



OBJECTIVE 2 ACTION PLAN MEASURE 1.5

**Learning & Skills for a Competitive Economy -
“Supporting Technological Development
& Business Innovation”**

Submitted by *emda* –April 2003



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1. Introduction

The overall objective of Priority 1 Measure 5 is to “increase the competitiveness of companies and the number of new starts through the provision of high quality skills and management training.”

This Action Plan provides a framework for training, development and start-up activities which complement *emda*’s 1.1 Regional Action Plan – “Supporting Technological Development & Business Innovation”. It provides some support or broader training and development activities best delivered on a regional basis.

Our Plan details procedures and guidelines to help co-ordinate the delivery of support services aimed at meeting regional and sub-regional economic development objectives. It also addresses the priorities and objectives stated within the Single Programming Document and Programme Complement, offering delivery targets in line with measured outputs and impacts.

The key strategic documents relating to this Action Plan include the Regional Economic Strategy (*Prosperity through People*), East Midlands Integrated Regional Strategy, the FRESA and the Regional Innovation Strategy. These and other published strategies have been the subject of comprehensive Partnership consultation.

By continuing to work closely with Regional and Sub-Regional Partnerships *emda* will ensure that this Action Plan remains relevant, reflecting current and emerging needs of the individuals and businesses operating in the East Midlands Objective 2 economy.

To maximise the synergy between the two inter related Action Plans (this and that for measure 1.1) *emda* has adopted the same *Key Themes*. Projects, which fall naturally under one or more of the following. The four *Key Themes* of Measure 1.1 are:

- Theme 1 Fostering an Innovative Culture
- Theme 2 Facilitating Knowledge and Technology Transfer
- Theme 3 Enabling Business Innovation
- Theme 4 Maximising the benefits of the ICT Revolution

An additional fifth *Key Theme* has been introduced for this action plan to provide a mechanism for supporting training and development activities best delivered on a regional basis. Whilst initiatives under this theme don’t necessarily contribute towards “supporting technological developments and business innovation” we aim to support higher level skills development as opposed to lower level basic skills training:

Theme 5 Promotion of Enterprise through Regional Skills Development Initiatives.

The approval of this *emda* Action Plan will encourage all “innovation and technology” - related ESF projects to be channelled through the Agency’s appraisal process. It allows a more strategic approach to be taken at the project approval stage as it combines, under one Strategic Management Board, responsibility for both business and employee development in the field of innovation and technology.

The development of this ESF action plan will follow the work of the Skills Action Plan to the development of the Framework for Regional Employment and Skills Action, (FRESA).



emda will strengthen the existing Strategic Management Board (SMB), by including a FRESA forum member who will bring specific skills expertise to the group.

The Board will endorse projects that will contribute to Measure 1.5 outputs and impacts so ensuring that the limited Action Plan resources provide tangible benefits and value for money. Endorsed projects will facilitate quality training and development, underpinning business innovation and technology and leading to increased SME competitiveness and profitability.

We believe that stimulating skills development to support technology and business innovation will help re-engineer the structure of the Objective 2 economy. It will help enhance the number of businesses capable of trading in a global market place.

Our Plan will develop the skills of individuals responsible for driving forward businesses with growth potential. *emda* will encourage high value manufacturing and service delivery which will generate quality employment and wealth.

Through our Plan we continue to show our commitment to economic development through a strong and active working relationship with our Business Community and Strategic Partners.

Signed

Martin Briggs
Chief Executive
emda



Partnership Commitment

As members of the Strategic Management Board we will work together to help the East Midlands derive the greatest possible benefit from its developing economy. This will involve us in helping to:

- develop a strong culture of **Skills Development and Learning**, putting the East Midlands at the leading edge in Europe in our exploitation of new technologies and business innovations - creating a climate within which entrepreneurs and world-class businesses can be born and grown.
- use the global **Information & Communications Technology Revolution** to create the capability for everyone in the region – individuals and businesses - to use information and knowledge to maximum benefit.

The Strategic Management Board, established to assist in management, endorsement and enforcement of all projects under this action plan, consists of:

SBS Rep	Helen Dawson
SSP Representative	Peter Bright
GOEM Representative	Peter Holmes
Innovation & HE/FE Rep	Brian Foxton (De Montfort University)
Key Sector/Cluster Rep	Jeff Scrivner (EMTEX)
<i>emda</i> Representatives	Kevin Edwards (Head of Economic Development)
<i>emda</i> Board Member	Peter Ramsden
Minority Enterprises	Mir Juma (Princes Trust)
Female Owned Business	Varsha Patel (Business 2 Business)
FRESA Forum Member	Paul Williamson (Executive Director for Lincolnshire and Rutland LSC)

The Board will seek advice from a number of organisations/specialists, including:

Equal Opportunities Representative	Cathy White (CEFET)
Sustainable Communities Rep	Andy Barron
European Policy Manager	Emma Corbett (<i>emda</i>)



2. The Strategic Context

2.1 Links to the Regional Economic Strategy and the Framework for Regional Employment and Skills Action(FRESA).

“Our people are the key to unlocking our potential as a region. We need a population of enterprising, adaptable, knowledgeable and highly skilled individuals who are able to identify and exploit tomorrow’s business opportunities. Our strategy focuses on harnessing and building the talents of our people and creating a climate within which they can use these talents to the full.” (Regional Economic Strategy foreword - Derek Mapp, Chairman of emda)

Of the four key drivers upon which the Regional Economic Strategy (RES) is based, three are relevant to this Action Plan:

1. Creating a Learning Region (Excellence in Employment and Skills)
2. Supporting the ICT Revolution
3. Developing a Strong Culture of Enterprise and Innovation

By submitting an Action Plan aimed at facilitating high level training and development focused around business innovation and technology we also contribute towards the following FRESA headline challenges:

Drive up demand for skills from regional business (public, private and voluntary sector) through improvements in business productivity – 70% of productivity gains must be met by SMEs (Small and Medium Enterprises) if the region is to achieve its target.

Improvements in demand require parallel improvements in skills supply, and the current weaknesses in the skills profile of the region need to be addressed to keep up with business aspiration.

Raise the aspirations of the people of the region - as individuals and parents as well as employers and employees and members of regional communities

Objective: ICT Revolution

- Use the global information & communications technology revolution to create the capability for everyone in the region – individuals and businesses- to use information and knowledge to maximum benefit.

Relevant Priorities:

- **ICT Know-how:** Promote ICT learning and advanced skills in the use and exploitation of ICT. Encouraging on-line training for senior executives. Strengthening the role of higher and further



education as a source of ICT skills development, stimulating take up of development opportunities to support innovation and business growth.

