



### 7 Enterprise, innovation and business support

#### 7.1 Ambitions

The regional economic strategy (RES) identifies enterprise and innovation as strategic policy areas in raising economic performance and serving wider social and environmental objectives. The RES makes long-term priorities of addressing market failures to:

- strengthen the region's enterprise culture
- increase the opportunities from international trade, investment and collaboration
- improve the commercialisation of new ideas
- enable high-growth enterprises to realise their potential
- raise business performance through effective business support and embedding productivity-enhancing practices and technologies.

It recognises the commercial opportunities arising from tackling climate change. From pioneering new technologies around renewable energy to resource-efficient housing, the region's strengths of research and development (R&D) and locational advantages offer the chance of a global leadership role in a huge growth market.

Enterprise and innovation are central to the regional spatial strategy (RSS). This includes the provision of employment land and premises for commercial activities to support job creation ambitions aligned to housing supply. The Regional Strategic Employment sites study<sup>(1)</sup> led by the East of England Development Agency (EEDA) with the East of England Regional Assembly (EERA) and Government Office for the East of England (Go-East) identifies the importance of strategic employment land to support enterprise in the regional economy. This theme focuses particularly on the delivery of regional strategic sites such as innovation centres, enterprise hubs and open innovation science parks: these are being established as regional and national centres of excellence in priority sectors. The provision of employment land and premises is covered by Integrated Development Programmes (and their equivalents) that comprise the sub-regional elements of regional strategy implementation.

The Implementation Plan's sectoral focus is consistent with regional investment priorities agreed with the Technology and Science Board (TSB) and supports the government's New Industry, New Jobs agenda (NINJ). Launched in April 2009, NINJ aims to create a 'total business environment' in which the totality of public sector activity supports industrial growth and sectoral strengths in priority areas such as: advanced manufacturing; composites; digital technologies; life sciences and medical; low carbon and plastic electronics.

To deliver higher rates of employment, economic growth and environmental sustainability, the RES and the RSS aim for specific outcomes for enterprise and innovation:

- increasing the share of businesses that are 'innovation active'
- increasing start-up rates to 60 per 10,000 resident adults by 2031 (over 13,000 more businesses created each year than there were in 2007)<sup>(2)</sup>
- raising total entrepreneurship activity rates above the UK average and, within that, raising female entrepreneurship nearer to male entrepreneurship
- increasing the share of small- and medium-sized enterprises (SMEs) that use external advice
- increasing the share of East of England SMEs that operate internationally.

The Implementation Plan addresses this through:

- ensuring the appropriate scale, focus and accessibility of publicly funded business support

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1 Strategic Employment Sites Study, Arup 2009.

2 'Resident Adults' refers to all people aged 16 and over.

- tailoring interventions to the short-term deterioration in economic conditions without neglecting investment in economic assets important to long-term performance. This includes prioritising investment, which strengthens existing and emerging areas of international comparative advantage such as R&D, life and biosciences, ICT and clean technologies
- delivering activity within a national context of fewer, simplified business support services (the Business Support Simplification Programme): 30 commonly branded 'Solutions for Business' products provide the structure through which all publicly funded business support will be delivered in future.

## 7.2 Status

The region had 217,930 VAT or PAYE registered businesses in 2009.<sup>(3)</sup> While enterprise survival rates exceed the UK average, there is still more to be done to improve the performance of the region's businesses and encourage more people to start enterprises. In 2007 the region created around 20,000 new VAT registered businesses or roughly 43 for every 10,000 people aged 16 and over.<sup>(4)</sup> Based on the latest trends in population growth, achieving the RES target of 60 would mean creating around 33,000 new VAT registered businesses by 2031. On the basis of current trends and intervention, the region could undershoot its target for new VAT registered businesses by over 3,000 businesses a year in the period to 2031.<sup>(5)</sup>

In terms of international trade, currently only a small percentage of enterprises in the region trade internationally. A dedicated programme seeks to enable more of the region's businesses to exploit opportunities in international markets.

There has been significant progress on increasing the innovation activity of small firms. Businesses in the East of England benefit from being located in Europe's third-most research and development (R&D) intensive region, which is home to global companies, world-class universities and research institutes. Strengthening the region's position at the forefront of R&D and knowledge-generating sectors will require investment in the science base and supporting infrastructure to compete with global leaders and emerging economies. The government's emerging national low-carbon industrial strategy recognises the region's strength in environmental science and engineering and the international leadership of our universities. Concerted support from regional and national partners is required to accelerate the commercialisation of low carbon and low-resource technologies created in the East of England. The Implementation Plan builds on activities initiated in 2009 to this end, including:

- EEDA and the Strategic Health Authority (SHA) working with the Technology Strategy Board (TSB) ensured the East of England was the first region to undertake a public sector innovation procurement programme (Small Business Research Initiative)
- a £5 million regional loan fund targeting high-growth businesses, together with an investment readiness programme, Understanding Finance for Business, to help businesses secure funding
- construction of two open-innovation science parks – Colworth Park and Norwich Research Park (NRP) – focused on food science and processing technologies and genomics, respectively
- Stevenage Bioscience Park: Led by Glaxo Smith Kline (GSK), and with investments from EEDA, the Department for Business, Innovation and Skills' (BIS's) Strategic Investment Fund, Wellcome Trust and GSK, £38 million has been secured for the park, which will provide a regional and national focus for the commercialisation of drug discovery based on GSK's primary global R&D centre and will create over 1,500 highly skilled jobs.

## 7.3 Programmes

The following programmes have been identified as key to delivering the ambitions for this theme.

