that RDAs' interests are fully reflected in the implementation of recommendations from the 2007 reviews of Regional Trade Operations and UK Representation Overseas. In addition, we will seek to ensure that the potential for return on the RDAs' collective £0.5M investment in Shanghai Expo 2010 is maximised and that, as a key stakeholder, RDAs are influential in the development of the UK presence, including the final content and programme for the UK Pavilion. From April 2008 we will double the staffing resource devoted to this lead role activity.

#### **4.1.4 Manufacturing**

We recognise the strategic importance of manufacturing and we are responsible for maintaining and developing the RDA relationship with BERR on manufacturing policy and manufacturing business support. We will work closely with BERR, the RDAs, and the Devolved Administrations to develop the Government's Manufacturing Strategy and promote the lasting competitiveness of UK manufacturing.

In so doing, we will support the implementation of the manufacturing strategy objectives across the region and the UK, ensuring other policy areas reflect manufacturing needs and priorities, developing and disseminating good practice in manufacturing business support, and enhancing communication and co-operation with partners to maximise the impact of the policy and programme initiatives.

We will recognise success through the reflection of RDA needs and priorities in government policy and initiatives and through the implementation of discrete initiatives required to meet the policy objectives, e.g. consistent implementation of the BERR Manufacturing Advisory Service guidelines 2008-11 across the regions.

## 5.0 INVESTMENT

The CSR announcement included a 5% real cut in RDA funding. This represents a reduction in the funds available for investment of £20M over three years for *emda* and means that we will be required to further prioritise investment into areas where that funding can have the most significant impact.

The following table sets out our funding allocation reflecting the CSR announcement.

Table 1: Funding	2008-9			2009-10			2010-11		
	Revenue £,000	Capital £,000	Total £,000	Revenue £,000	Capital £,000	Total £,000	Revenue £,000	Capital £,000	Total £,000
<b>Total Funds</b>									
<b>Single Programme Allocation</b>	<b>82,971</b>	<b>76,738</b>	<b>159,709</b>	<b>82,799</b>	<b>74,869</b>	<b>157,668</b>	<b>80,926</b>	<b>73,046</b>	<b>153,972</b>
Estimated receipts	2,000	7,000	9,000	2,000	5,000	7,000	2,000	5,000	7,000
<b>Funding</b>	<b>84,971</b>	<b>83,738</b>	<b>168,709</b>	<b>84,799</b>	<b>79,869</b>	<b>164,668</b>	<b>82,926</b>	<b>78,046</b>	<b>160,972</b>
Non Cash Cost	(5,031)		(5,031)	(5,031)		(5,031)	(5,031)		(5,031)
Administration Costs	(17,315)	(400)	(17,715)	(17,068)	(400)	(17,468)	(17,068)	(400)	(17,468)
<b>Programme funds</b>	<b>62,625</b>	<b>83,338</b>	<b>145,963</b>	<b>62,700</b>	<b>79,469</b>	<b>142,169</b>	<b>60,827</b>	<b>77,646</b>	<b>138,473</b>

### 5.1 Receipts

In addition to the allocation under the Single Programme, income is also received from previous investments. The sources of income are:

#### Revenue

- Interest and profits payable by Blueprint LLP, a Public Private Partnership entered into in 2005 between *emda*, English Partnerships and Igloo Regeneration.
- Bank interest and interest on loans under a number of approved schemes.

#### Capital

- Proceeds from the disposal of assets held for redevelopment.
- Loan repayments from Blueprint LLP.

The level and timing of the receipts in some cases is not certain and hence the amounts included above are indicative.

### 5.2 Non Cash Costs

We are required to fund certain 'Non Cash' items such as depreciation, the movement on provisions and the cost of capital. We have been provided with an allowance for these costs by BERR which is shown above. The costs in relation to the reduction in value of sites held for regeneration are now covered by funding held centrally by BERR. A reduction in Single Programme funding of around £3M was applied to *emda* as a contribution to this Non Cash Central Fund.

### 5.3 Administration Costs

A section on Administration Costs is included within Section 8.6.2 of this Corporate Plan.

## 5.4 Programme Funds

Programme funds in 2007-8 were £148M compared to the £146M in 2008-9, £142M in 2009-10 and £138M in 2010-11. This is a consequence of a cash reduction of £20M over three years in Single Programme Grant in Aid. The reduction in funding has resulted in a need to further increase the focus of our investment into the areas where we can make a real impact on economic growth and to drive down the cost of our interventions.

In order to accommodate the reduction in funding, we have reviewed our investment in the following areas where:

- Additional responsibilities have been transferred to *emda* but the resources allocated exceed the additional funding provided;
- Commitments are low;
- Partner capacity to deliver would require additional *emda* support;
- The level of tasking framework output is low; and
- Other partners have a primary responsibility to deliver the policy area.

In these areas we have sought to rationalise our investment and focus on using our resources to lever in other funders into the area of activity.

## 5.5 Commitments

In order to ensure our ongoing delivery of those outputs identified in the Performance Framework and our contribution toward the Regional Targets, a substantial proportion of our Programme funds have already been committed.

The following table sets out our existing commitments over the period 2008-2011:

**Table 2: Existing Commitments**

	2008-9			2009-10			2010-11		
	Revenue £,000	Capital £,000	Total £,000	Revenue £,000	Capital £,000	Total £,000	Revenue £,000	Capital £,000	Total £,000
<b>Strategic Priorities</b>									
Employment, Learning & Skills	1,273	-	1,273	1,148	-	1,148	627	-	627
Enterprise & Business Support	25,239	7,375	32,614	21,606	3,840	25,446	17,051	3,043	20,094
Innovation	2,958	6,349	9,307	1,920	3,895	5,815	1,334	164	1,498
Transport & Logistics	94	-	94	35	-	35	-	-	-
Energy & Resources	698	100	798	22	-	22	-	-	-
Environmental Protection	470	439	909	405	-	405	50	-	50
Land & Development	1,579	18,332	19,911	1,619	8,108	9,727	1,620	2,566	4,186
Achieving Equality	949	671	1,620	784	-	784	666	-	666
Strategic Programme	856	-	856	965	-	965	377	-	377
<b>Regional Total</b>	<b>34,116</b>	<b>33,266</b>	<b>67,382</b>	<b>28,504</b>	<b>15,843</b>	<b>44,347</b>	<b>21,725</b>	<b>5,773</b>	<b>27,498</b>
<b>Sub Regional Total</b>	<b>4,249</b>	<b>6,469</b>	<b>10,718</b>	<b>1,411</b>	<b>468</b>	<b>1,879</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Strategic Priorities Total</b>	<b>38,365</b>	<b>39,735</b>	<b>78,100</b>	<b>29,915</b>	<b>16,311</b>	<b>46,226</b>	<b>21,725</b>	<b>5,773</b>	<b>27,498</b>

## **6.0 REGIONAL AND SUB-REGIONAL DELIVERY**

The previous Corporate Plan 2005-8 highlighted the need to reflect the economic diversity of the East Midlands region and set out our commitment to allocate a significant part of our funding at sub-regional level, drawing a distinction between Regional and Sub-regional delivery. This Corporate Plan continues with this distinction and this section outlines how delivery will be managed at the regional and sub-regional level.

During the previous Corporate Plan (2005-8) period, funding delegated to the sub regional level reached £50M across the seven Sub-regional Strategic Partnerships (SSPs), which represented over a third of all our Single Programme expenditure. Table 3 below shows the base position for the funding split between regional and sub-regional investment based on the existing level of funding allocated to the Sub-regional Strategic Partnerships (SSPs) with a reduction in line with *emda*'s overall reduction in funding under the CSR. The allocation shown is prior to any further delegation of funding under the SNR transition.

	2008-9			2009-10			2010-11		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Total Funds</b>									
Sub regional funds	14,724	34,381	49,105	14,691	33,544	48,235	14,337	32,727	47,064
Regional funds	47,901	48,957	96,858	48,009	45,925	93,934	46,490	44,919	91,409
Programme Delivery funds	62,625	83,338	145,963	62,700	79,469	142,169	60,827	77,646	138,473

**Table 3: Regional & Sub regional investment**

### **6.1 IMPLEMENTING THE SUB NATIONAL REVIEW**

The Sub National Review of Economic Development and Regeneration sets a new framework for sub-regional delivery of *emda*'s activities.

The Sub National Review recommends that market failures are best tackled at the level at which they occur. This suggests that the interventions funded by *emda* should be made at the same spatial level as the market failure they are addressing. The area in which the intervention has impact is a further consideration, with those projects with regional influence and impact best being delivered at a regional level. Other reasons for regional delivery might include economies of scale in delivering a uniform service across the region and the need to pilot an activity for later delivery at a sub-regional level. In the early stages of the new arrangements, capacity is likely to be a determining factor in the extent of delegation, and this will vary across the region, meaning that delegation will occur at different times in different sub-regions.

Initial discussions of the *emda* Board have concluded that:

- Our primary partners in determining future structures for effective sub-regional delivery will be the 9 county and unitary authorities across the region (Derby, Derbyshire, Leicester, Leicestershire, Lincolnshire, Northamptonshire, Nottingham, Nottinghamshire and Rutland). The 9 county and unitary authorities will work with other tiers of local government to carry out the economic assessment and determine the most effective mechanism for delivering economic development. This approach is consistent with the SNR and the authorities' responsibility for negotiating and delivering the LAAs.