- Increasing employee ICT usage for all aspects of running a business is a major objective of the RES, and in turn is reflected in the Measure 1.5 Action Plan. It is a priority to ensure that the region's support infrastructure provides the guidance, training and mentoring that individuals need to exploit ICT to the full. Our aim is to support the current and future workforce to adapt and grow in the global e-economy.

Objective: Enterprise & innovation

- To develop a strong culture of enterprise and innovation, putting the East Midlands at the leading edge in Europe in our exploitation of research, recognised for our spirit of innovation – and creating a climate within which entrepreneurs and world-class businesses can prosper

Relevant Priorities:

- **Establish an East Midlands know-how Network** of knowledge transfer hubs – a platform from which to share information between SMEs and access knowledge from HE/FE sectors.
- Create an environment to **encourage entrepreneurial spin-offs**. Providing training and develop in marketing, management development, accessing finance and Entrepreneurship. Support for entrepreneurs with new business ideas is crucial to develop a globally competitive business base, putting the East Midlands at the leading edge in Europe in our exploitation of research, particularly in science and technology.

2.2 Key Themes within *emda's* Corporate Plan.

emda developed its Corporate Plan for 2002 – 2004 with a wide range of partners across the region, including the Regional Assembly, Small Business Service, Business Links, Regional Business Forum, sub-regional strategic partnerships, East Midlands Universities Association, Local Government Association, and Government Office East Midlands.

All partners accept that levels of enterprise and innovation must be increased and that they must continue to work collectively to maximise the impact of the resources invested within the East Midlands.

The availability of Objective 2 ERDF and ESF funds plays a key role in moving the East Midlands up the regional league table as it provides real financial impetus to SMEs and individuals, giving them skills and opportunities to develop new products and processes.

In developing this Action Plan we are able to link closely to *emda's* Tier 2 “**innovation**” targets—promoting the strength and usage of the Region's knowledge base.

Innovation is one of the eleven key targets at the Tier 2 level. These targets will be achieved “by the totality of effort of a wide range of regional partners across the East Midlands (and Government).”

The definition of Innovation in this context is to:



Make the most of the UK's science, engineering and technology by increasing the level of exploitation of technological knowledge derived from the science and engineering base, as demonstrated by a significant increase in the number of innovating businesses, of whom a growing proportion use the science base amongst other sources of knowledge.

At a national level, with only one percent of the world's population, the UK has produced 8 percent of the world's scientific research papers. However, within the East Midlands, research has indicated that we are relatively weak in terms of research infrastructure with relatively few top ranking research universities, public sector funded research laboratories, science and technology parks or large research-intensive firms with the exception of Boots, Astra Zeneca and Rolls Royce.

Our region suffers from a significant innovation deficit. It also appears that the higher than average employment in medium and high tech firms in the East Midlands is not supported with knowledge creation at a regional level. This means that the East Midlands lacks capacity for generating technological research and knowledge.

It is our Challenge, within the 1.1 & 1.5 Action plans to both strengthen the existing infrastructure and stimulate increased usage.

The Strategic Framework for Innovation has been created to address these issues. Our Action Plan draws on four of its themes developing an action programme to progress the region's capacity to innovate. A number of strategic partnerships will be created with public, private and education sectors to focus on making a difference within each theme.

2.3 Key Themes for this Action Plan (Drawn from Regional Innovation Strategy)

Our Action Plan draws together Business Development and its associated Human Resource initiatives. To help this *emda* has adapted the four themes from the Regional Innovation Strategy to create a framework for ESF in the Objective 2 area:

Theme 1 Foster an Innovation Culture:

- helping establish a learning and skills environment in which businesses and individuals are motivated to succeed through innovation; raise awareness of what is possible and providing access to services aimed at nurturing business creation and innovation.

Theme 2 Facilitate Knowledge and Technology Transfer:

- making the most of the region's science, engineering and technology expertise by providing effective access for individuals and SMEs seeking higher level training and development – helping them benefit from external knowledge and expertise. Facilitating the networking of best practice and sharing the benefits of innovative management and manufacture through sector forums, cluster groupings and contact with HEIs.



Theme 3 Enable Business Innovation:

- ensuring that effective training and development support is available to support innovators and entrepreneurs. Providing the context for an increase in the number of innovative businesses; promote the use of sustainable technologies and increase the use of research establishments to help develop new products and processes; focus on identifying areas for increased productivity and the region's GVA rating.

Theme 4 Maximise the benefits of the ICT Revolution:

- stimulating employee development in new information & communication technologies. Increase usage of e-business tools to create innovative business processes and competitive advantage. Improving the performance of the economy in the target area; harnessing the benefits of ICT to secure efficiency and productivity improvements.

In addition to the original four themes covered in our Measure 1.1 Action Plan a fifth theme is to provide a mechanism for supporting high level training and workforce development activities best delivered on a regional basis via this action plan:

Theme 5 Employment and Skills: Supporting the delivery of activities which are best delivered on a regional basis are those activities highlighted in the FRESA action plan:

- Raising skills Levels in the Workforce
- Management and Leadership
- Employability For All
- Skills for Enterprise and Innovation
- Knowledge and ICT

emda will encourage projects that align themselves with the key themes of the FRESA.

To increase the proportion of innovating businesses in the region we must equip current and future employees with appropriate skills. By encouraging training and development activities under the 4 key themes we will provide Objective 2 SMEs with the appropriate labour resources to develop new technologies, products and processes.

We also need to increase the proportion of innovators who use the science and technology base. This means ensuring that East Midlands businesses know where scientific and technological expertise is available and how it can be accessed.

2.4 Links to SPD & Programme Complement

Having played an integral part in the development of the Objective 2 SPD and Programme Complement, *emda's* innovation and technology strategy



“To safeguard and increase employment in the programme area through the promotion of enterprise and innovation at all levels”.

The key themes and programme activities will support the ERDF measure 1.1 objective:

“To contribute to the increased use of ICT and other technological developments and the spread of innovative practices” – by supporting the development of the skills and expertise required by the region’s industries if they are to take advantage of emerging business opportunities.