3 Inter Departmental Business Register.

4 Though useful for gauging the direction of travel, this figure under-estimates the true extent of entrepreneurship as many new start-ups are not registered for VAT in their first year.

5 Based on December 2009 EEFM baseline results for population growth.

	Programmes	Programme components
1	<b>Key business support products and services</b>	(1a) Support for start-ups and growth
		(1b) Innovation and collaboration
		(1c) Women's enterprise
		(1d) Business resource efficiency
2	<b>Business finance</b>	(2a) Business grants
		(2b) Business loans
		(2c) Innovation, equity and support products
3	<b>International and inter-regional trade, investment and collaboration</b>	(3a) Maximising foreign direct investment
		(3b) Investor development
		(3c) International trade
		(3d) International collaboration
4	<b>Strategic investments in innovation</b>	(4a) Science parks
		(4b) Enterprise hubs
		(4c) Knowledge transfer in key sectors
5	<b>ICT and the workplace</b>	(5a) takeITon
		(5b) Innovation in
		(5c) ICT for flexible working
		(5d) Regional skills

## **Programme 1: Key business support products and services**

### ***Description and strategic fit***

This programme takes forward the RES implementation priority to develop a suite of high-quality business support products accessed through the single Business Link gateway service.

It implements the government's Business Support Simplification Programme (BSSP) in the region. Under BSSP, 30 commonly branded Solutions for Business (SfB) products provide the structure through which all publicly funded business support will be delivered in future. These products are now in place and are under continuous review to ensure they remain appropriate to economic conditions.

Business Link is the main route to support, offering impartial assessment, advice and bespoke packages of support. Bringing together information-diagnostic-brokerage (IDB) services for business support and Train to Gain under Business Link will improve links between skills and business support provision. Regions and local areas retain the flexibility to determine which of the products are delivered, and there is scope for interventions to be designed around the different needs of city, market town and rural economies.

BSSP requires regional agencies to align their business support schemes. Partnership working through mechanisms like co-investment in SfB products by different local authorities and agencies is increasingly important. While local-level initiatives are beyond the scope of this Implementation Plan, there are opportunities for working regionally and sub-regionally.

This programme aims to deliver business support that is:

- easily understood and accessed by businesses
- better and more effectively targeted
- joined up with the employment and skills agenda
- enabling more people from all communities to start and grow businesses
- characterised by a high-profile regional and sub-regional publicly-funded offer
- continuously monitored and evaluated to improve the impact and effectiveness of services
- flexible and responsive to changing economic circumstances and the needs of businesses.

The programme will deliver these aims by better identifying business needs, targeting products and services towards them, simplifying products and making them easily accessible through:

- rolling out impact assessment work, mapping business needs and identifying opportunities for productivity gains and business growth
- expanding the provision of publicly funded business support, through an enhanced and locally relevant portfolio of SfB products
- marketing the enhanced portfolio of SfB products through a regional and sub – regional offer, responding to areas of greatest business demand and to areas where there are most opportunities for productivity gains
- integrating business support IDB services with Train to Gain under Business Link
- improving the co-ordination between delivery partners by adopting a common Client Relationship Management system – the Regional Business Support Information System (RBSIS)
- continuous evaluation and review to increase impact and respond to changing economic circumstances and demand.

## **Implementation**

### *Leadership*

The programme will be governed by strategic partnership working of EEDA, with the East of England Skills and Competitiveness Partnership, other delivery partners listed below and the East of England Business Group (EEBG). Management capacity will be provided by EEDA.

The main delivery partners include: Business Link East, Resource Efficiency East, enterprise agencies, Chambers of Commerce, business representative organisations, EEDA, local authorities, Strategic Health Authority (SHA) East of England, Learning Skills Council (LSC), Association of Universities in the East of England (AUUE) and individual universities.

The delivery arrangements build on the framework provided by the single regional Business Link service and the Integrated Specialist Business Support Service for manufacturing businesses. Business Link East will provide the focal point and main route for businesses to all business products in the region.

### *Monitoring*

Detailed monitoring relating to the uptake of business support and impacts will be undertaken by delivery partners such as Business Link. EEDA will undertake programme monitoring and evaluation.

## Resources

Principle funding sources include EEDA, and EU funding streams at the regional level (European Regional Development Fund (ERDF), Rural Development Programme for England (RDPE)). This is complemented at sub-regional level by local authority funded schemes.

## Programme components

1a Support for start-ups and growth		
<p><b>This component covers:</b></p> <ul style="list-style-type: none"> <li>enterprise coaching – one-to-one coaching for individuals in under-represented groups and areas of deprivation to encourage them to consider self-employment or starting a business.</li> <li>starting a business – universal service offered by Business Link to cover all aspects of starting a business.</li> <li>intensive start-up – targeted at priority groups and areas at individuals and businesses needing extra support.</li> <li>starting a high growth business – provision of support for high growth potential new businesses.</li> <li>public sector procurement – on-line portal enabling business to engage with public sector contract opportunities.</li> </ul>		
Key Delivery Agents	Budget	Results
Business Link, EEDA.	Element of c. £40 million (2009-11).	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>one-to-one business coaching sessions delivered</li> <li>on-line portal launched</li> <li>simplified business support</li> <li>4,000 jobs created</li> <li>600 people supported into employment</li> <li>2,000 businesses created</li> <li>25,000 businesses supported</li> <li>10,000 people supported to improve their skills.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>increased share of SMEs using external advice</li> <li>improved satisfaction rating with business support (93 per cent)</li> <li>improved business start-up and survival rates</li> <li>£200- £500 million gross valued added (GVA) generated</li> <li>improved GVA/worker</li> <li>reduced waste and energy used per unit of GVA</li> </ul>

**1a Support for start-ups and growth**

- reduced carbon emissions from industrial and commercial sectors
- reduced water usage from industrial and commercial sectors.