- Delegation of funding will be contingent upon an agreed framework and appropriate private sector and other stakeholder engagement.
- Delegation to the 9 county and unitary authorities will take place within the context of the sub-regions' contribution to the overall regional outcome *objectives* and within a clear framework which identifies the appropriate spatial level for implementation of the RES and which establishes clear strategic programmes of activity for sub-regional delivery.
- A robust governance and performance management “contract” will underpin any delegation – including organisational capacity; managing conflicts of interest; financial management; appraisal; procurement; contracting; monitoring; and evaluation.

We have been working with the county and unitary authorities and the Sub-Regional Strategic Partnerships (SSPs) in order to begin discussions on the preferred approach to the delivery of economic development at the sub-regional level, including alignment with Local Area Agreements and Multi Area Agreements (where relevant). We have also stressed that, in two tier areas, county authorities will need to work closely with their respective districts and boroughs in defining their priorities for economic development. It is anticipated that new arrangements will be in place from 1 April 2009 and will be managed through a clear performance management framework. To initiate formal discussions, information has been provided to the county and unitary authorities (and the SSPs) at the start of April 2008. This document explains in more detail our rationale for initiating the changes to our sub-regional delivery and outlines the processes and procedures that will need to be satisfied prior to final agreement.

## **6.2 FOCUS OF SUB-REGIONAL INVESTMENT**

The seven Sub-regional Strategic Partnerships (SSPs) in the East Midlands deliver a wide range of activities on behalf of *emda*. The *emda* Board has agreed continued funding for the SSPs in 2008-9. In subsequent years, sub-regional delivery is likely to be undertaken by the 9 county and unitary authorities in the East Midlands. The boundaries of these local authorities do not map precisely onto the SSP boundaries, but the priorities set out below are unlikely to be significantly different to those for the best-fit local authority boundaries.

The SSPs are currently required to produce a three year Sub-regional Investment Plan (SRIP) - a summary of the priorities in each SRIP for 2008-11 is set out below. 2008-9 is expected to be delivered by the SSPs under the current arrangements; however, changes as a result of SNR could lead to a restatement of the long term investment priorities.

All projects are sourced and selected by the respective SSP; however, the appraisal and monitoring is carried out by the Shared Resource Centre (SRC) based at *emda*. Whilst it is the SSPs that decide their own priorities and projects, there is close co-operation with *emda*. This is particularly so in the case of Business Support activity, and all projects funded by SSPs are in line with the Business Support Simplification Programme (BSSP) that is co-ordinated at a regional level.

**Alliance SSP** are focusing their productivity priorities around enhancing higher level skills at Level 3 and above and will continue to support the Collaborative Higher Education Alliance to deliver more flexible access to higher education. With regard to land and property, the Alliance SSP will concentrate on developing growth zone initiatives in Sherwood, North Derbyshire and Robin Hood airport. They will look to develop graduate follow on space to support existing successful business incubation and innovation centres. To meet their equality agenda they will continue work to sustain and develop Market Towns as competitive and vibrant service and employment centres.

**Derby and Derbyshire Economic Partnership (DDEP)** are committed to developing a network of quality vocational centres across the sub-region to meet the needs of local people and employers. They will specifically develop a strategy for the sub-region as a recognised national Centre of Gaming Excellence. Their land and property priorities are working with *emda* to restore and refurbish key buildings across the sub-region, including Derby Roundhouse, Buxton Crescent and Spa, Central Area Leisure in Matlock, and Buxton Pavilion. Under the equality theme, DDEP will engage local people with local employment opportunities including tackling worklessness, smaller scale public realm works, and provision of small business units and workspace for use by owner managers and social enterprises. Through the Rural Action Zone DDEP will continue to focus on stimulating enterprise and providing the infrastructure for new employment and learning opportunities within the rural areas of the sub-region.

**Greater Nottingham Partnership (GNP)** will support skills development within Nottingham's key economic 'growth sectors' including science and technology, knowledge-based industries and the creative industries. They will continue to develop links to the Science City agenda, in particular with regard to the outcomes of the forthcoming Science City Property Implementation Plan. They remain committed to supporting the development and implementation of the Nottingham Station masterplan, and to encouraging greater use of public transport, cycling and walking through further expansion of the Integrated Transport System. GNP will continue to develop the 'making the connections' model to prioritise incapacity benefit claimants, lone parents, Black and Minority Ethnic groups, and families on low incomes.

**Lincolnshire Enterprise (LE)** will support development initiatives within the key sub-regional sectors of specialist electronics, advanced engineering, creative industries, construction, and food and drink. LE will develop projects in employment, learning and skills that will support a multi-agency approach to delivering a skilled workforce for the sub-region. They will continue their involvement in property development based on masterplans and feasibility studies in Grantham, Gainsborough, Spalding and Boston. LE will target the most disadvantaged communities in Lincolnshire to ensure that where the need exists there is support to tackle worklessness and economic exclusion.

**Leicestershire Economic Partnership (LSEP)** will identify activity that will improve vocational provision, especially in the priority sectors of construction, engineering, retail, food and drink, creative industries and healthcare. To meet their land and property priorities they will facilitate the identification and release of business parks and high quality employment sites in the right locations to realise the economic potential of the sub-region and will promote future growth opportunities linked to sites adjoining the main urban centres and linked to areas of deprivation. Through the equality theme, LSEP will support activities moving people from unemployment and incapacity benefit into work, and promote enterprise in deprived communities.

**Northamptonshire Enterprise Limited (NEL)** will provide support for key sectors within the sub-region such as engineering linked to motorsport, environmental technologies, financial and business services, creative industries and construction. They will continue to support the provision for quality employment sites across the sub-region to support job growth, particularly in priority sectors. NEL will provide support for the Redundant Rural Buildings Scheme to help support diversification within the agricultural sector, and support for the development of access centres within deprived communities as a means to enable skills development and encourage economic activity.

**Welland SSP** will look to improve vocational provision, outreach activity and access in priority sectors such as construction, heritage skills, engineering and manufacturing, food and drink, and creative industries. The Welland SSP will promote an enterprising culture and work to support diversification opportunities for the land based sector. Aligned to this they will also look to maximise the economic opportunities presented by changes to the agricultural and land based sector including the need for diversification and the release of redundant buildings for economic and employment use. Due to the specific nature of the sub-region, the Welland SSP will support rural access centres and enterprise centres to act as local hubs and sub-regional spokes.

## **7.0 REGIONAL STRATEGIC PRIORITY ACTIVITY**

The RES Strategic Priorities set the framework for our regional activities alongside a consideration of the cross-cutting principles of Raising Productivity, Ensuring Sustainability and Achieving Equality.

The analysis and consultation undertaken to date (see section 2.2) has highlighted that whilst we have a role to play across all RES Strategic Priorities and almost all Priority Actions, we should seek to prioritise key areas of investment in the following areas:

- **Employment, learning and skills**
- **Enterprise and business support**
- **Innovation**
- **Energy and resources** – specifically addressing the Energy White Paper
- **Environmental protection** – specifically Sustainable Construction
- **Land and development**

These priorities shape our investment decisions and we have allocated the majority of our funding to these areas ahead of any further delegation sub-regionally. As previously articulated, the Agency is active in all RES Priority Actions through either investment or influence, but with limited resources our investment priorities need to be focused on those areas that are most appropriate for RDA investment and will deliver against the regional economic growth objective and key regional outcomes. Any future activities that may be delegated sub-regionally will need to reflect the aims and objectives set out within the Corporate Plan.

The table below shows the Regional funding allocated to each Strategic Priority. The funding shown for 2008-9 is consistent with the 2008-9 annual Business Plan, with SNR expected to result in changes to both Strategic Priority allocations and the regional/sub regional split. This will be reviewed annually as part of the Business Planning process with the Corporate Plan updated accordingly.

<b>Table 4: Regional Funding Allocation</b>			
<b>Strategic Priorities</b>	<b>2008-9 Total £000</b>	<b>2009-10 Total £000</b>	<b>2010-11 Total £000</b>
Employment, Learning & Skills	4,533	4,044	3,921
Enterprise & Business Support <sup>8</sup>	39,232	38,568	37,678
Innovation	14,449	15,587	17,768
Transport & Logistics	581	581	331
Energy & Resources	4,721	2,104	1,596
Environmental Protection	2,159	2,099	1,494
Land & Development	25,557	25,953	24,800
Achieving Equality	3,970	3,448	2,521
Strategic Programme	1,656	1,550	1,300
<b>Total allocation</b>	<b>96,858</b>	<b>93,934</b>	<b>91,409</b>

<sup>8</sup> Includes Tourism & International Trade and Inward Investment funding and £1.5M in 2009/10 and 2010/11 for the delivery of Train to Gain.

The following section outlines the focus of our activities (both in terms of investment and influence) over the Corporate Plan period and, in support of the issues outlined above, demonstrates the breadth and depth of our potential activities but also seeks to show areas of prioritisation and focus.