The East Midland’s Objective 2 SPD states that there is a *“need for additional resources to target support on those companies in the O2 area which seek to adapt”*

Support available through this Action Plan must fall within the 4 elements of ESF intervention specified within the SPD, namely:

1. Management Development
2. Higher level training for key sectors
3. Assuring a targeted supply of labour to firms in *emda* priority sectors.
4. Supporting the creation of new companies

2.5 Links to Framework for Regional Employment and Skills (FRESA)

The development of this ESF action plan will follow the achievements of the Skills Action Plan and the FRESA; which has identified the following key themes:

FRESA Key Themes:

- Raising skills Levels in the Workforce
- Management and Leadership
- Employability For All
- Skills for Enterprise and Innovation
- Knowledge and ICT

2.6 Links to ICT Strategic Framework

The activities and projects encouraged under this Action Plan will complement the Region’s ICT Strategic Framework as both documents broadly share the same objectives. The ICT Strategic Framework, based initially on the finding of the Technopolis report, identified seven principle strands and targets geared towards ensuring that the East Midlands maximises the benefits of the ICT revolution. Four strands directly relevant to this Action Plan are:

1. The role of ICT in the development of the Region – embedding an appropriate ICT strategy (encouraging skills development) within wider regional plans.
2. ICT Information Dissemination – by 2005 the region will be exemplary in its provision of easy access to key ICT related information. (In the case of ESF this could relate to forecasting ICT skills requirements of the Objective 2 area)



3. E-Business in the Region – by 2005, 95% of all businesses in the East Midlands will have broadband access, use of email, have a marketing web site and use ICT effectively to store, transmit and receive data. Most of their interactions with both customers and suppliers will be conducted on line. Clearly this cannot happen without the availability of suitably trained employees.
4. E-Learning in the Region – by 2010 90% of citizens in the East Midlands will have access to high quality e-based learning materials. This will make training more readily accessible and increase participation in high-level skills development.

2.7 Links to the Regional Cluster Development Strategy

The forces driving the global economy are changing the nature of business and the way in which companies compete. As the region faces the challenges of the global economy it requires a rapid response to changing opportunities and threats.

Investing in high-level skills development increases competitiveness and enables businesses to compete in an increasingly globalised environment. This is central to *emda's* cluster development strategies: helping increase business bottom-line performance, encouraging innovation, accessing new market] and promoting new technologies.

emda will support projects which provide businesses within priority clusters with the skills required to become globally competitive, adopting new processes and new technologies.

2.8 Links to Sub Regional Strategic Partnerships (SSPs)

emda has worked closely with Sub Regional Strategic Partnerships (SSPs) ensuring that their strategies reflect the priorities and needs in the agreed Regional Economic Strategy. The need to develop high level skills to promote business innovation and enterprise will be reflected in sub regional strategy documents, so complementing this Action plan.

SSPs are expected to make provision for ESF activities which fall outside the scope of this Action Plan, namely sub regional activities which complement Measure 1.2, 1.3 and 1.4.

2.9 Addressing Environmental Sustainability Issues

It will be the responsibility of applicants to demonstrate that the environmental impact of projects has been considered. The contribution of projects to the environmental sustainability of the region will be considered during the ESF selection process. Applicants must address a number of horizontal themes including environmental sustainability. Whilst it is unrealistic to expect revenue-based training projects to make significant contributions to environmental sustainability it is realistic to eliminate those projects which have a detrimental effect.

2.10 Addressing Equal Opportunities Issues

The overall objective of the Equal Opportunities thematic priority is:



“to increase the take up of opportunities generated by the Programme by women, ethnic minorities and people with disabilities.”

In the case of Measure 1.5 the SPD sets a target that 33% of training should be taken up by women. The ESF application process requires project sponsors to show how they make a positive contribution to equality of opportunity. If projects don't meet the quality threshold against this criterion they will not be supported. To ensure we achieve our Action Plan target we will monitor individual project contributions. At Action Plan level we will endeavour to monitor the impacts upon priority groups.

3 Strategic Objectives – Deliverable Outputs, Results & Impacts

3.1 Action Plan Strategic Objectives

1. To deliver Management Development which encourages and enables firms to exploit business opportunities, new technologies and innovation.
2. To promote and deliver skills development in key sectors, focusing on supporting product and process improvement.
3. To equip individuals with the technical and higher level skills required to sustain the growth of key sectors.
4. To increase the stock of value added, innovative new businesses.

The following Outputs, Results and Impacts will be delivered over the life of the Action Plan.



3.1 Outputs, Results & Impacts for Core areas of Objective 2 Programme

OUTPUTS, RESULTS & IMPACTS

emda M1.5 Action Plan Outputs, Results & Impacts	
Outputs	
Number of companies helped	399
Number of employees helped	772
Number of beneficiaries getting self-employment help	66
Results	
Survival rate of self-employment at 18 months	50%
Impacts	
Net new businesses running after 18 months (ESF)	25
Net number of jobs safeguarded by ESF support	37
Net number of jobs created through support for self-employment (ESF)	158

3.2 Cross Cutting Theme Targets

3.2.1 Equal Opportunities

Target	Core Area
% of women receiving ESF support	33%

3.2.2 ICT Revolution

Target	Core Area
Number of individuals trained in ICT	280
Number of companies provided with ICT related training	93



4 Examples of Projects to be Encouraged and Endorsed

Within the five key Themes of activity the Accountable Body and the Strategic Management Board will achieve its objective of ensuring complimentary between Measures 1.1 and 1.5. *emda* will invite sponsors of projects approved through our M 1.1 Action Plan to consider whether ESF support would enhance the impact of their **ERDF** initiatives. Applications linked to M 1.1 ERDF activity will not automatically be favoured over “stand alone” projects, but will have the opportunity to demonstrate how linked ESF and ERDF activities can enhance one another’s effectiveness

Open bidding rounds will offer the wider partnership the opportunity to submit additional projects for appraisal and endorsement under the agreed project approval process.

The following activities, grouped under the key themes of the FRESA, offer examples of the type of project to be encouraged providing a mechanism for supporting skills development activities that are best delivered on a regional basis.