**1b Innovation and collaboration**

**This component covers:**

- **Knowledge Transfer Partnerships (Knowledge Partners East of England – KEEP) – to increase collaboration between universities and businesses to encourage new graduates to stay in the region.**
- **Innovation Vouchers – to help businesses purchase academic expertise from the region’s universities.**
- **Integrated Specialist Business Support Programme which includes:**
  - **Manufacturing Advisory Service for the East of England (MAS-East) (subsidised support to manufacturing SMES)**
  - **Designing Demand (support for businesses to use design as a process to improve performance)**
  - **Innovation Advice and Guidance (subsidised help to enable them to innovate and improve performance)**
- **Networking for Innovation – to help businesses build relationships with other businesses, knowledge based institutions etc**
- **Collaborative Research and Development – support for businesses in key sectors to work collaboratively on development new products, processes and services.**
- **Small Business Research Initiative (SBRI) – funding and support for businesses to develop innovative devices, products or services, initially to meet healthcare priorities.**

<b>Key Delivery Agents</b>	<b>Budget</b>	<b>Results</b>
EEDA, KEEP, private sector.  universities, (MAS East), Business Link, NHS East of England.	£6.3 million (2009-11).	<p><b>Outputs:</b></p> <p>Shared with programme outputs for international trade; strategic investments in innovation; and key business support products programmes</p> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• increase in number of businesses that are innovative active</li> <li>• improved satisfaction rating with business support (93 per cent)</li> <li>• improved business start-up and survival rates</li> <li>• £200- £500 million GVA generated</li> <li>• improved GVA/worker</li> <li>• reduced waste and energy used per unit of GVA</li> </ul>

## 1b Innovation and collaboration

		<ul style="list-style-type: none"> <li>reduced carbon emissions from industrial and commercial sectors</li> <li>reduced water usage from industrial and commercial sectors.</li> </ul>
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## 1c Women's enterprise

**This component covers:**

- Inspiring Women - encourage and support women to start and grow businesses**
- Enterprising Women - a network of over 5500 women entrepreneurs, which offers support, mentoring and access to business opportunities and finance**
- creation of a 'virtual centre' - acting as an umbrella to the total women's enterprise offer.**

Key Delivery Agents	Budget	Results
Business Link, Enterprising Women and Inspiring Women delivery partners.	£1.5 million (2009-11).	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>launch of 'virtual centre'</li> <li>networking events</li> <li>88 jobs created</li> <li>225 people supported into employment</li> <li>100 businesses created</li> <li>1,000 businesses supported</li> <li>1,000 people supported to improve their skills.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>higher entrepreneurship rates amongst women</li> <li>improved satisfaction rating with business support (93 per cent)</li> <li>improved business start-up and survival rates.</li> </ul>

## 1d Improving your resource efficiency

**General and more specialist forms of support, advice and guidance for businesses on saving money by using raw materials, energy and water more efficiently.**

Key Delivery Agents	Budget	Results
Resource Efficiency East, Business Link, Carbon Trust, Energy Saving Trust, Waste and	EEDA and ERDF.	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>40 jobs created</li> <li>2,000 businesses supported</li> </ul>

1d Improving your resource efficiency		
Resources Action Programme (WRAP), local/sub-regional delivery partners.		<ul style="list-style-type: none"> <li>• 70 business supported to engage with the knowledge base</li> <li>• £10 million investment levered</li> <li>• 300 people supported to improve their skills.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• improved efficiency and innovation in businesses, and therefore lower resource use</li> <li>• improved satisfaction rating with business support (93 per cent)</li> <li>• improved business start-up and survival rates</li> <li>• improved GVA/worker</li> <li>• reduced waste and energy used per unit of GVA</li> <li>• reduced carbon emissions from industrial and commercial sectors</li> <li>• reduced water usage from industrial and commercial sectors.</li> </ul>

## **Programme 2: Business finance**

### ***Description and strategic fit***

Financial support for business is particularly important in the context of the credit crunch. Credit market constraints are having an adverse impact on R&D, threatening key clusters. The availability of venture capital is declining. Addressing gaps in market provision for businesses will support business start-ups, growth and the commercialisation of new ideas. This programme aligns the provision of publicly funded business finance products and services with the wider Business Support Simplification Programme.

This programme takes forward the RES implementation priority to 'develop a suite of financial products, support for creativity and incentives to encourage social and public sector innovation', and will also be important in relation to increasing 'the rate of commercialisation of R&D, technology uptake and innovation in finance, marketing and distribution through integrated business support and access to finance packages'.

This programme has been designed to:

- provide simpler access to business finance to provide liquidity for companies with growth potential to compete in, and respond quickly to, market opportunities and changing technological environments
- prioritise support for those businesses with the greatest potential for productivity growth
- support more start-ups with strong prospects of growth and survival
- foster more effective working relationships for business support brokers, advisors, solution providers and clients

## 7 Enterprise, innovation and business support

- increase awareness of business finance products through collaboration of banks, investors and the public sector
- complement national initiatives such as the Enterprise Finance Guarantee, Capital for Enterprise and emerging recommendations from the Rowlands Review.

This programme delivers these aims by better identifying business needs, targeting business finance towards growth opportunities, simplifying products and making them easily accessible through:

- enhancing investment-readiness interventions, including greater access to coaching and one-to-one support
- expanding and promoting the portfolio of access-to-finance products
- creating a dedicated low-carbon venture fund using ERDF co-financing monies
- promoting awareness of, and access to, key government-backed initiatives (such as the Enterprise Funding Guarantee scheme) working with banks.