## 7.1 INVESTMENT

Structured around the Agency's Corporate Objectives, our programmes of investment set out below will support *emda's* contribution to the regional economic growth objective and the key regional outcomes related to productivity, employment, skills, innovation and enterprise. In addition, we have included the appropriate regional outcome measures from the RES Performance Management Framework (PMF) – see section 7.2 (Annex 3). However, these are not the only outcomes that may be influenced by Agency activity. In every case, programmes of investment will deliver outputs that influence intermediate outcomes that in turn will influence the high level outcomes listed. For example, the Enterprise and Business Support Priority encompasses activity on tourism, international investment and trade promotion. These activities are intended to lead to increased visitor spending; increased inward investment and international trade within the region. These intermediate outcomes should in turn influence the higher level regional outcomes set out in the RES PMF.

<b>EMPLOYMENT, LEARNING AND SKILLS</b>		
<b><u>Corporate Objective</u></b>		
To work with key partners to strengthen the regional skills base, enhance the employability of the workforce and therefore improve productivity and increase economic growth in the region.		
<b><u>Funding £000</u></b>		
2008-9: 4,533	2009-10: 4,044	2010-11: 3,921
<b><u>Programmes of Investment</u></b>		
<p><b>Developing the skills of the current and future workforce:</b> a suite of activity to increase access to work experience and improve the take up and delivery of sciences, technology, engineering and maths (STEM) subjects; support for foundation degrees, undergraduate employability, engaging ex offenders and for the migrant workforce.</p> <p><b>Stimulating business demand for skills:</b> a suite of activity including management and leadership skills, graduate employment and sector skills development.</p> <p><b>Improving the infrastructure and responsiveness of skills supply:</b> demand-led fit for purpose higher and further education provision through targeted capital investment in support of wider regeneration.</p> <p><b>Exploiting the opportunity of Higher Education:</b> activity to encourage HEIs to offer learning in a more flexible way that meets the needs of businesses and individuals.</p>		

## ENTERPRISE AND BUSINESS SUPPORT

### Corporate Objective

To provide a coherent and co-ordinated suite of programmes in line with the Business Support Simplification Programme (BSSP), and Government's Enterprise Strategy "Unlocking the UK's Talent", that will increase regional growth by promoting enterprise and increasing productivity through business investment.

### Funding £000

2008-9: 39,232

2009-10: 38,568

2010-11: 37,678

### Programmes of Investment

**Enterprise Culture:** activity aimed at improving enterprise capabilities for both future entrepreneurs and employees including increasing awareness of starting a business as a career option; linking with our activities to promote the social enterprise business model, Women's Enterprise, and those undertaken under the Achieving Equality Strategic Priority.

**Universal Business Support Services:** a suite of activity primarily delivered under the Business Link brand and including start up support (including the New Business New Life campaign), the provision of the Business Link Information Diagnostic and Brokerage Service as well as a range of supplementary support tailored to the needs of different sectors and communities (including social enterprise).

**Intensive Business Support Services:** a co-ordinated range of bespoke products targeted to help all businesses innovate and grow including: mentoring, high growth support; changes to products, markets or processes (Business Transformation Grant); improving operational efficiencies (Manufacturing Advisory Service); diversity; and resource efficiency.

**Access to Finance:** a range of grants, loans and equity products to support business investment, including Grants for R&D, Selective Finance for Investment; and debt finance and risk capital, all underpinned by a programme of finance and investment readiness support.

### International Trade and Investment

**Attracting Foreign Direct Investment:** targeted overseas promotion and representation in order to increase the number of overseas companies locating in the region, focusing on knowledge-driven, R&D intensive RES priority sectors.

**Investor Development:** co-ordinated support for existing investors from overseas and indigenous large employers to retain and grow their investment in the region and re-invest.

**Helping companies to do business internationally:** providing tailored support to supplement UKTI activity, to help more companies succeed in overseas markets, with a particular focus on the two high growth markets of China and India through specialist bureaux.

### Tourism

**Tourism Marketing:** inbound and domestic marketing activities, including advertising, promotions, PR and improved sales and distribution channels, to attract more leisure and business visitors to the region.

**Developing the Tourism Product:** improving the quality of the region's tourism offer to ensure better visitor experiences and more repeat visits to the region; through investment in tourism attractions, improving skills in the industry and ensuring quality standards are attained.

<b>INNOVATION</b>		
<b><u>Corporate Objective</u></b>		
To implement the region's Innovation Strategy by delivering a co-ordinated suite of funded activities that aim to raise regional productivity by encouraging the development of knowledge, skills and creativity within businesses and individuals, whilst also building on the industrial and research strengths of the region.		
<b><u>Funding £000</u></b>		
2008-9: 14,449	2009-10: 15,587	2010-11: 17,768
<b><u>Programmes of Investment</u></b>		
<p><b>Knowledge Exchange:</b> increasing the rate and level of exchange between research (primarily in the region's universities) and business.</p> <p><b>Innovation Support for Businesses:</b> supporting businesses, especially SMEs, to use innovation as a route to improved competitiveness and productivity.</p> <p><b>Creating the Environment for Innovation:</b> through the development of an integrated network of facilities which includes Innovation Networks (iNets), organisations and people.</p> <p><b>Fostering Enabling and Emerging Technologies:</b> prioritising investments to build on our regional strengths as outlined in our recently published Regional Technology Framework.</p> <p>The above overarching programme areas are in line with the East Midlands Innovation Strategy and Action Plan 2007-10. We will target and encourage investment on the priority sectors described in the RES, namely Transport Equipment, Healthcare, Food &amp; Drink and Construction.</p> <p>We expect to align more than £20M of our investment in Innovation to the Strategic Priorities of the Technology Strategy Board.</p>		

TRANSPORT AND LOGISTICS					
<p><b><u>Corporate Objective</u></b> To work with partners and delivery agencies to increase economic growth through enhancing the efficiency, flexibility and sustainability of the region's transport infrastructure.</p>					
<p><b>Funding £000</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">2008-9: 581</td> <td style="width: 33%;">2009-10: 581</td> <td style="width: 33%;">2010-11: 331</td> </tr> </table>			2008-9: 581	2009-10: 581	2010-11: 331
2008-9: 581	2009-10: 581	2010-11: 331			
<p><b><u>Programmes of Investment</u></b></p> <p>This Priority concentrates on our strategic and policy functions related to influencing the region's transport infrastructure, including catalytic investments to support the development of transport solutions delivering the region's sustainable economic growth aspirations.</p> <p><b>Transport Feasibility and Innovative Projects:</b> to fund the design and other technical/business case work related to key infrastructure proposals, including innovative and pilot schemes.</p> <p><b>Transport Policy:</b> funding to support activities (research, policy development, studies, etc) to shape national, regional and sub-regional policy, including contributions towards future Regional Funding Allocation exercises.</p>					

ENERGY AND RESOURCES					
<p><b><u>Corporate Objective</u></b> To work with key partners to develop and deploy renewable and low carbon technologies, processes and skills to improve economic growth, resilience and efficiency and work towards the development of a sustainable and secure supply of energy and waste services.</p>					
<p><b><u>Funding £000</u></b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">2008-9: 4,721</td> <td style="width: 33%;">2009-10: 2,104</td> <td style="width: 33%;">2010-11: 1,596</td> </tr> </table>			2008-9: 4,721	2009-10: 2,104	2010-11: 1,596
2008-9: 4,721	2009-10: 2,104	2010-11: 1,596			
<p><b><u>Programmes of Investment</u></b></p> <p><b>Climate Change:</b> activities to support and encourage businesses in their responses to climate change by adapting to new risks and threats; and, reducing reliance on fossil fuels and raw materials through greater efficiency, deploying new technologies, improving skills and promoting sustainable design.</p> <p><b>Energy for Enterprise:</b> a co-ordinated range of activity to assist businesses to create and exploit low carbon opportunities and markets through new partnerships with universities and the R&amp;D community, including the new Energy Technologies Institute; investment in showcasing and deploying low carbon technologies and renewables; and supporting innovation within key regional energy supply chains.</p> <p><b>Low Carbon Infrastructure:</b> strategic activities to influence investments in the provision of sustainable and secure energy and waste infrastructure to meet the region's future needs, including supporting the development of innovative solutions to energy and waste services provision.</p>					

<b>ENVIRONMENTAL PROTECTION</b>		
<p><b><u>Corporate Objective</u></b>            To work with partners to improve environmental quality and contribute to sustainable economic growth through the protection and enhancement of the region's environmental infrastructure.</p>		
<p><b><u>Funding £000</u></b></p>		
2008-9: 2,159	2009-10: 2,099	2010-11: 1,494
<p><b><u>Programmes of Investment</u></b></p> <p><b>Environmental Infrastructure and Ecological Services:</b> investing in green and environmental infrastructure to improve place-shaping, overcome barriers to investment, create economic value and support activities which enable the region to adapt to inevitable climactic changes.</p> <p><b>Regional Sustainable Development Capacity Building:</b> regional programme of research, training, case study development and project visits to enhance the capability of regional stakeholders in integrating sustainable development best practice.</p> <p><b>Built Environment and Sustainable Communities:</b> supporting the development of attractive physical/investment locations (that exploit the potential of sustainable construction techniques), leading to more sustainable communities and addressing health and social inequalities. Sustainable Construction will feature as:</p> <ul style="list-style-type: none"> <li>• The specific focus of the iNet for Sustainable Construction addressing innovation, skills and investment;</li> <li>• The purpose of the proposed development of the iHub for sustainable construction with a focus on the housing sector;</li> <li>• A work stream within the work of the East Midlands Centre for constructing the Built Environment – funded to 2010 by <i>emda</i>; and</li> <li>• The focus of the investments to be made by the New Technology Initiative Construction networks 5<sup>th</sup> business plan.</li> </ul> <p>See Innovation section for additional details of <i>emda</i>'s iNet initiative</p>		

**LAND AND DEVELOPMENT**

**Corporate Objective**

To work with partners and delivery agencies to increase economic growth through the development of employment sites, mixed use schemes and associated infrastructure necessary to support the changing needs of a productive economy, while embedding the principles of sustainable design and construction.