Example Projects Areas:

- Awareness training for owner/managers – encouraging them to think creatively and stimulate innovation within their businesses
- Programmes which promote the flow of technological expertise from universities, centres of excellence and technically advanced companies.
- Workshops to help entrepreneurs to identify emerging business opportunities.
- Promoting demand business led skills networks as vehicles through which productivity, business processes and best practice can be shared. Undertaking research into how best to service emerging sector /cluster groups as defined in the Regional Economic Strategy.
- Development programmes targeted at key workers within priority sectors helping them to learn from the region’s universities, centres of excellence and technologically advanced businesses.
- Programmes that support new starts to adopt new technologies from the Region’s stock of intellectual capital.
- Programmes which take stock of the technological requirements of SMEs and link this to available expertise within the region.
- Programmes that look at creating ties between businesses and academic establishments to share knowledge and transfer technology. Mentoring/Coaching and joint ventures.
- Start up programmes targeted at high growth, innovative businesses



-
- Research to identify the sectoral and regional skills gaps which limit the take up of innovation and technology
 - In-company Training Needs Analysis to identify skills deficits which prevent firms from innovating effectively
 - Implementing training to address identified skills gaps (see above) e.g.
 - *Product & process development training*
 - *Productivity improvement training*
 - *Business Leadership training*
 - *Training which accelerates the adoption and usage of appropriate technology*
 - *Training which focus on Sustainable Technology and reducing environmental impact*
 - Research into skills requirements linked to emerging communications technologies
 - Training to address the above needs
 - Increasing SME access to applied ICT Workforce development
 - Training to increase firms' abilities to use ICT to control and streamline business and production processes
 - Training in e-commerce skills – Internet trading and web based technological.
 - Developing employee skills particularly at higher levels within key sectors (e.g. Environmental technology, new media, advanced manufacturing, food technology etc)
 - Developing skills to assure a targeted supply of labour to firms within key sectors
 - Developing business learning accounts to facilitate cross regional, higher level development in key sectors.
 - Development of programmes that enable graduates to start new businesses.
 - Creation of programmes that increase access to skills development for people working in minority ethnic businesses.

4.1 Projects and areas of expenditure not to be included within the Action Plan

emda wishes to utilise the resources of the Action Plan in an innovative and flexible manner, but we recognise the need to identify some parameters to focus support. Activities falling outside these parameters will not be eligible for support. Examples of ineligible projects are:

- Applications that fail to secure sufficient matched funding from public or private sources will be ineligible.
- Individual capital items over £1,000 in cost (see ESF Guidance “Eligible and Ineligible Expenditure” for further details www.emda.org)
- Basic and intermediary skills training provision, which is neither closely linked to the objectives of our Measure 1.1 Action Plan – “Supporting Technological Development & Business Innovation” – nor regional* in it’s coverage will not be supported.

(* for the purpose of this Action Plan “regional” is taken to mean covering those parts of the East Midlands region which fall within the core Objective 2 area)

Activity will only be supported if it is ESF-eligible and either:



- i) judged to be truly focused on supporting technology developments and business innovation and capable of being categorised within themes one to four of this plan, or
- ii) fits within theme 5 by virtue of being made available across the core EM objective 2 area and being incapable/impractical to deliver on a sub-regional basis.

4.2 Principles for Allocating Funding

Each of the five main themes has been allocated an indicative budget that will be ratified by the Strategic Board (see financial tables). Each of these budgets will be further divided into annual allocations giving project sponsors and partners a clear appreciation of the funding available for developments within any given period and action plan area.

Clearly at this stage amounts with the funding profile are indicative (see section 6). Funding profiles may be adjusted to account for changes in demand. The Strategic Board and Management team will review these parameters to ensure they reflect the needs of the Objective 2 area. Conscious of the need to commit ESF resources at Programme level, the Strategic Board will seek endorsement from GOEM to advance delivery.

4.3 Technical Assistance

We will seek technical Assistance to achieve the following:

- To support the efficient and accountable management of the Action Plan
- To maximise quality of Action Plan, impact and Project implementation
- To ensure the quality of monitoring and evaluation of the Action Plan and Projects
- To support the provision of information about and publicity of the Action Plan and Projects
- Expenditure related to the preparation, selection, appraisal and monitoring of the Action Plan
- Expenditure on the meetings of the Strategic Board and such committees as set up by the Accountable Body
- Provision of experts as required to support the running of the Action Plan
- Expenditure related to audits and on the spot checks
- Actions in support of evaluation of the Action Plan
- Actions in support of improving the use and definition of indicators
- Actions in support of maximising involvement in the Programme
- Feasibility studies, research studies, baseline data collection
- Exchange of best practice
- Training for applicants, appraisers, committee members etc
- Management information systems

5. Target Area

5.1 Targeting by industry or firm most likely to benefit from ICT and innovative Technology improvement.

'Businesses in all sectors need to exploit new sources of competitive advantage and respond rapidly and flexibly to change. All businesses in the UK, large and small, manufacturing and services, low and high-tech, urban and rural need to marshal their knowledge and skills to satisfy customers, exploit opportunities and meet society's aspirations for a better environment'



DTI White Paper, 'Our Competitive Future: Building the Knowledge Driven Economy'

The above extract captures exactly what we wish to deliver through this action plan. In the Core East Midlands Objective 2 area there are c20,000 companies in a wide range of business sectors. We have carried out extensive research into these sectors and have been involved with research into specific Objective 2 areas, particularly the "Coalfields". Our research has identified that the East Midlands Objective 2 area is heavily reliant on manufacturing and primary related industries and that these industries often form the core of local economies.

The manufacturing base in the area has a high proportion of "sub contract" companies, c70%. Many of these have no intellectual rights to a product or process - they are particularly exposed to the pressures of globalisation. This does not align itself with the aims of this Plan and we must encourage these businesses to innovate in product, process and use of ICT to improve service to customers.

To focus our support, so as to concentrate the impact of our work, this Action Plan targets key sectors that have been determined by the *emda* Cluster Development Strategy and also by their inherent strength within the Objective 2 area. These priority sectors are:-

- Engineering
- Food & Drink
- Healthcare Industries
- Creative Industries
- Clothing & Textiles
- Environmental

These industries have very different needs in terms of harnessing new technologies and improving use of ICT and it is envisaged that projects developed under this action plan will focus carefully on those needs. The target for all sectors is to develop a sustainable base of knowledge-intensive, high growth and added value SMEs, able to compete in a global knowledge economy. Declining sectors will be encouraged to develop new technologies and products both in their existing and new markets.

Where sectors are relatively new and growing e.g. (Creative Industries, Food Technology), the emphasis will be on accessing new markets, taking advantage of opportunities offered by fast moving technological change and encouraging early adopters to capitalise on sources of intellectual property.