### **Implementation**

#### *Leadership*

The wider governance arrangements for this programme will be provided by EEDA/ Business Link, through the management and delivery of business finance will be through banks and investment institutions. Implementation requires a high degree of collaboration between the public and private sector through the mediation of Enterprise Agencies and business representative organisations. There is a strong interdependency between this and the business support products and services programme.

#### *Monitoring*

Detailed monitoring relating to the uptake of products will be undertaken by providers.

#### *Resources*

Principal funding sources include EEDA, the private sector and ERDF at regional level. This is complemented at sub-regional level by major local authority backed schemes such as Banking on Essex.

### **2a Business grants**

**This component comprises:**

- **grants for research and development – from £5,000 – £250,000 to help businesses conduct research and development work that will lead to technologically innovative products or processes.**
- **proof of concept grant – finance to enable entrepreneurs/businesses to test the commercial viability of an innovative business idea. Grants of between £5,000 and £20,000.**
- **Grants for Business Investment (GBI) – from £10,000 – £2 million to assist businesses to set up, expand, diversify and modernise.**

Key Delivery Agents	Budget	Results
EEDA, Business Link.	£6.9 million per annum	<b>Outputs:</b> <ul style="list-style-type: none"> <li>• 500 jobs created</li> <li>• 200 businesses supported</li> <li>• £56 million of investment levered</li> <li>• 30 businesses supported to engage with the knowledge base.</li> </ul>

2a Business grants		
		<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• increased proportion of businesses that are innovation active</li> <li>• increased share of businesses that translate new ideas and research into new products, services and processes</li> <li>• increased output and productivity in key sectors</li> <li>• increased proportion of businesses engaging with universities, research institutes and private sector research centres.</li> </ul>

2b Business loans		
<p><b>This component covers:</b></p> <ul style="list-style-type: none"> <li>• <b>small loans for business - from £500 - £50,000 for start-ups, SMEs and social enterprises. Loans are for businesses/individuals with a workable business plan, which have tried to obtain funding from traditional sources and have been refused.</b></li> <li>• <b>Regional Loan Fund which has two elements -</b> <ul style="list-style-type: none"> <li>• <b>Growth Loan – for businesses with a turnover of £500,000 who have potential for long-term growth with a long-term investment need (up to £200,000)</b></li> <li>• <b>Transition Loan – for established growth businesses with a turnover of £1 million + that have a short-term funding need (up to £150,000).</b></li> </ul> </li> </ul>		
Key Delivery Agents	Budget	Results
Foundation East, Finance East, EEDA.	£5 million EEDA , £4 million bank finance	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>• 40 jobs created</li> <li>• 100 businesses supported.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• increased proportion of businesses that are innovation active</li> <li>• increased share of businesses that translate new ideas and research into new products, services and processes</li> </ul>

## 2b Business loans

		<ul style="list-style-type: none"> <li>increased output and productivity in key sectors</li> <li>increased proportion of businesses engaging with universities, research institutes and private sector research centres.</li> </ul>
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## 2c Innovation, equity and support products

**This component includes:**

- Understanding Finance for Business - advice and support for SMEs looking to secure more than £10,000 of external funding. Helps businesses to understand and access the most appropriate form of finance for their needs.**
- Low Carbon Venture Capital Fund and Angel Co-Investment Fund - support for the region's SMEs and companies with high growth potential (especially in low carbon products, resource efficient processes and supporting environmental sectors).**

Key Delivery Agents	Budget	Results
EEDA, University of East Anglia (UEA).	£1.1 million EEDA, £8 million ERDF, £12 million + private funding.	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>number of businesses receiving advice and funding.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>increased proportion of businesses that are innovation active</li> <li>increased share of businesses that translate new ideas and research into new products, services and processes</li> <li>increased output and productivity in key sectors</li> <li>increased proportion of businesses engaging with universities, research institutes and private sector research centres.</li> </ul>

### **Programme 3: International and inter-regional trade, investment and collaboration**

#### ***Description and strategic fit***

This programme strengthens the support infrastructure for businesses trading in international markets and collaborating internationally, as well as aiming to attract more inward investment. Research shows that companies that export generally perform better and exporters are proving more resilient during the downturn. The actions under this programme address the RES priority of increasing opportunities from international trade, investment and collaboration and the government's NINJ initiative.

The programme addresses market failures arising from insufficient information on international and inter-regional trade and collaboration opportunities. EEDA has an established partnership with UK Trade and Investment (UKTI) that ensures integrated delivery of services to increase opportunities for trade, investment and collaboration.

The programme delivers these aims by:

- making the process of investing in the East of England easier for overseas organisations – by providing support for key decisions such as locating premises, recruitment, training and legal arrangements in the UK
- for businesses in the East of England, UKTI providing support through networks, advice on developing export capabilities and a wealth of foreign market data - increasing their chances of export success.
- providing an integrated Thames Gateway service (Invest Thames Gateway), ensuring a single point of contact for new and potential investors and co-ordinating Gateway marketing and promotion
- providing support to businesses to identify international collaborative partners and access EU funding.

### **Implementation**

#### *Leadership*

This programme will be delivered primarily by East of England IDB Ltd (EEIDB Ltd) under the Business Link East brand, commissioned by EEDA and UKTI. Sub-regional and inter-regional delivery partners include Invest Thames Gateway and Invest Essex. The programme seeks to achieve a joined-up approach across all agencies operating in the East of England.