**Funding £000**

2008-9: 25,557	2009-10: 25,953	2010-11: 24,800
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**Programmes of Investment**

**Quality and Supply of Employment Sites:** employment space and related infrastructure; and previously developed land and buildings.

**Regeneration:** capturing the urban offer; waterways; and regeneration at intermodal facilities supporting growth and development at the region's key transport interchanges. Designing out crime and anti social behaviour where appropriate.

**Land Remediation:** brownfield land action plan.

**Property Management and Partner Support:** management of *emda* owned or controlled assets and the National Coalfield programme; and support for key delivery partners.

<b>ACHIEVING EQUALITY*</b>		
<b>Corporate Objective</b>		
To work with partners and delivery agencies to increase economic growth by enabling people and communities in the East Midlands to contribute to, and benefit from, the region's prosperity – promoting access to opportunity for all and reducing economic inequalities within the region.		
<b>Funding £000</b>		
2008-9: 3,970	2009-10: 3,448	2010-11: 2,521
<p>This programme supports interventions designed to improve the economic opportunities of disadvantaged people and communities. The rationale is twofold: equity and productivity growth. The majority of <i>emda</i> activity addressing economic equalities is provided through our mainstream services and investments: e.g. land and development; enterprise and business support; and employment and skills. This section describes additional strategic and project investments to stimulate new economic opportunities and contribute to the development of cohesive communities.</p> <p><b>Cohesive Communities:</b> supporting regional VCS infrastructure services; supporting the economic integration of migrants; and, investing in community asset development to support new economic activity.</p> <p><b>Economic Renewal:</b> development of the region's social enterprise sector through SEEM's regional infrastructure services and social enterprise investment programmes; supporting economic resilience in town centres through business led initiatives; unlocking the economic potential of public procurement in local areas; support for economic renewal in the Coastal Action Zone and Peak District; and rural interventions to raise productivity through tackling access to jobs and services.</p> <p><b>Economic Inclusion:</b> catalysing a culture of enterprise; stimulating entrepreneurship as a career opportunity for young people; innovative approaches to addressing persistent worklessness; awareness raising activities related to health and exclusion; and awareness raising activities related to equalities and the economy.</p>		

\* To note – this Objective covers the three Strategic Priorities of Cohesive communities, Economic renewal and Economic inclusion.

It should also be noted that our investment in activities relating to London 2012 and the arts and culture agenda are embedded across a range of Strategic Priorities and Corporate Objectives.

## **Rural**

We continue to be fully committed to our obligation to consider the needs of the rural parts of the region (including regeneration activities in rural and coastal areas). By mainstreaming our rural activities, we will therefore consider rural needs in the context of *all* the Strategic Priorities. *emda*'s Rural Team works across the organisation in the development of our policies, programmes and projects in order to ensure that rural issues are appropriately considered at the early stages of development. In addition, the team works on specific projects to ensure that the interests of rural areas are reflected, for example in 2007 we ensured that the Agency's flood recovery fund was suitable for, and could be accessed by, land based businesses. This is a key part of our 'rural proofing' responsibility, which also extends to the policies and plans of other agencies delivering in related areas or on behalf of *emda*. In addition to our Single Programme Investment, we are also responsible for delivering

the socio-economic elements of the Rural Development Programme for England (RDPE), amounting to approximately £60million of EU and Defra funding, between 2007-13. The funding will support activity aimed at improving competitiveness, collaboration and diversification in the agricultural and land-based business sectors and their associated supply chains, as well as enhancing opportunity and quality of life in rural areas. Skills development, resource efficiency, innovation and renewable energy will be features of the programme. We will also share best practice and learning with the emerging Coastal Areas Network led by SEEDA.

## **7.2 CORPORATE OBJECTIVES**

In support of section 7.1, the table at Annex 3 provides further information on our Corporate Objectives and our intended activities. It also includes appropriate RES outcomes, *emda* outcomes and milestones and *emda* outputs.

## **7.3 INFLUENCE**

Section 4 outlines our overarching approach to leading the region in economic development strategy and policy making. Within each Strategic Priority, we also undertake strategic leadership, partnership development, relationship building and policy shaping activities. This activity is critical to the Agency's work and, alongside our investment in specific programmes or projects, enables us to deliver our objectives. The breadth of influencing activity is considerable and not easily summarised, but can be broadly categorised as follows:

**Promoting and supporting evidence-based policy making** – the ongoing enhancement of the RES evidence base and the use of this data for bespoke profiles (e.g. SSP profiles, rural evidence base, urban evidence base etc) underpins this objective. In addition, we work with partners to commission research and feasibility studies related to key policy issues and promote the active dissemination of these findings (e.g. studies relating to Migrant Workers and Congestion).

**Strategy and policy development** – we have ongoing responsibilities in relation to the Regional Economic Strategy and a range of supporting strategies and action plans (including a new Regional Technology Framework, a brownfield land action plan and the Rural and Urban Action Plans).

**Cross-border collaboration** – due to our central location, the East Midlands has boundaries with five other regions and consequently we undertake a great deal of cross-border activity – working with other RDAs and partners as appropriate. Examples include: Milton Keynes South Midlands; Sheffield City Region; and Midlands Way. This work will become increasingly important as Multi Area Agreements are established in a number of areas that encompass parts of the East Midlands. In addition, we collaborate with other RDAs on issues such as overseas representation as the British Midlands (AWM) and motor sport development (SEEDA, EEDA and AWM).

**Policy influence** – it is extremely important for the Agency to utilise its regional knowledge and expertise to influence national policy frameworks so that they support regional objectives. This issue of policy influence cuts across all aspects of the Agency's work, but there is a particular focus on the following issues at the current time: employment, learning and skills; innovation, technology and science; transport and logistics; energy and waste.

**Engagement with the private sector** – this is a critical area of work in order to underpin our role as an advocate for business interests and we support or actively participate in a range of

business groups and forums e.g. East Midlands Business Forum, Business Support Forum, Diversity Advisory Group etc.

**Engagement with the Third Sector** - the Third Sector is defined as non-governmental organisations that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, social enterprises, co-operatives and mutuals. The Third Sector therefore makes a significant contribution to the region's sustainable economic wellbeing, contributing to social, economic and environmental development. The Third Sector represents a key constituency for *emda*, which is active across all of the RES Strategic Priorities and areas of delivery highlighted in this Plan. The sector is, therefore, a key strategic regional partner as well as vital to contributing to, and delivering, local change. To ensure that the sector maximises its contributions to the delivery of the RES and the Agency's Corporate Plan, *emda* supports the regional strategic activities of the region's social enterprise and VCS infrastructure bodies.

- **Social Enterprise** - *emda* will continue to support social enterprise development, including supporting Social Enterprise East Midlands (SEEM), to ensure the growth and development of social enterprises. This support will continue, as will our commitment to deliver against the RDA obligations detailed in the National Social Enterprise Action Plan (Office of the Third Sector, Cabinet Office, November 2006). We will also continue to focus on mainstreaming social enterprise issues and activities across all RES Strategic Priorities, particularly in relation to business support issues.
- **Voluntary and Community Sector (VCS)** - *emda* will continue to support the development and activities of the East Midlands Single Platform to ensure that the sector is fully engaged in regional policy development and that the sector's contribution to regional development is recognised and maximised.

**Partnership facilitation** – activities related to strategic leadership and partnership facilitation are evident within all aspects of the Agency's remit. There is, however, a particular focus on connecting businesses and the region's universities and Further Education colleges with regards to skills, innovation and technology. We also play a leading role in the Employment Skills and Productivity Partnership (esp) and the business support simplification process across the region, as well as the tourism sector.

We work closely with partners across all sectors and a range of sub-regional and local delivery bodies including the Urban Partnership Group, Urban Regeneration Companies (Derby Cityscape, North Northants Development Company, Leicester Regeneration Company and other established regeneration vehicles e.g. Nottingham Regeneration Ltd), the East Midlands Rural Affairs Forum, Culture East Midlands and the Destination Management Partnerships as well as a number of partner agencies such as English Partnerships. In addition, we work closely with other partners such as the Highways Agency, Network Rail and the Environment Agency to advise and influence the development of their strategies or investment programmes and also focus on partnership working related to the climate change and sustainable development agenda. Collaboration with Social Enterprise East Midlands, Job Centre+ and other relevant agencies brings a focus to our activities in relation to worklessness and tackling barriers to employability.