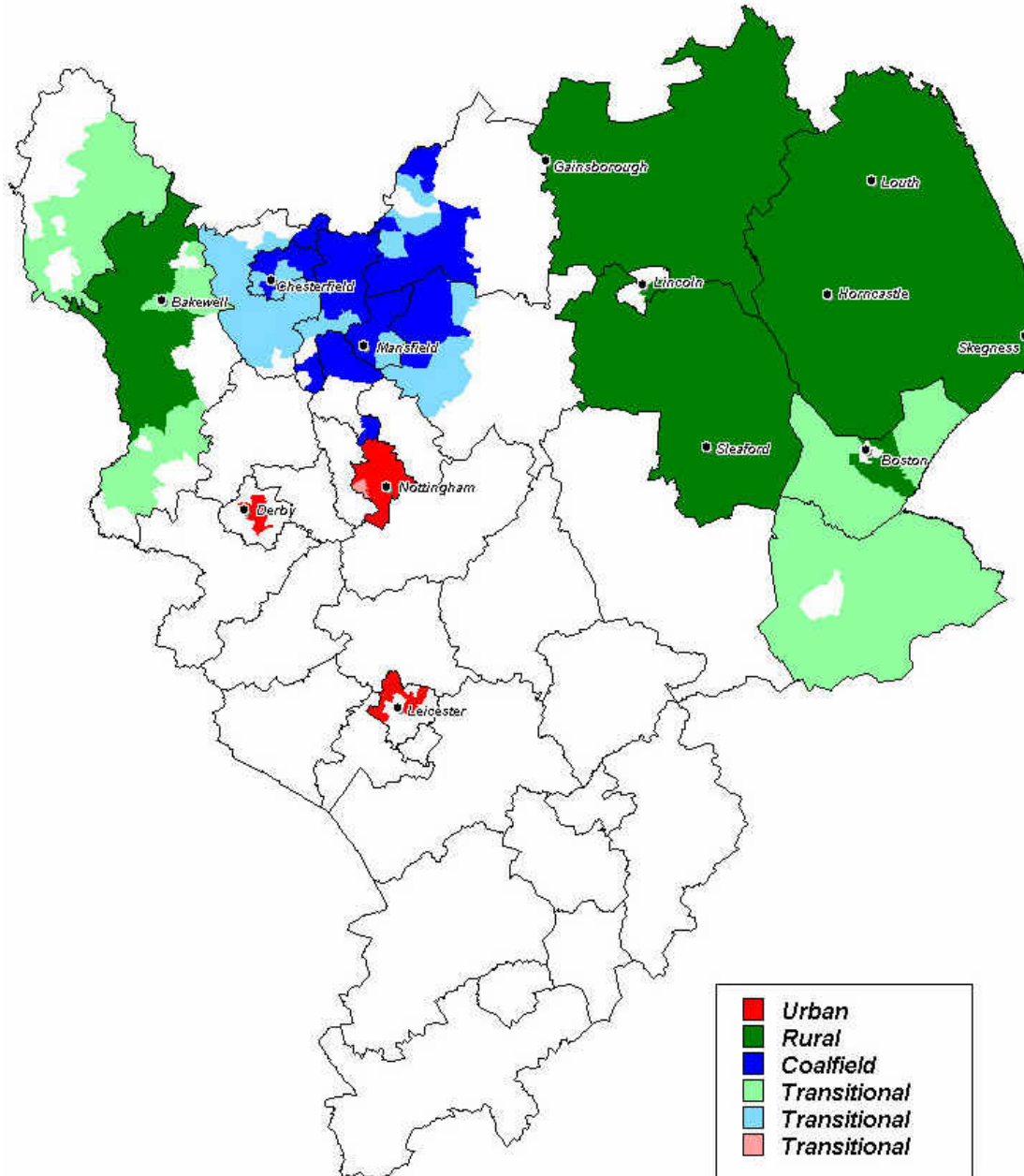
The underlying reliance on a manufacturing sector in decline will also be addressed by offering support to initiatives examining innovative approaches to supply chain development.

5.2 Targeting by Geographical Area

The Action Plan will cover the Core Objective 2 area.



**EAST MIDLANDS EUROPEAN STRUCTURAL FUNDS OBJECTIVE 2 AREAS
POST 2000 - WITH TRANSITION AREAS**



* Note: Only Non Transitional Areas are eligible for support through this plan.



Lincolnshire * Transitional Wards non eligible under this Action Plan	Boston Borough	Central, Fishtoft, Skirbeck, South, Wyberton (18,902)
	East Lindsey District	Alford, Binbrook, Burgh-le-Marsh, Chapel St Leonards, Coningsby, Donington-on-Bain, Fotherby, Friskney, Frithville, Grimoldby, Halton Holgate, Hogsthorpe, Holton-le-Clay, Horncastle, Hundleby, Ingoldmells, Legbourne, Mablethorpe, Mareham-le-Fen, Marsh Chapel, New Leake, North Holme, North Somercotes, North Thoresby, Partney, Priory, Roughton, St Clements, St James', St Margaret's, St Mary's, St Michael's, Scarbrough, Seacroft, Sibsey, Spilsby, Sutton and Trusthorpe, Tattershall, Tetford, Tetney, Theddlethorpe St Helen, Trinity, Wainfleet, Willoughby with Sloothby, Winthorpe, Withern with Stain, Woodhall Spa, Wragby. (123,058)
	City of Lincoln	Abbey, Boultham, Park (19,533)
	North Kesteven District	Ashby-de-la-Launde, Bassingham, Billingham, Bracebridge Heath, Branston and Mere, Brant Broughton and Stragglethorpe, Cranwell and Byard's Leap, Eagle and North Scarle, Heckington, Heighington, Helpringham, Leasingham, Martin, Metheringham, Navenby, North Hykeham Central, North Hykeham North, North Hykeham South, North Kyme, Osbournby, Ruskington, Skellingthorpe, Sleaford East, Sleaford North, Sleaford South, Sleaford West, Waddington East, Waddington West, Washingborough, Wellingore (86,639)
	South Holland District	None
	West Lindsey District	Ancholme Valley, Bardney, Caistor, Dunholme, Forest, Gainsborough East, Gainsborough North, Gainsborough South-West, Hemswell, Kelsey, Lea, Market Rasen, Middle Rasen, Nettleham, Saxilby, Scampton, Scotter, South Cliff, Stow, Thonock, Torksey, Walshcroft, Welton, Witham, Wold View, Yarborough (77,175)



Sub-region	Local authority Districts	Objective 2 wards (Fully eligible areas)
Peak District	Derbyshire Dales District	Ashford and Longstone, Bradwell, Brassington and Parwich, Eyam and Stoney Middleton, Hartington and Dovedale, Hathersage, Stanton, Taddington, Tideswell, Youlgreave (19,078)
	High Peak Borough	None
Peak District	Staffordshire Moorlands District	Alton, Ipstones, Leekfrith, Longnor, Warslow, Waterhouses
	East Staffordshire district	None