#### *Monitoring*

Detailed monitoring relating to inward investment projects and collaboration will be undertaken by service providers and co-ordinated by EEDA and UKTI.

#### *Resources*

Primary funding support is provided by EEDA and UKTI for the integrated service. The ERDF Framework Programme 7 will also provide financial support to businesses to identify international collaborative partners and to secure access to private finance.

### **Programme components**

<b>3a Maximising foreign direct investment</b>		
<b>Service supporting all inward investment prospects – focusing on businesses in key sectors – advanced manufacturing, life sciences, and cleantech.</b>		
<b>Includes promotion of international opportunities through a new online web portal.</b>		
<b>Key Delivery Agents</b>	<b>Budget</b>	<b>Results</b>
EEIDB Ltd, EEDA, UKTI, local authorities.	Element of £3.7 million (2009-11).	<b>Outputs:</b> (shared across all elements of the programme) <ul style="list-style-type: none"> <li>• on-line portal for international opportunities</li> <li>• 3,000 jobs created</li> <li>• 60 businesses created</li> </ul>

## 3a Maximising foreign direct investment

		<ul style="list-style-type: none"> <li>• 300 businesses supported</li> <li>• 40 inward investment successes.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• increased share of businesses trading internationally</li> <li>• higher rates of business start-up and survival rates</li> <li>• improved efficiency and innovation in businesses</li> <li>• higher employment rates</li> <li>• higher rates of productivity growth.</li> </ul>
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## 3b Investor development

**Working with overseas and strategically important indigenous owned companies located in the region on their expansion and retention opportunities.**

Key Delivery Agents	Budget	Results
EEIDB Ltd, EEDA, UKTI, local authorities.	Element of £3.7 million (2009-11).	<p><b>Outputs:</b> (shared across all elements of the programme)</p> <ul style="list-style-type: none"> <li>• on-line portal for international opportunities</li> <li>• 3,000 jobs created</li> <li>• 60 businesses created</li> <li>• 300 businesses supported</li> <li>• 40 inward investment successes</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• higher rates of business start-up and survival rates</li> <li>• improved efficiency and innovation in businesses</li> <li>• higher employment rates</li> <li>• higher rates of productivity growth.</li> </ul>

## 3c International trade

**Helping local businesses to maximise their international trade opportunities.**

Key Delivery Agents	Budget	Results
EEIDB Ltd, UKTI, local authorities.	Element of c. £4 million (2009-11).	<p><b>Outputs:</b> (shared across all elements of the programme)</p>

3c International trade		
		<ul style="list-style-type: none"> <li>on-line portal for international opportunities</li> <li>3,000 jobs created</li> <li>60 businesses created</li> <li>300 businesses supported</li> <li>40 inward investment successes.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>higher rates of business start-up and survival rates</li> <li>improved efficiency and innovation in businesses</li> <li>higher employment rates</li> <li>higher rates of productivity growth.</li> </ul>

3d International collaboration		
Support for businesses, universities and research institutes to collaborate with international businesses and partners on development of new products, processes and services.		
Key Delivery Agents	Budget	Results
EEIDB Ltd, AUUE, EEDA, UKTI, local authorities.	Element of c. £4 million (2009-11).	<p><b>Outputs:</b> (shared across all elements of the programme)</p> <ul style="list-style-type: none"> <li>on-line portal for international opportunities</li> <li>3,000 jobs created</li> <li>60 businesses created</li> <li>300 businesses supported</li> <li>40 inward investment successes.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>higher rates of business start-up and survival rates</li> <li>improved efficiency and innovation in businesses</li> <li>higher employment rates higher rates of productivity growth.</li> </ul>

### **Programme 4: Strategic investments in innovation**

#### ***Description and strategic fit***

This programme builds on the region's significant innovation assets and links. The East of England is successful at innovation – it ranks in the top three UK regions for 21 of the 36 national indicators used to measure innovation performance; 69 per cent of its businesses were involved in innovation activity between 2004 and 2006 – the highest proportion of any UK region.

This programme supports delivery of the RES Innovation Goal and the RSS Policy E4 Clusters. It also contributes to the delivery of national policy. Core to this are Innovation Nation, New Industry New Jobs and the TSB strategy, Connect and Catalyse.

In line with the government's sector-based strategy and the priorities of the region's Science and Industry Council (SIC), this programme provides a sectoral focus around: life sciences, healthcare and well being; energy and environment; and ICT, including technology-based creative companies, notably those in the digital media arena.

Increasingly, EEDA will work with other regional development agencies (RDAs), the private sector, TSB and universities to support and co-invest in the development of value and supply chains in key growth sectors. This includes building on existing investments such as Alphasat and StevenageBiosciencePark, to realise wider benefits to the UK economy. EEDA is committed to immediate work with the London Development Agency (LDA) and the South East Development Agency (SEEDA) on a Greater South East domestic retrofit programme, to stimulate demand for low carbon technologies alongside exploring a joint SBRI and Joint European Resources for Micro to medium Enterprises (JEREMIE) funding opportunities to support SME growth.

#### ***Implementation***

##### ***Leadership***

The Innovation Strategy is overseen and endorsed by the region's Science and Industry Council (SIC), comprising leading industry and academic figures based in the region. Alignment between regional and national programmes is achieved through existing and emerging investment plans with BIS, the TSB, research councils and other RDAs.

Within the region, a 'Hub of Hubs' management group co-ordinates the work of the Enterprise Hubs across the region. Local authorities are actively supporting delivery of major interventions, in particular, major capital facilities, which are prioritised in Integrated Delivery Programmes and other sub-regional plans.