## **8.0 ORGANISATIONAL CAPACITY AND DEVELOPMENT**

### **8.1 INTRODUCTION**

The National Audit Office Independent Performance Assessment (IPA) undertaken in December 2006, rated *emda* as the joint top rated RDA along with OneNorthEast. As with all RDAs, the assessment highlighted a need to further develop the capacity of the Agency to respond to the challenges of delivering across our broad agenda. This section sets out how we will continue to improve our effectiveness through:

- Using evaluation and economic evidence to further develop our strategy and policy decision making;
- Further developing our Performance Management Framework to provide the right information for decision making;
- Building on our strong Corporate Governance Framework; and
- Using our organisational assets to manage the Agency effectively and efficiently.

#### Independent Performance Assessment Improvement Plan

Following publication of the IPA Report we were required to publish an Improvement Plan. Our Board formally adopted the Improvement Plan and agreed:

- The Board's Audit Committee will monitor progress on behalf of the *emda* Board; and
- The Improvement Plan will be shared with the Government Office for the East Midlands and reviewed formally by the Board as part of its six monthly review of the Agency's performance.

Good progress has been made in implementing the improvements set out in the plan. The remaining improvements relate to:

- The evaluation of activity and the feedback loop into Strategy and Policy Development;
- Smoothing the spend profile more evenly across the year in order to improve the business planning cycle and generate efficiencies for the Agency;
- Continuing to develop a commissioning rather than a grant-giving approach;
- Improving communication with stakeholders;
- A continuation of mainstreaming the diversity agenda; and
- Working with GOEM to ensure that strong relevant expertise on the Board continues.

### **8.2 EVALUATION**

#### Impact Evaluation

In 2005, we commenced an ambitious independent evaluation of *emda*'s impact since it was established in 1999. Structured around the 12 strands of the then Regional Economic Strategy, Destination 2010, the evaluation project addresses three key aims:

1. To provide evidence as to the extent to which programme activities under each strand of the RES have been effective and efficient and to what extent expected outputs and outcomes (effects) have been achieved and to identify the secondary and tertiary impacts of those interventions;
2. To provide evidence of how and why particular activities and interventions pursued by *emda* under each strand are working, or failing to work, to inform the development of future policy and programmes; and
3. To articulate, examine and assess *emda*'s Strategic Added Value.

Our approach and methodology is consistent with the requirements set out by BERR in terms of the national Impact Evaluation Framework. This impact evaluation project consists of five phases. The inception phase was completed in August 2005. Three other phases relate to the evaluation of the 12 strands of the RES and two legacy programmes (coalfields and Single Regeneration Budget). The final of the five phases is the overall assessment, which will pull together the work on individual strands and consider *emda's* impact as a whole. Whilst the interim findings from the first phases have been positive, and have been shared with BERR as part of our Evaluation Steering Group, the next critical issue is the overall assessment of our impact – which is due to be completed in summer 2008. The Agency is in a strong position with regards our contribution to the next aggregate RDA impact report, with an extremely high level of evaluation coverage. The Agency has taken, and will continue to take, a proactive approach to collaboration with other RDAs on evaluation, along with dissemination of best practice and learning through formal and informal structures.

Although the programme of evaluation has not yet completed, we have already instituted a number of process improvements intended to enhance the ability of the Agency to evaluate impact on an ongoing basis. In particular, revisions have been made to the project appraisal and monitoring procedures to ensure that evaluation plans and enhanced monitoring arrangements are in place prior to project initiation. This process has been underpinned by a comprehensive programme of evaluation and monitoring training delivered to all *emda* staff engaged in project development and management. Where appropriate, the findings of the overall impact assessment detailed above, will be used to guide the Agency's future policy and investment priorities. We have already sought to ensure that learning from the individual phases of the impact evaluation (and project level evaluations carried out by the Agency) inform ongoing policy and project development.

#### Forward Evaluation Plans

*emda* is committed to maintaining our leading position as an RDA practitioner of impact evaluation (as highlighted in the IPA assessment). The new outcomes-focused Performance Framework requires us to better integrate impact evaluation into routine performance management. Section 3.3 highlights the role that evaluation will play in assessing our impact against the Corporate Objectives set out in this Plan.

Moving forward, we will implement a rolling sequence of programme evaluation designed to enable the Agency to establish the impact of its activity against Corporate Objectives and RES regional outcome measures. This programme will be scheduled both to facilitate the reporting of impact against Corporate Objectives, within the lifespan of this Corporate Plan, and the regular assessment of impact required in order to ensure that the Agency is able contribute to national RDA impact reports as required by BERR. The approach will utilise the structure of the Corporate Objectives (which clearly align with the Strategic Priorities of the RES), with activity delivered and evaluated through a range of Programmes, to which a range of underlying principles will be systematically applied. This will include the demonstration of a clear logic chain including RES Objective, Corporate Objective, Regional Outcomes, *emda* Outcomes and Outputs. The high level framework for this approach is set out in 7.2 and will be further developed as part of the Programme-level evaluation plans.

### **8.3 ECONOMIC EVIDENCE**

In addition to the programme of impact evaluation described above, we remain committed to enhancing our capacity to underpin the development of the Regional Economic Strategy (and, in future, the Single Regional Strategy) with a robust evidence base comprising both research and evaluation. To this end, we have strengthened our corporate research and evaluation function and funded the establishment of the ONS Regional Presence (co-located at *emda*). We remain

committed to working with regional partners to ensure that we all benefit from a robust regional evidence base and through Intelligence East Midlands, we will continue to support the establishment of a regional intelligence network designed specifically to promote joint working and research collaboration within the region.

Furthermore, a key element of our planning for implementation of the SNR relates to building the capacity necessary to support the production of a more spatially sophisticated evidence base suitable to underpin production of the first Single Regional Strategy.

## **8.4 PERFORMANCE MANAGEMENT**

In order to track progress against the Corporate Plan, an annual Business Plan will set out in detail the funding and deliverables to meet the Corporate Plan. The Business Plan will form the basis for all in year performance reporting and will be cascaded into Directorate Plans; and finally into personal objectives. Progress against the Business Plan will be reviewed by the Executive Team, Directors Group and the Board.

For external reporting of progress against this Corporate Plan, as part of our Annual Report and Accounts, we will produce an Annual Performance Report on the activities we have undertaken in support of the regional economic growth objective and in support of the underpinning outcomes-focused indicators. The Annual Performance Report will also:

- Report on our progress against the Corporate Objectives;
- Demonstrate how our activities have contributed to supporting the regional growth objective;
- Demonstrate how the cross-cutting principles have been applied; and
- Set out the results of evaluation work completed over the previous year.

The Annual Report and Accounts will be published and laid by the sponsor department, BERR, before Parliament.

As part of its sponsor role, BERR will monitor our progress through a mid-year High-Level Review meeting with *emda's* Chair and Chief Executive and an end-year meeting, timed to coincide with completion of the Annual Report.

In addition to the above reporting requirements we will continue to meet contractual reporting requirements on Business Link performance (to incorporate Train to Gain Brokerage in due course) and specific reporting requirements for:

- Manufacturing Advisory Service; and
- Business Resource Efficiency & Waste.

We will also meet EU reporting requirements for ERDF and RDPE and any reporting requirements associated with equality legislation or other national legislation.

## **8.5 CORPORATE GOVERNANCE**

*emda* is an Executive Non Departmental Public Body sponsored by the Department for Business Enterprise & Regulatory Reform (BERR). *emda's* Chair and the Board are appointed by the Secretary of State.

The Chair is drawn from a commercial background with the other Board members drawn from the private, public and voluntary sectors. The Chair and Board are appointed in line with the Code of Practice issued by the Commissioner for Public Appointments

The Chief Executive Officer of the Agency, as Accounting Officer, is responsible for operating *emda* in line with the framework specified by the Secretary of State and BERR in *emda's* Management Statement and Financial Memorandum. The Chief Executive Officer works with the Board using an Audit Committee to provide assurance on the adequacy, effectiveness and efficiency of *emda's* risk management, control and governance process.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide

reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of *emda's* policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact and to manage them efficiently, effectively and economically.

As a public body, accountable to Parliament and the people of our region, and operating in a governance framework set and monitored by the Treasury and our sponsoring Department we are required to comply with the highest standards on legal and financial matters, and to be able to account in detail for our decisions and actions. The way we have sought to achieve this is to integrate risk management processes into our core business processes. By giving guidance, training and equipping our staff to deal effectively and efficiently with their every day duties, we believe the key risks we face will be managed.

The Comptroller and Auditor General is appointed by statute to audit *emda*, and reports to Parliament on the truth and fairness of the Annual Report and Accounts. The Comptroller and Auditor General also has statutory powers to report on the economy, efficiency and effectiveness with which *emda* has used its resources.

Our Annual Report and Accounts will include a full report on how we discharge our duties in respect of our staff, in relation to diversity, equality and other statutory obligations, and also shows how we organise our business to ensure effective delivery and management of our affairs.