Sub-region	Local authority Districts	Objective 2 wards (Fully eligible areas)
3 Cities	City of Derby	Abbey, Babington, Derwent, Litchurch, Osmaston (55,463)
	City of Leicester	Beaumont Leys, Belgrave, Charnwood, Latimer, Mowmacre, New Parks, North Braunstone, Spinney Hill, West Humberstone, Wycliffe (110,033)
	City of Nottingham	Abbey, Aspley, Basford, Beechdale, Bestwood Park, Bilborough, Bridge, Bulwell East, Bulwell West, Byron, Clifton East, Clifton West, Forest, Greenwood, Lenton, Manvers, Mapperley, Park, Portland, Radford, Robin Hood, St Anne's, Sherwood, Strelley, Trent, Wilford (270,504)



Sub-region	Local authority Districts	Objective 2 wards (Fully eligible areas))
Former coalfield	Ashfield District	Hucknall Central, Hucknall East, Hucknall North, Kirkby-in-Ashfield East, Kirkby-in-Ashfield West, Sutton-in-Ashfield Central, Sutton-in-Ashfield East, Sutton-in-Ashfield North, Sutton-in-Ashfield West (73,035)
	Bassetlaw District	Blyth, East Retford North, Elkesley, Harworth East, Harworth West, Welbeck, Worksop North-West, Worksop South-East (32,099)
	Bolsover District	Barlborough, Blackwell, Bolsover Central, Bolsover North, Bolsover South, Clowne, Elmton-with-Creswell, Glapwell, Pinxton, Scarcliffe East, Scarcliffe North, Scarcliffe South, Shirebrook East, Shirebrook North, Shirebrook North-West, Shirebrook South, Shirebrook South-West, South Normanton East, Whitwell (56,949)
	Chesterfield Borough	Barrow Hill and Hollingwood, Dunston, Holmebrook, Lowgates and Woodthorpe, Markham, Middlecroft, Moor, New Whittington, Old Whittington, Rother, St Helen's, St.Leonard's (54,346)
	Mansfield District	Birklands, Broomhill, Cumberlands, Ladybrook, Leeming, Manor, Meden, Northfield, Oakham, Pleasleyhill, Ravensdale, Sherwood, Titchfield (75,695)
	Newark and Sherwood District	Clipstone, Edwinstowe, Ollerton North, Ollerton South, Rufford (17,480)
	North-East Derbyshire District	Eckington South, Killamarsh East, Killamarsh West, Renishaw (14,172)



5.3 Targeting by Beneficiary Type

Given the focus of the plan, we will target support to those who have the greatest impact on the level and effectiveness of innovation. This dictates a concentration on the following:

- i) owners/managers of SMEs
- ii) those with responsibility for product development
- iii) those with responsibility for production processes and productivity
- iv) technical specialists supporting product and process improvement
- v) marketing strategists/managers responsible for evaluating new markets
- vi) entrepreneurs/those wanting to establish innovative ventures
- vii) those with responsibility for ICT, especially e-commerce
- viii) those seeking to secure employment within key sectors by gaining skills which are critical to enable innovation and development

With regard to Theme 5, targets are expanded to include:

- ix) Employees within key sectors seeking to acquire higher skills
- x) Employees within other growth sectors with potential to be significant to the future of the East Midlands economy

5.4 What are the Problems/Opportunities being addressed within the Action Plan

The Programme Area has a very high proportion of employment in manufacturing. Across the area 24% of all employment is in this classification. A number of the largest sectors are in a period of transition and the long term forecast is that manufacturing employment will continue to decline. This indicates a need to improve competitiveness simply to maintain current employment levels. The analysis also identifies poor representation of growth sectors, notably in finance and business services.

The overall research strength of our Universities is slightly below the national average. Levels of research and development in the East Midlands are low compared with other English regions, especially so within the public sector. A greater issue, however, is the lower than average Research spend as a percentage of gross value added. We must raise awareness of the benefits of investing in Research and Development.

Research has also shown that the region ranks only 7th in terms of connectivity across the UK regions. Relatively lower proportions of businesses in the East Midlands currently use one or more of the following: web sites; external email; electronic data interchange. For example, only 54% of businesses have web connectivity in the East Midlands as against 74% in London and 65% in the West Midlands.

Also, the region ranks only 6th against other UK regions in the number of businesses that purchase on-line or use the internet for advertising and marketing (38% against 44% for Great Britain). The East Midlands also under performs in relation to the number of businesses which sell via the Internet, only 4% of businesses against a GB average of 9%.

ICT offers benefits to every type of business. It allows companies to access customers in new markets. It can help companies reduce their input costs by reducing supply costs and presents



companies with the chance to offer higher levels of customer service. (This applies to both manufacturing and service sector companies.) The benefits of ICT to companies are particularly relevant to businesses located outside the main conurbations, which may be disadvantaged due to location.

A number of opportunities are available to companies that can either identify new commercial ideas arising from the use of the technology, or provide key services in relation to the technology, such as the design of web sites or the production of software. The region though demonstrates below average employment in the IT sector where only 1.3% of the total workforce are employed against 1.7 % nationally.

In summary, the Regional Economic Strategy, and hence this Action Plan, responds to a number of key issues:

- Low levels of business connectivity (only 54% of EM businesses are connected compared to 74% in London and 65% in the West Midlands)
- The region ranks only 6th against other UK regions in terms of numbers of business who purchase on line or use the internet for marketing
- Only 4% of East Midland businesses sell via the Internet against a UK average of 9%
- Despite the historic rates of growth, the East Midlands lags behind both the UK and European averages in terms of GDP per head. In 1996, it ranked 40th out of 77 EU regions.
- There is wide disparity of GDP patterns throughout the region.
- Earnings per head, skills levels and productivity in manufacturing are all below average.



6. Financing the Action Plan

6.1 Projected Expenditure Profiles – Table 1

	2003	2004	2005	2006	Total
ESF	£200,000	£666,667	£666,667	£466,666	£2,000,000 (42.78% av. grant rates)
Public	£244,445	£814,814	£814,814	£570,372	£2,444,445 Matched (1.22 multiplier)
Private Sector Leverage	£23,038	£76,792	£76,792	£53,756	£230,378 leverage (0.115 multiplier)
Total	£467,483	£1,558,273	£1,558,273	£1,090,794	£4,674,823

Multiplier calculated from SPD Expenditure profiles.