##### ***Monitoring***

EEDA will monitor delivery and undertake impact evaluation of the overall programme. Individual project leads will monitor and evaluate at scheme level.

##### ***Resources***

Major resources are provided by the private sector, EEDA, the TSB, BIS Strategic Investment Fund, research councils (notably Biotechnology and Biological Sciences Research Council (BBSRC)) and local authorities.

**Programme components**

<b>4a Science parks</b>		
<p><b>Developing Science Parks linked to leading public and private research establishments. Major schemes include:</b></p> <ul style="list-style-type: none"> <li>• the open innovation science park for food, health and wellness (Unilever R&amp;D HQ, Colworth).</li> <li>• the GSK BioScience Park (Stevenage)</li> <li>• Innovation Martlesham</li> <li>• Norwich Research Park</li> <li>• expansion of the Cambridge Cluster through the West of Cambridge development incorporating the Hauser Forum, and the Cambridge Biomedical Campus at Addenbrooke's hospital.</li> </ul>		
<b>Key Delivery Agents</b>	<b>Budget</b>	<b>Results</b>
University of Cambridge, Cranfield University, UEA, EEDA, private sector (including Unilever GSK, and BT), BBSRC, local authorities.	£47.8 million	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>• 44 business supported</li> <li>• 20 businesses supported to engage with the knowledge base</li> <li>• over 4,000 new jobs created (long term).</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• increased proportion of businesses that are innovation active</li> <li>• increased share of businesses that translate new ideas and research into new products, services and processes</li> <li>• increased output and productivity in key sectors</li> <li>• increased skills levels (higher and technical) in key sectors</li> <li>• increased proportion of businesses engaging with universities, research institutes and private sector research centres</li> <li>• growth in jobs, business creation rates and GVA in key sectors and clusters.</li> </ul>

<b>4b Enterprise hubs</b>
<p><b>Consolidating Enterprise Hubs and, subject to available funding, seeking to establish new ones in emerging sectors and areas that do not currently have them. Hub projects include:</b></p> <ul style="list-style-type: none"> <li>• expansion of the Hethel Engineering Hub (open innovation park for automotive)</li> <li>• offshore Renewables Enterprise Hub</li> <li>• Building Research Establishment</li> </ul>

## 4b Enterprise hubs

- **Eco Innovation Centre**
- **NHS Innovation Hub.**

Key Delivery Agents	Budget	Results
Individual hubs, EEDA, local authorities, SHA, private sector.	£5 million (2009-11).	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>• 340 jobs created</li> <li>• 100 people supported into employment</li> <li>• 110 businesses created</li> <li>• 1,900 businesses supported</li> <li>• 760 business supported to engage with the knowledge base</li> <li>• 3700 people supported to improve their skills</li> <li>• 1.5 hectares of brownfield land remediated</li> <li>• £18 million investment leveraged.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• increased proportion of businesses that are innovation active</li> <li>• increased share of businesses that translate new ideas and research into new products, services and processes</li> <li>• increased output and productivity in key sectors</li> <li>• increased skills levels (higher and technical) in key sectors</li> <li>• increased proportion of businesses engaging with universities, research institutes and private sector research centres</li> <li>• growth in jobs, business creation rates and GVA in key sectors and clusters.</li> </ul>

## 4c Knowledge transfer in key sectors

### Developing sector-specific and cross-cutting knowledge transfer solutions:

- **life sciences, health and wellbeing – sector co-ordinator strengthens network between SMEs and regional centres of excellence (Enterprise Hubs, Universities, four BBSRC institutes and R&D facilities of leading companies (including Unilever and GSK))**
- **energy and environment – Low Carbon Innovation programme (including low carbon vehicles)**
- **logistics Innovation Programme.**

4c Knowledge transfer in key sectors		
Key Delivery Agents	Budget	Results
EEDA, ERBI, local authorities, private sector.	£400,000.	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>• 500 businesses supported</li> <li>• 200 businesses supported to engage with the knowledge base</li> <li>• 1,000 people supported to improve their skills</li> <li>• £2.5 million investment levered.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• increased proportion of businesses that are innovation active</li> <li>• increased share of businesses that translate new ideas and research into new products, services and processes</li> <li>• increased output and productivity in key sectors</li> <li>• increased skills levels (higher and technical) in key sectors</li> <li>• increased proportion of businesses engaging with universities, research institutes and private sector research centres</li> <li>• growth in jobs, business creation rates and GVA in key sectors and clusters.</li> </ul>

### **Programme 5: ICT and the workplace**

#### ***Description and strategic fit***

There is now substantial evidence of the positive impact of business ICT adoption on economic performance. Many businesses, particularly small businesses, face difficulties when adopting and exploiting ICTs. Well-founded ICT business support programmes are effective in helping more businesses adopt and exploit more ICTs. At the same time, greater flexibility in regional working through the adoption of ICT will have significant benefits for the region in GVA uplift, efficiency gains and the reduction in congestion (with the environmental benefits that flow from that).

Nationally, the programme contributes to the Transformation ICT pilot within the Solutions for Business portfolio which seeks to test various options to overcome market failures.

The programme delivers against the region's strategic objectives to:

- increase the effectiveness of ICT across the region's businesses
- reduce digital exclusion

- increase flexible working in the public, private and third sectors
- ensure that the region is effectively skilled to take advantage of ICT and emerging technologies.

Around a quarter of businesses in the East of England are of the view that the ICT skills of their workforce are inadequate. The numbers of pupils passing IT-related GCSEs and A Levels is lower than in many other regions, while the percentage of people enrolling on IT-related further education courses is lower than expected, given the size of the region's IT workforce. A further challenge for the region is to properly equip its business managers to achieve productivity benefits from ICT.