Underpinning the delivery of the Corporate Plan is a Corporate Governance Framework set out in our Corporate Governance Manual. The Framework details the responsibilities and authorities required in the operation of *emda* along with supporting risk management and decision making processes. It also sets out the code of conduct under which the Agency's Board and staff operate, and sets out how the Board, Executive Team and Directors work together to deliver our objectives.

## **8.6 ORGANISATIONAL RESOURCES**

### **8.6.1 Organisational Structure and People**

*emda's* current structure at 16 January 2008, is shown in **Annex 4**. This contains an establishment of 270 employees. The *emda* website ([www.emda.org.uk](http://www.emda.org.uk)) contains details of the Agency's management team and their responsibilities. It also contains details of Board Appointments.

*emda's* organisational structure will evolve over the life of the Corporate Plan to ensure that we are organised to optimise delivery of the activities contained within this Corporate Plan. The implementation of the Sub National Review is likely to have a significant impact on this structure with reference to our new responsibilities and relationships with other bodies. Although the transition will be managed through *emda's* Board, Remuneration & HR Committee and Executive Team in particular, it is noted that the Agency will ensure it has the appropriate development strategies and investment in place in order that our people able to respond appropriately to any changes.

### **8.6.2 Administration Costs**

The CSR announcement included an allowance for administration costs for each RDA. The level of administration costs reflected a commitment made by RDAs to reduce overall costs by £34M across the RDA family.

Within the CSR announcement the level of administration costs agreed for *emda* was:

- 2008-9: £17.7M
- 2009-10: £17.5M
- 2010-11: £17.5M

This represents a reduction of £1.2M over three years compared to the 2007-8 administration costs. Over the three years preceding this Corporate Plan, we have delivered value for money savings and exceeded the Efficiency Target set for *emda* under the Gershon Review. In order to deliver the further savings of £1.2M under CSR, additional costs savings will need to be identified.

We face challenges over the 2008-11 period with changes to the organisation in relation to:

- Delivery of the new ERDF and Rural programmes;
- Managing the transition to the new delivery arrangements under SNR; and
- Accommodating new responsibilities such as the delivery of elements of the Energy White paper.

These changes will require an investment in our people in order to ensure we have the correct level of skills and the delivery of efficiencies to ensure that we continue to operate under the administration cost allowance.

The table below shows the allocation of administration costs between Pay (staff related costs) and Non-pay (other overheads) costs. In the light of the anticipated organisational changes, Pay Costs are budgeted to increase by around 3.5% each year and staff cost efficiencies will be required to maintain Pay Costs at this level.

Savings are also planned for Non Pay costs to ensure that overall administration costs remain within the allowance set out in CSR.

	2008-9			2009-10			2010-11		
	Revenue £,000	Capital £,000	Total £,000	Revenue £,000	Capital £,000	Total £,000	Revenue £,000	Capital £,000	Total £,000
Pay Costs	11,334	-	11,334	11,730	-	11,730	12,083	-	12,083
Non Pay Costs	5,981	400	6,381	5,338	400	5,738	4,985	400	5,385
Total Admin Costs	17,315	400	17,715	17,068	400	17,468	17,068	400	17,468

### 8.6.3 Areas of Efficiency Savings

#### *Pay Costs*

The necessary efficiency savings will be identified through initiatives such as:

- Limiting the number of small projects to reduce project management resources required;
- Delivering efficiencies in staff costs in central functions; and
- Seeking staff cost savings through collaboration with Local Authorities on shared functions such as project appraisal and monitoring.

#### *Non Pay Costs*

The required savings in Non Pay will be significant as shown above. Certain efficiencies can be generated through reviewing contracts and reducing costs but to deliver the full level of savings, a reduction in activity will be necessary in research, marketing, consultancy and staff training.

## Programme Budget

The CSR settlement includes annual real reduction of 5% when compared to 2007-08. Of this, 2.3% has been achieved through cash reductions to Grant in Aid (shown in section 5.4), with 2.7% to be realised over each of the three years of this Corporate Plan.

This will be achieved through:

- Further savings in legal and procurement activity
- Increased leverage – both public and private
  - Further streamlining of delivery arrangements.

2007-08 Baseline			2008-09 Savings Required			2009-10 Savings Required			2010-11 Savings Required		
Capital £m	Revenue £m	Total £m	Capital £m	Revenue £m	Total £m	Capital £m	Revenue £m	Total £m	Capital £m	Revenue £m	Total £m
78.6	84.9	163.5	2.1	2.3	4.4	4.3	4.6	8.9	6.5	7.1	13.6

We have targeted the efficiencies across all Strategic Priorities; however, our main focus will be Enterprise and Business Support, Innovation, Employment Learning and Skills, and Land and Development.

Efficiency will be reported quarterly to *emda* Board, and to BERR in line with the agreed reporting process.

## 8.7 ESTATES POLICY

Our investment and management of property includes stewardship of the operational premises used to accommodate the Agency and those land assets acquired and held in support of our programme delivery. We produce a full Estates Management Plan to support the delivery of our overall mission which is developed in accordance with the 2005 RDA Financial Memorandum and the OGC guidance, 'High Performance Property'. The Plan covers major aspects of property ownership and occupancy, including that managed by *emda*'s Associate Undertakings.

### 8.7.1 Operational Premises

In 2005, we consolidated the majority of our operational premises onto one site – Apex Court in Nottingham. We also occupy space in a small number of satellite offices where it is commercially or strategically important to do so. An example of this is our office located in Brussels which is shared with a number of regional partners.

### 8.7.2 Programme Delivery Property Assets

The majority of our programme delivery activity related to property assets is undertaken within the Land and Development Strategic Priority which is overseen by an *emda* Board member.

#### Delivery Strategy

In terms of contribution to *emda*'s strategy, the Blueprint Limited Partnership is now the primary vehicle by which we undertake the majority of direct regeneration projects in the Urban Priority Areas of the East Midlands. Blueprint is a Public Private Partnership owned 25% by *emda*, 25% by English Partnerships (EP) and 50% by a private sector company – Igloo Regeneration Limited. For other areas of the region not included in the Urban Priority Areas, our approach is to look to act through other public and private sector bodies in the acquisition and development of sites.

Our role is to provide grant funding supported by a profit share and claw back agreements to minimise the risks associated with holding assets and to ensure that profits on development are shared equitably. As is the case in the Urban Priority Areas, we may also acquire and develop sites where the economic benefit to the region is greater through sole public sector intervention.

In addition to acquired sites, *emda* holds a number of sites on behalf of EP under the National Coalfield Programme. This ownership and development activity will continue under the guidance and funding of this programme.

The full Estates Management Plan contains a summary of ongoing major developments and a review of the current asset portfolio. The roles and responsibilities of those staff involved in managing the Estate are also detailed.

#### *Performance Reporting*

Performance of the portfolio is measured through the measurement of Corporate Objectives. The Estate is also reviewed against National Standards for capacity and energy efficiency.

*emda*

# **CORPORATE PLAN 2008-11**

## **ANNEXES**

## **ANNEX 1: CONSULTEES TO THE CORPORATE PLAN**

1. Government Office for the East Midlands (GOEM)
2. East Midlands Regional Assembly (EMRA)
3. Unitary and County Local Authorities
  - Leicester City
  - Leicestershire County
  - Derby City
  - Derbyshire County
  - Lincolnshire County
  - Nottingham City
  - Nottinghamshire County
  - Northamptonshire County
  - Rutland County Council
4. Local Government East Midlands (LGEM)
5. Sub regional Strategic Partnerships
  - The Alliance
  - Derby and Derbyshire Economic Partnership
  - Leicester Shire Economic Partnership
  - Lincolnshire Enterprise
  - Greater Nottingham Partnership
  - Northamptonshire Enterprise Limited
  - The Welland SSP
6. Regional Coordination Forum Steering Group (RCFSG)
7. East Midlands Business Forum (EMBF)
8. The East Midlands Single Platform
9. East Midlands Universities Association (EMUA)
10. Learning and Skills Council (LSC)
11. Job Centre +
12. Engineering Employers Federation (EEF)
13. Confederation of British Industry (CBI)
14. Institute of Directors (IOD)
15. Social Enterprise East Midlands (SEEM)
16. Federation of Small Businesses (FSB)
17. Culture East Midlands
18. East Midlands Business Sectors Alliance
19. East Midlands Rural Affairs Forum (EMRAF)
20. East Midlands Chambers of Commerce
22. Environment Agency

In addition to the consultation undertaken with the above partners and stakeholders, the Consultation Draft of the Corporate Plan was published on *emda's* website for a period of six weeks in November and December 2007. A number of responses were received through this route which have been considered in the drafting of this Corporate Plan.