6.3 Resource Allocation Considerations

In considering the distribution of Measure 1.5 resources *emda* has taken account of the priorities in the Regional Innovation Framework and their interdependencies. The balance of resources between the themes reflects the priorities Regional Innovation Framework as it applies to the Objective 2 area. Within this, though, we must remember that:

- Funding covers the period up to and including 2006. However given the rapidly changing nature of “new technology” it may be necessary/desirable to support activities that have yet to emerge. To maintain the flexibility to do this it is essential that not all resources are allocated at the beginning of the Action Plan period.
- The above, there is a pressing need to commit and spend funds at Programme level.
- We need to provide multi-annual funding (up to 2 years duration) to enable the establishment of longer-term initiatives.
- We need to ensure value for money by imposing a quality threshold upon applications and focussing expenditure upon key priorities.
- Projects need time to deliver and incur expenditure.
- We need to take account of *emda*’s Corporate Plan and the redrafting of the Regional Economic Strategy that will be published in late 2002.

Our financial profiling and bidding arrangements therefore allow for:-

- An open bidding round in 2003
- Further bidding rounds not less than once every two years
- Redistribution of funds from under-performing projects to new or successfully established initiatives.
- Reallocation of funds between key themes.



6.4 Indicative Budget Summary

The budget for this Action Plan is broken down as follows:

£2 million	<u>ESF</u> European Social Fund	(43%)
£1.5 million	<u>Public</u> Emda Single Pot	(52%)
£950,000	Other Public Funds	
£225,000	<u>Private</u> Private Sector Leverage	(5%)
£4,675,000	Total Action Plan Value	

It is recommended that Project Sponsors follow this profile as closely as possible.

6.5 Matched Funding Sources

emda as the accountable body provide match funding, although this is not the preferred option (see section 4.2). As individual projects are endorsed they will contribute the match funding required to sustain the Programme. Sources of match funding can be found in the DTI publication: 'Potential Match Funding Sources from Central Government and National Organisations'

Issued jointly by:

- Regional European Funds Directorate at the Department of Trade and Industry
- Department of the Environment, Transport and the Regions
- Department for Education and Employment
- Department of Culture, Media and Sport
- Ministry of Agriculture, Fisheries and Food
- Home Office
- Her Majesty's Customs and Excise

MAY 2001 URN01/272

Alternatively, applicants can search the DTI Structural Funds Homepage:
www.dti.gov.uk/europe/structural.html

7 Partnership and Management Arrangements

The management arrangements within this Action Plan allow all organisations satisfying the ESF eligibility criteria the opportunity to seek support for projects that meet our objectives.



Clear focus and guidance will be given to project sponsors and access to information and bidding rounds will be transparent and inclusive. Where specific projects, addressing agreed priorities, are instigated and managed by the Action Plan's Management Team the standard appraisal, endorsement and monitoring procedures will be adhered to.

7.1 Strategic Management of the Action Plan

A Strategic Management Board has been established to oversee the targeting of resources and overall direction and implementation of the plan. The composition of this board is as follows:-

- *emda* representative
- Small Business Service Representative
- Sustainable Community Representative
- Innovation Steering Group Member
- Government Office for the East Midlands/Programme Secretariat Representative
- Female Owned Business Representative
- Minority Enterprise Representative
- Key Sector/Cluster Representative
- FRESA Forum Representative

The composition of the Strategy Board has been formulated with three key aims in mind:

1. To bring together a cohesive team, with a good knowledge of, and commitment to, the East Midlands Regional Innovation Strategy
2. To ensure the Strategy Board has a thorough understanding of the skills required to support innovation processes.
3. To assemble a team which understands and represents the views of the key sectors and agencies through whom this Action Plan shall be delivered

We believe that by meeting these criteria we have assembled a group of “the right people” to translate this Action Plan into positive action, results and impacts. To facilitate this process we need to ensure rapid but informed decision-making. This has been a key consideration in designing the management arrangements.

Members of the Strategic Management Board are not expected to have a direct involvement, or interest in, applications made by partners for support from the Action Plan.

Formal procedures, recorded in writing, will be in place to avoid any conflict of interests by Board members, *emda* personnel, or any other decision-making forum. This will involve particular members declaring an interest where necessary at the project appraisal and approval stages. To ensure objectivity in the selection process all Strategic Board members must disclose interests or links with any application under consideration.

7.2 Operational Management of the Action Plan



The day to day running of the Action Plan will be the responsibility of a small, dedicated team within *emda*. This team will report to the Strategic Management Board on a regular basis, and will consist of the following:

- Action Plan Policy Development Manager
- Action Plan Programme Manager
- Action Plan Programme Monitoring Officer
- Action Plan Administrative support (part time)

All will be trained in project appraisal and other necessary functions through the established training programme for Single Programme management.

We will also provide administrative functions required to support the successful implementation of the Action Plan. A budget of £200,000 p.a. inclusive of Technical Assistance has already been committed to support the strategic and day to day management of our Objective 2 Action Plans. To ensure the effective management of this second Action Plan, *emda* will request a further £40,000 of technical assistance over the life of this Action Plan. This funding will be used to strengthen the Management team by the appointment of an Administrative Assistant.

7.3 Partnership Composition

As stated above, this Action Plan seeks to involve any organisation with an interest in supporting higher-level skills development and the promotion of innovation and new technology within the programme area.

Organisations which have been involved in the initial development of the Action Plan include:

- Sector Forums and Networks
- HEIs
- Other Public and Private sector bodies with an interest in supporting the promotion of innovation and new technology.
- Members of the FRESA Forum
- The Strategic Management Board

7.4 Engaging the Partnership in the Process

To utilise the knowledge, expertise and resources of the wider Partnerships we will publicise the Action Plan Strategy and bidding guidance through *emda* and GO:EM web sites. Established technology groups, sector networks and business support agencies will also be encouraged to participate in Action Plan delivery. Ongoing involvement of the partnership will include open, quarterly progress meetings and circulation of written reports to all organisations expressing an interest in the implementation of Measure 1.5 of the EM Objective 2 Programme. Throughout the consultation process strong strategic relationships with a wide range of Regional and Sub-Regional partners have been established. By continuing to work closely with the Partnership *emda* will ensure that the Action Plan remains relevant, reflecting current and emerging needs of the East Midlands Objective 2 economy.