### Implementation

#### Leadership

The ERDF-funded takeITon programme is managed by an EEDA/Business Link programme board.

#### Monitoring

The programme will have a clear evaluation strategy linked to the national evaluation of the Transformational ICT programme.

#### Resources

The EEDA-funded takeITon campaign, delivered by Business Link, is currently supporting SME owners/managers to utilise IT effectively in their business. ERDF funding is agreed to March 2012 and further EU funding is being sought to support an enhanced regional programme.

There is a specific opportunity emerging through the Learning and Skills Council, in partnership with BT to develop a Centre of Excellence for IT skills in the East of England. Potentially located at Adastral Park, this would place the region at the forefront of the ICT skills agenda.

### Programme components

5a takeITon		
<p><b>Encouraging firms to make transformational use of ICT through:</b></p> <ul style="list-style-type: none"> <li>• <b>awareness-raising activities: events and online activities designed to get businesses thinking about the potential benefits of ICT</b></li> <li>• <b>diagnostic and expert advice: delivered by accredited IT advisers and supplemented via electronic means</b></li> <li>• <b>grant funding: grant funding for eligible SMEs to support their implementation of a transformational ICT project.</b></li> </ul>		
Key Delivery Agents	Budget	Results
EEDA, Business Link.	With ERDF funding the value of takeITon is £5 million.	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>• 1,150 businesses supported by 2012 to increase their productivity, make efficiency gains and reduce their carbon footprint through a great understanding of the benefits of ICT in supporting their business.</li> </ul> <p><b>Outcomes:</b></p>

Sa takeITon		
		<ul style="list-style-type: none"> <li>increased effectiveness of ICT across the region's businesses</li> <li>reduction in the number of digitally excluded</li> <li>region well positioned to exploit emerging technologies.</li> </ul>

Sb Innovation in ICT		
<b>Research to understand the impact on the region of emerging technologies and programme to showcase those technologies.</b>		
Key Delivery Agents	Budget	Results
EEDA as part of the EU INTERREG partnership.	Subject to a successful bid that would attract a funding stream of circa €600,000 over 42 months matched by an EEDA contribution of €230,000.	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>mini-programme to test use of new technologies</li> <li>regional innovation ICT strategy.</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>region well positioned to exploit emerging technologies.</li> </ul>

Sc ICT for flexible working		
<b>Pilot project concept is to enable public sector office employees to use premises close to where they live. Hot desks would be made available in all the offices of participating organisations. An on-line booking service would then be established for employees of these participating organisations, providing information on desk space available and a booking service.</b>		
Key Delivery Agents	Budget	Results
EEDA, Work Wise East and public sector partners subject to sign-up.	Pilot requires up to £75,000 capital and £50,000 revenue expenditure. Region wide roll-out should be self-financing.	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>software commissioned and tested by Dec 09.</li> <li>from Jan 10 roll-out across public sector offices</li> <li>shared Premises and Communications Environment (SPACE) software</li> <li>number of participating organisations.</li> </ul> <p><b>Outcomes:</b></p>

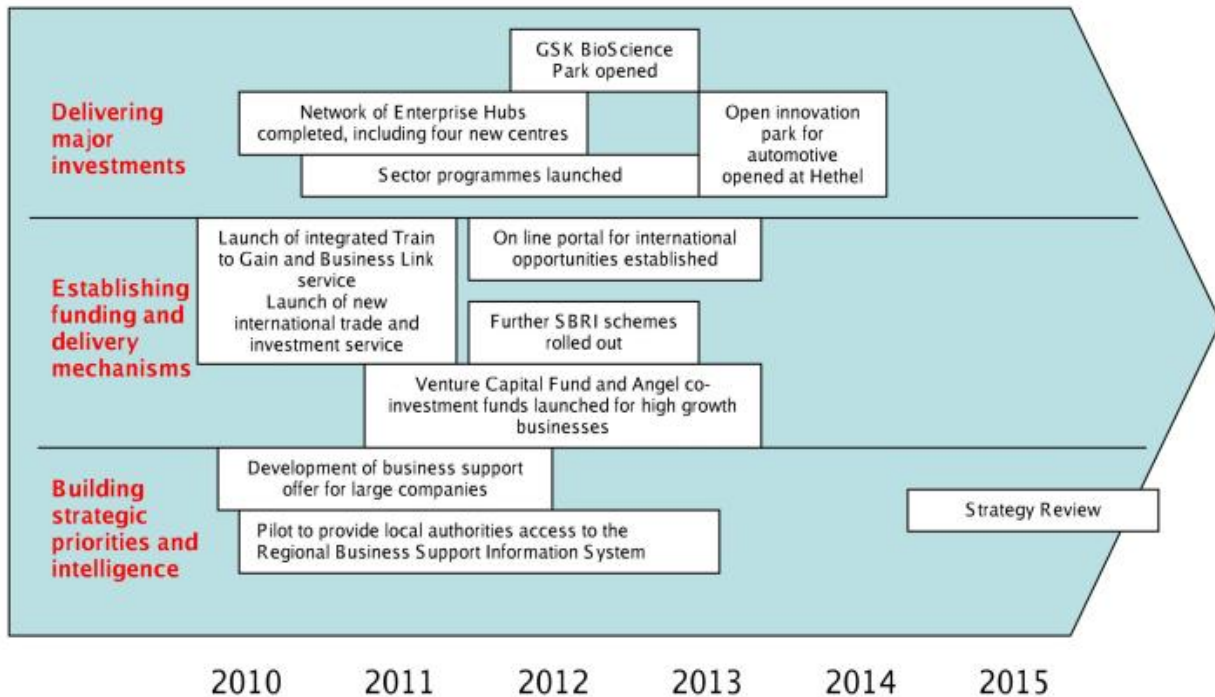
5c ICT for flexible working		
		<ul style="list-style-type: none"> <li>increased share of businesses adopting smarter/flexible working practices</li> <li>reduction in overall travel through use of ICT with resultant reductions in CO<sub>2</sub> emissions.</li> </ul>