**ANNEX 2: KEY RES PRIORITY ACTIONS ADDRESSED BY *emda***

<b>Raising productivity</b>	<b>RES Key Priority Actions addressed by <i>emda</i></b>
Employment, learning and skills	No single RES Priority Action to be addressed but <i>emda</i> has a significant role in the majority of the Actions under this Strategic Priority.
Enterprise and business support	<ul style="list-style-type: none"> <li>• Harness a culture of enterprise</li> <li>• Targeted provision to improve business creation</li> <li>• Increase business survival</li> <li>• Supporting innovation &amp; diversification in manufacturing</li> <li>• Providing high quality business support</li> <li>• Improving access to finance</li> <li>• Increasing international trade</li> <li>• Targeting foreign direct investment</li> <li>• Increasing visitor spend</li> <li>• Maximising the benefit of public procurement</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>• Increasing Research and Development</li> <li>• Developing and applying new technologies</li> <li>• Providing business support on resource efficiency</li> <li>• Commercialising scientific excellence through facilitated business collaboration</li> <li>• Development of land and property</li> <li>• Growing the region's key sectors</li> </ul>
<b>Ensuring sustainability</b>	
Energy and resources	<ul style="list-style-type: none"> <li>• Exploiting low carbon technologies</li> </ul>
Environmental protection	<ul style="list-style-type: none"> <li>• Sustainable construction</li> </ul>
Land and development	<ul style="list-style-type: none"> <li>• Secure the supply of quality employment land</li> <li>• Infrastructure for employment related schemes</li> <li>• Previously developed land and buildings</li> </ul>
<b>Achieving Equality</b>	
Economic renewal	<ul style="list-style-type: none"> <li>• Improve access to finance</li> </ul>
Economic inclusion	<ul style="list-style-type: none"> <li>• Develop entrepreneurship skills</li> </ul>

ANNEX 3: CORPORATE OBJECTIVES

RES STRATEGIC PRIORITY	emda CORPORATE OBJECTIVE	RES OUTCOMES <sup>9</sup>	emda OUTCOMES & MILESTONES	emda OUTPUTS <sup>10</sup>	PROGRAMME EVALUATION <sup>11</sup>
<b>Employment, learning and skills</b>	To work with key partners to strengthen the regional skills base, enhance the employability of the workforce and therefore improve productivity and increase economic growth in the region.	<ul style="list-style-type: none"> <li>▪ To increase GVA per Capita in the region at a greater rate than the national average.</li> <li>▪ To increase GVA per hour worked to the national average, i.e. GVA PHW in the East Midlands will be 100% of the UK average by 2009.</li> <li>▪ To achieve an employment rate above 76% of the working age population by 2009 and to remain at least one percentage point above the UK average.</li> <li>▪ To address sub-regional disparities, increase the employment rate of the bottom decile of LADs/UAs to 70% by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business case for a Delegated Grant Fund to support the 14-19 agenda developed (May 2008)</li> <li>▪ Programmes delivered through the EM STEM Partnership will have interacted with 4000 young people (December 2008)</li> <li>▪ Hot Prospects Service (graduate recruitment service) will have been promoted to 700 SMEs in the key priority sectors (March 2010)</li> <li>▪ Enhanced the take up of Apprenticeships in rural areas and within disadvantaged communities by 100 (March 2010)</li> <li>▪ Programme of pan re-deployment support delivered to 900 redundant engineers (March 2011)</li> <li>▪ Programmes delivered to enhance employer relations and effective work organisation (March 2011)</li> </ul>	<p><b>T2 Employment support</b> 1,157  <b>T4 Business support</b> 78  <b>T6 Skills</b> 2,797  <b>T6b Adults NVQ2</b> 220</p> <p><b>Sub Regional Partnerships</b>  <b>T6</b> 9,911  <b>T6a</b> 500  <b>T6b</b> 580</p>	<ul style="list-style-type: none"> <li>▪ Developing the skills of the current and future workforce</li> <li>▪ Stimulating business demand for skills</li> <li>▪ Improving the infrastructure and responsiveness of skills supply</li> <li>▪ Exploiting the opportunity of Higher Education</li> </ul>
<b>Enterprise and business support</b>	To provide a coherent and co-ordinated suite of programmes in line with the Business Support Simplification Programme (BSSP) that will increase regional growth by promoting enterprise and increasing productivity through business investment.	<ul style="list-style-type: none"> <li>▪ To increase GVA per Capita in the region at a greater rate than the national average.</li> <li>▪ To increase GVA per hour worked to the national average, i.e. GVA PHW in the East Midlands will be 100% of the UK average by 2009.</li> <li>▪ Increase the rate of VAT registrations to 40 per 10,000 population head and be at least level with the UK average by 2009.</li> <li>▪ Maintain a 3 year survival rate above the UK average and be at least at 71% by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community Finance Development Institution loan fund launched (June 2008)</li> <li>▪ Business Support Simplification Transition Plan completed (July 2008)</li> <li>▪ Regional Business Support Strategy published (August 2008)</li> <li>▪ Annual Business Link Delivery Plan achieved (March 2009)</li> <li>▪ Extended outreach of BL service through expanded network of local access points with monitoring of use by rural businesses (March 2009)</li> <li>▪ Series of awareness events, for land based businesses, on the publicly funded support offer (March 2010)</li> </ul>	<p><b>T1 Jobs created</b> 3,370  <b>T2 Employment support</b> 105  <b>T3 Business creation</b> 1,588  <b>T4 Business support</b> 17,598  <b>T6 Skills</b> 2,151</p> <p><b>Sub Regional Partnerships</b>  <b>T1 Jobs created</b> 5,494  <b>T2 Employment support</b> 3,433  <b>T3 Business creation</b> 873  <b>T4 Business support</b> 4,765</p>	<ul style="list-style-type: none"> <li>▪ Enterprise Culture</li> <li>▪ Universal Business Support Services</li> <li>▪ Intensive Business Support Services</li> <li>▪ Access to Finance</li> </ul>

<sup>9</sup> All Corporate Objectives support the regional economic growth objective and the regional outcome indicators related to the Government's five drivers of productivity: productivity, employment, skills, innovation and enterprise. All of these outcomes are captured in the RES Performance Management Framework (as set out in section 3.2.2).

<sup>10</sup> Figures provided for 2008/09 – output targets will be set on an annual basis by the Board for subsequent years in line with proposed changes to emda's output framework (see section 3.4) and emda's focus and regional / sub-regional delivery arrangements in the light of SNR. Future output targets would be expected to maintain or increase the levels set for 2008/09.

<sup>11</sup> As set out in section 3.3, the Corporate Objectives will be assessed via our programme of impact evaluation, with the activities and impact evaluated under these anticipated programme headings (although this is currently subject to finalisation).

RES STRATEGIC PRIORITY	emda CORPORATE OBJECTIVE	RES OUTCOMES <sup>9</sup>	emda OUTCOMES & MILESTONES	emda OUTPUTS <sup>10</sup>	PROGRAMME EVALUATION <sup>11</sup>
<b>Enterprise and business support (International Trade &amp; Investment)</b>	(To provide a coherent and co-ordinated suite of programmes in line with the Business Support Simplification Programme (BSSP) that will increase regional growth by promoting enterprise and increasing productivity through business investment.)	(As above for Enterprise and business support)	<ul style="list-style-type: none"> <li>Independent evaluation of investor development activities (April 2008)</li> <li>Expand VIP investment project within Europe (May 2008)</li> <li>Implement recommendations of RDA/UKTI overseas office review in conjunction with AWM and UKTI (March 2009)</li> <li>Programme of high-growth market visits (including Brazil, Russia and South Africa) delivered (March 2009)</li> <li>Foreign Direct Investment (by March 2011) <ul style="list-style-type: none"> <li>Jobs created/safeguarded 8,000</li> <li>No. of Inward Investments 100</li> <li>Of which – Knowledge driven 75</li> </ul> </li> </ul>	<b>T4 Business support</b> 1,364	<ul style="list-style-type: none"> <li>International Investment</li> <li>Investor Development</li> <li>International Business Competitiveness</li> </ul>
<b>Enterprise and business support (Tourism)</b>			<ul style="list-style-type: none"> <li>IAGF to support the delivery of the Regional Tourism Investment Plans issued (May 2008)</li> <li>Engagement programme developed with LSC / People 1<sup>st</sup> to roll out business support and skills opportunities to the HLTT sector (June 2008)</li> <li>Sign up 120 tourism SMEs to use PMS (and generate £19,500 in income for tourism bodies) (March 2009)</li> </ul>	<b>T4 Business support</b> 127 <b>T5 Regeneration : leverage</b> £1.5m <b>T6 Skills</b> 129  For every £1 invested in marketing campaigns to give a minimum return of £17	<ul style="list-style-type: none"> <li>Tourism Development</li> </ul>
<b>Innovation</b>	To implement the region's Innovation Strategy by delivering a co-ordinated suite of funded activities that aim to raise regional productivity by encouraging the development of knowledge, skills and creativity within businesses and individuals, whilst also building on the industrial and research strengths of the region.	<ul style="list-style-type: none"> <li>To increase GVA per Capita in the region at a greater rate than the national average.</li> <li>To increase GVA per hour worked to the national average, i.e. GVA PHW in the East Midlands will be 100% of the UK average by 2009.</li> <li>To increase gross domestic expenditure on R&amp;D to 2.5% of GVA by 2009.</li> <li>To increase the proportion of business turnover attributable to new and improved products to 6% by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Construction iNet established (April 2008)</li> <li>First Technology Framework investments completed (June 2008)</li> <li>Transport Equipment iNet established (July 2008)</li> <li>Third regional iFestival delivered - commencing in March 2009</li> <li>By 2010/11 300 SMEs per annum will be receiving intensive innovation support through the new iNets (Innovation Network)</li> <li>By 2010/11 600 people per annum will be receiving innovation skills support through the iNets</li> <li>By 2010/11 55% of the region's tourism accommodation will meet national quality standards.</li> </ul>	<b>T1 Job creation</b> 230 <b>T2 Employment support</b> 295 <b>T4 Business support</b> 830 <b>T4a HE collaboration</b> 470 <b>T5 Leverage</b> £5m <b>T6 Skills</b> 2,225 <b>T6b Adults NVQ2</b> 825	<ul style="list-style-type: none"> <li>The Knowledge Exchange programme</li> <li>Innovation Support for Businesses</li> <li>Creating the Environment for Innovation</li> <li>Fostering Enabling and Emerging Technologies</li> </ul>