5d Regional ICT skills		
<p><b>IT skills are crucial to the regional economy. E-skills estimated that 73 per cent of the region's workforce use IT in their day-to-day work. That analysis also predicted that the number of jobs requiring ICT skills is set to increase. There are two key areas of proposed activity:</b></p> <ul style="list-style-type: none"> <li><b>training and skills programme, drawing on the sector skills agreement, and targeted at the IT workforce and industry, IT professionals in other sectors, business managers and IT users</b></li> <li><b>development of a Centre of Excellence in the Region in partnership with BT.</b></li> </ul>		
Key Delivery Agents	Budget	Results
The Skills Funding Agency, EEDA, BT in conjunction with the Learning and Skills Council, higher education institutions and further education institutions.	To be confirmed.	<p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>200 businesses supported (shared with 5a-c).</li> </ul> <p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>reduced IT skills gaps among the region's workforce</li> <li>enhanced SME productivity</li> <li>increased innovate rates through digital technologies</li> <li>increased adoption of ICT technologies.</li> </ul>

### 7.4 Key milestones and phasing

Figure 10 sets out the sequencing for a few of the most critical interventions to be made in the region over the first five years of the implementation plan.

Figure 10: Phasing of key milestones



### 7.5 Synergies

There are strong links to the activities listed under other themes. Bringing together IDB services for business support and Train to Gain under Business Link will improve links and co-ordination between skills and business support provision. The Regional Skills Strategy, to be completed in 2010, will embed the ICT Skills element of the ICT and the workplace programme within a robust regional skills commissioning plan informed by the needs of business and the economy. The emphasis on employer-led skills development within the skills and employability theme will be important to raise business performance. The SME leadership and higher-level skills and skills for business programmes will provide greater support for embedding an entrepreneurial culture.

There are also important links to the green infrastructure theme. The natural environment plays a role in attracting and retaining skilled workers and inward investment. There are opportunities for business from sustainable management of the natural environment including access to resources; sustainable farming; the restoration of regionally significant landscapes and settlements; and the potential to develop an international lead in eco-systems services.

The culture, creativity and the visitor economy theme details specialist support to the creative and cultural industries (including digital content) and the tourist economy. This includes improved access to public procurement opportunities generated by the 2012 Olympic Games and support for developing a network of creative economy hubs that will support business growth through establishing centres of excellence. Aligned to this, the business finance, key business support products and ICT, and the workplace programmes of this theme will help address market failures around access to finance and resource efficiency for the creative and cultural industries.

The Improving Your Resource Efficiency support product in the Utilities theme will contribute to the region's ambitions around resource use, such as water consumption. The ICT in the workplace programme complements the regional broadband speed and access programme through supporting greater take-up of ICT technologies by employers. The Innovation in ICT package supports the ambitions of the utilities theme by maximising the economic benefits from ICT-related innovations in the utilities sector.

Aligning transport infrastructure development to favour business growth improves the business environment and has the potential to raise productivity. The Implementation Plan includes programmes of activity to this end, including road and rail capacity enhancements at key pinch-points (including rail freight); and surface access interventions to and from the region's international gateways (including links to ports, airports, Ebbsfleet and St Pancras International Rail Stations).

This theme also contributes to the cross-cutting priorities of the Implementation Plan. For example, on health, a sectoral focus of the strategic investments in innovation programme is life sciences, healthcare and well-being. At an operational level, equality and diversity will be supported through the design of contracts for service provision. Programmes in this theme are central to the regional response to promoting environmental and sustainability.

### 7.6 Delivery and capacity

There is already a large amount of regional-scale activity contributing to the delivery of the regional strategy targets. Much of the publicly funded business support activity is led by EEDA, which commissions Business Link East, the information-diagnostic-brokerage (IDB) service that works by connecting businesses to a broad range of support services in the public and private sectors.

The economic downturn in the last quarter of 2008 led to reductions in EEDA's budget which has, in turn, constrained funding for regional-scale business support packages. By extrapolating from the impact evaluation evidence of EEDA's past interventions, this reduction in budget is likely to cost the East of England between £140 million and £230 million of GVA from enterprise, innovation and business support interventions.

In addition to the regional-scale interventions and services, local authorities and other local business support organisations provide a valued service to their business community. Most local authorities in the region are engaged in activities that contribute to regional targets and priorities for enterprise and innovation. The main focus of local support is on business creation, particularly at a pre-start-up stage, and small firms. This includes support for enterprise training and advice provided through local enterprise agencies, grants and loans for start-ups, information and networking initiatives, and the provision of managed workspaces, incubators and other low-cost business premises. Recently, this has been extended to the provision of business finance such as that provided through the Banking on Essex initiative. There is also some sector-specific support, notably for tourism and land-based businesses and also for some clusters, which are also regional priorities, for example, motorsport and precision engineering. The East of England Sustainable Farming and Food Action Plan 2009 is an example of a plan that pulls together a number of innovative sector-focussed projects. EEDA's Economic Participation programme, alongside national programmes such as Local Enterprise Growth Initiative, have also funded business support activities in local areas.