RES STRATEGIC PRIORITY	emda CORPORATE OBJECTIVE	RES OUTCOMES <sup>9</sup>	emda OUTCOMES & MILESTONES	emda OUTPUTS <sup>10</sup>	PROGRAMME EVALUATION <sup>11</sup>
<b>Transport and logistics</b>	To work with partners and delivery agencies to increase economic growth through enhancing the efficiency, flexibility and sustainability of the region's transport infrastructure.	<ul style="list-style-type: none"> <li>To increase GVA per Capita in the region at a greater rate than the national average.</li> <li>To increase the proportion of the East Midlands workforce travelling to work by public transport, walking or cycling to 23% by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement route/funding approach for innovative and pilot Transport projects confirmed (May 2008)</li> <li>6Cs partners decision re next steps in relation to congestion charging and development of national TIF funding application (July 2008)</li> <li>Second RFA exercise commences (summer 2008)</li> <li>RSS mini-review commences, including Regional Transport Strategy work (autumn 2008)</li> <li>Review into the potential for a Regional Infrastructure Fund launched (February 2009)</li> <li>Implement relevant recommendations of Rural Transport Study (April 2010)</li> </ul>	<b>T2 Employment support 105</b> <b>T6 Skills 18</b>	<ul style="list-style-type: none"> <li>Transport feasibility and innovative projects</li> <li>Transport policy</li> </ul>
<b>Energy and Resources</b>	To work with key partners to develop and deploy renewable and low carbon technologies, processes and skills to improve economic growth, resilience and efficiency and work towards the development of a sustainable and secure supply of energy and waste services.	<ul style="list-style-type: none"> <li>To increase GVA per Capita in the region at a greater rate than the national average.</li> <li>To increase GVA per hour worked to the national average, i.e. GVA PHW in the East Midlands will be 100% of the UK average by 2009.</li> <li>To move towards the national average in total CO2 emissions per £ million GVA produced by 2009.</li> <li>To move towards the national average in total waste produced per £ million GVA by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>Feasibility study into the potential for a Regional Energy Agency completed (May 2008)</li> <li>Regional Energy Strategy refresh completed (spring 2008)</li> <li>Mapping study of future energy demands and infrastructure completed (summer 2008)</li> <li>Contract negotiations completed and funding contribution made to Energy Technologies Institute (July 2008)</li> <li>emda specification for exceeding carbon emissions standards in physical development schemes published (September 2008)</li> <li>Review of emda corporate and programme carbon emissions gargets completed and outcomes published (May 2009)</li> <li>Review of emda's Energy for Skills pilot programmes completed (March 2010)</li> <li>Review of emda energy supply chain priorities completed and investment framework agreed (November 2010)</li> <li>emda reduces CO<sub>2</sub> emissions from corporate estate by 95 tonnes by March 2011 (target reviewed annually)</li> <li>emda reduces CO<sub>2</sub> emissions through programme investments by 59,182 tonnes by March 2011 (target reviewed annually)</li> </ul>	<b>T1 Job creation 8</b> <b>T3 Business creation 9</b> <b>T4 Business support 39</b> <b>T6 Skills 61</b>	<ul style="list-style-type: none"> <li>Energy for Enterprise</li> <li>Low Carbon Infrastructure</li> <li>Climate Change</li> </ul>

RES STRATEGIC PRIORITY	emda CORPORATE OBJECTIVE	RES OUTCOMES <sup>9</sup>	emda OUTCOMES & MILESTONES	emda OUTPUTS <sup>10</sup>	PROGRAMME EVALUATION <sup>11</sup>
<b>Environmental protection</b>	To work with partners to improve environmental quality and contribute to sustainable economic growth through the protection and enhancement of the region's environmental infrastructure.	<ul style="list-style-type: none"> <li>To maintain current proportion of East Midlands river length (% of total km) of 'good' chemical and 'good' biological quality up to 2009.</li> </ul>	<ul style="list-style-type: none"> <li>Development of climate change adaptation investment programme (specification finalised summer 2008)</li> <li>Regional Sustainable Development capacity building work programme developed finalised (specification finalised summer 2008)</li> <li>emda Sustainable Development Framework implemented (summer 2008)</li> <li>Implementation of Regional Climate Change Programme for Action commences (April 2009)</li> <li>Economic value of 'ecological services' research programme completed (summer 2009)</li> <li>To foster appropriate economic development in rural areas of the highest landscape importance (Peak District NP and the Lincolnshire Wolds AONB) and ensure RDPE LEADER funding allocated and spent in the Peak and Wolds areas (from summer 2008)</li> </ul>	<b>T5 Leverage</b> <b>£0.5m</b> <b>T5a Brownfield ha</b> <b>15</b>	<ul style="list-style-type: none"> <li>Environmental Infrastructure and Ecological Services</li> <li>Built Environment &amp; Sustainable Communities</li> <li>Regional Sustainable Development Capacity Building</li> </ul>
<b>Land and development</b>	To work with partners and delivery agencies to increase economic growth through the development of employment sites, mixed use schemes and associated infrastructure necessary to support the changing needs of a productive economy, while embedding the principles of sustainable design and construction.	<ul style="list-style-type: none"> <li>To increase GVA per Capita in the region at a greater rate than the national average.</li> <li>To maintain an average annual growth rate over a five year period of 1.5% in employment floor space by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>First tranche of approved projects under the high quality employment floor space fund reviewed (August 2008), appraised (November 2008) and contracted (end January 2009)</li> <li>Reviews of Derby Cityscape and NRL completed (November 2008)</li> <li>3 year rolling Capital plan finalised (end January 2009)</li> <li>Create increased rural workspace (including shops and tourism developments) through delivery of the RDPE – ongoing.</li> </ul>	<b>T1 Jobs created</b> <b>898</b> <b>T2 Employment support</b> <b>42</b> <b>T3 Business creation</b> <b>26</b> <b>T4 Business support</b> <b>195</b> <b>T5 Leverage</b> <b>£50m</b> <b>T5a Brownfield ha</b> <b>34</b> <b>T6 Skills</b> <b>492</b> <b>T6b Adults NVQ2</b> <b>75</b>  <b>Sub Regional Partnerships</b> <b>T5 Leverage</b> <b>£59.4m</b> <b>T5a Brownfield ha</b> <b>31</b>	<ul style="list-style-type: none"> <li>Quality and Supply of Employment Sites</li> <li>Regeneration</li> <li>Land Remediation</li> <li>Partner Support &amp; Property Management</li> </ul>
<b>Achieving equality</b>  Note: This Objective covers the three Strategic Priorities of Cohesive Communities, Economic renewal and Economic inclusion.	To work with partners and delivery agencies to increase economic growth by enabling people and communities in the East Midlands to contribute to, and benefit from, the region's prosperity – promoting access to opportunity for all and reducing economic inequalities within the region.	<ul style="list-style-type: none"> <li>Increase the proportion of the East Midlands population engaged in formal volunteering to within 3 percentage points of the leading region by 2009.</li> <li>Maintain rural rates above 80% and increase urban activity rates to 78% by 2009.</li> <li>To halve the gap between the East Midlands and the South East from 3.6 percentage points to 1.8 percentage points by 2009.</li> <li>Increase economic activity rates in the bottom decile of LADs/UAs to 75% by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>emda's Single Equalities Scheme and supporting action plan finalised (spring 2008)</li> <li>IAGF to deliver a social enterprise replication programme developed (spring 2008)</li> <li>Regional Public Procurement Opportunities Plan completed (summer 2008)</li> <li>Regional strategy for youth enterprise support developed (September 2008)</li> <li>Regional Restoration programme procured and delivery started (September 2008)</li> <li>400 work experience placements for adults delivered to enable entry into sustained employment (March 2010)</li> <li>Programmes delivered to stimulate an enterprise culture beyond the cohort of young people (March 2011)</li> </ul>	<b>T2 Employment support</b> <b>63</b> <b>T4 Business support</b> <b>5</b> <b>T6 Skills</b> <b>215</b>	<ul style="list-style-type: none"> <li>Cohesive Communities</li> <li>Economic Renewal</li> <li>Economic Inclusion</li> </ul>

**ANNEX 4: ORGANISATIONAL STRUCTURE**