7.5 Financial Management Procedures



emda, as the Accountable Body for the Action Plan, shall employ financial systems and controls designed to ensure:

- Compliance with Structural Fund regulations
- Compliance with the conditions of Measure 1.5 of the East Midlands Objective 2 Programme
- Compliance with the terms set out in offer letters to individual project sponsors
- Compliance with Action Plan priorities
- Compliance with State Aid regulations
- Value for money
- The adequacy of audit trails

Achievement of these objectives depends on a robust implementation of the project monitoring and project management processes (set out in sections 13 and 15). In addition to these processes, *emda* will operate systems to control project expenditure and grant claims; provide accurate and foolproof monitoring and recording of projects, and display a clear audit trail. All income and expenditure is logged by the Agency's financial services team using both excel spreadsheets and the financial accounting system. A comprehensive and detailed coding system has been established to ensure no duplication. All projects are given a unique number / cost centre, which is then broken down into relevant overhead headings.

7.6 Control Procedure for Claims.

Claims are received and coded by the Programme Manager. This is done on a monthly basis to coincide with a financial year-end date of December 31. All claims are checked by the Project Manager for eligibility and accuracy and then passed to the Function Director for authorisation. These are passed through to Finance people who check to ensure the expenditure is legitimate, the claim is authorised in line with the *emda* delegated authority and that the coding is correct. Finance will certify all claims before processing. Accounts are processed by the Finance Department, entered onto the financial system to produce cheques or payment by BACS. The audit trail through the financial system is tested by the National Audit Office for compliance.

All transactions are also input to individual project spreadsheets, which backup to the financial system. This ensures and eliminates error or double funding. At the end of each month the spreadsheet system and the financial system are reconciled and reported to the relevant authorities.

All information is submitted to the *emda* Strategic Management Board for approval monthly at board meetings. Any variances are emphasised to the Board by the Project Manager.

The National Audit Office audits the East Midlands Development Agency biannually and systems are audited for compliance reporting quarterly to the Board by PKF. The audit for 1999 and 2000 records all financial procedures and systems were approved and noted fully compliant. Examples of all forms and documentation are available on request. Note: present auditors are now KPMG.

8 Monitoring Action Plan Performance



In undertaking the development and delivery of the Measure 1.5 Action Plan, *emda* takes on the responsibility for ensuring that these funds are drawn down and used for the benefit of eligible individuals and employers.

To enable *emda* to fulfil this responsibility it will establish systems to collect and review regular and timely management information.

During each bidding round, prior to the approval of projects, the Strategic Management Board will be given aggregated information about the forecast outcomes, which are expected from the package of projects recommended for approval. This will enable the Board to monitor forecast outcomes against the profile required to successfully deliver the Action Plan. If there are significant shortfalls then the board would be able to veto the approval of applications.

Monitoring systems will be established to gather details of project performance on a quarterly basis.

Information will be gathered from each project within the Action Plan and consolidated to give an overall picture of performance of the Action Plan as a whole. (Project Monitoring Systems are described at section 12)

Projects will submit monitoring reports within one month from the end of each quarter. Within 10 working days, we will aggregate the data. Quarterly “Action Plan Position Statements” are reviewed by *emda*’s Action Plan Manager to identify any actual or potential issues. The Action Plan Manager presents his findings to the Partnership’s Strategic Management Board on a quarterly basis where any issues are discussed and remedial actions agreed as and when appropriate.

The importance attached to early identification and response to any areas of under-performance cannot be overstated, given the long lead times involved in modifying existing projects or commissioning new activity. Coupled with the fact that outcomes almost invariably lag behind expenditure makes rectifying under-performance the key challenge for the Management Team.

With this in mind, the partnership has taken the decision to set internal outcome targets that exceed contractual targets for the Action Plan. It is *emda*’s intention to issue offer letters that collectively require the delivery of 120% of the Action Plan targets agreed with GO:EM.

Progress towards these higher targets will be profiled and form the baseline against which we shall monitor against. By doing this we shall be better placed to identify areas of potential under-achievement before they are irreversible.

Performance will be reported to The European Secretariat within GO:EM on a quarterly basis.

9 Project Appraisal

In designing the Project Appraisal system for this Action Plan we have sought to ensure:

- Selection of quality projects which contribute to the Plans’ objectives and targets and offer value for money
- Only eligible projects are supported



-
- That projects that significantly contribute to the achievement of *emda*'s Regional Economic Strategy / Corporate Plan, and that have a regional impact, are encouraged
 - Swift processing of applications to enable projects to start promptly.

Bidding rounds will be promoted through *emda* and GO:EM web sites and by mailshots to the wider Partnership (as defined in section 7.3)

We propose to discourage inappropriate applications from being developed and submitted to reduce the need for projects to be rejected on grounds of ineligibility or inappropriate targeting. We will do this by giving clear guidance on the scope of this Action Plan before each bidding round. Prospective bidders will be encouraged to discuss their projects with *emda*'s Management Team before working up detailed applications.

We will set up "awareness days" to launch bidding rounds and advise applicants about eligibility requirements and the appraisal process. We will make Bidding Guidance available to prospective bidders and interested parties through *emda* and GO:EM web sites. This will also be available in hard copy form upon request from *emda*. The guidance will include details of how applicants should define and forecast outcomes, helping the Management Team make direct comparisons between applications.

As funds are allocated and activities delivered, the type of projects sought through later bidding rounds may become more specific or restrictive. This will ensure that all Action Plan priorities and targets are achieved by the end of the Programme.



9.1 The Appraisal Process in More Detail

Phase 1 - Project Applications submitted to the Action Plan Management Team using standard ESF application forms available from the *emda* website. Applicants must provide a clear description and assessment of the project. Applications will need to contain not only details of the project, but also project justifications.

Phase 2 – Scoring of Applications. Applications are scored using selection criteria agreed by the Programme Monitoring Committee.

Each application will be scored independently by two *emda* appraisers. A score will be awarded, by each appraiser, for each selection criteria. Both sets of scores will be moderated and reasons for any variances discussed by the appraiser prior to agreement of final score for each criterion.

Scorers will keep notes to justify their reasoning for marks awarded. Any applications scoring below applicants will be advised of this by letter and given the opportunity to discuss the reasons their projects have been rejected. These proposals will tend to fall into three categories:

- Those which, if better presented or justified, could be approved;
- Those where activity would need to be modified to be effective; or
- Those which are not considered likely to make a worthwhile contribution to the delivery of the Action Plan.

Projects falling into the first two categories may be successfully resubmitted under future bidding rounds.

Applications scoring above the quality threshold will be ranked in descending order of scores awarded. The Strategic Management Board will – in advance of the bidding round – have determined the volume of ESF support to be made available through the bidding round. This will establish a cut off point for funding, if the total value of applications exceeds the funds available.

Any applications with scores between the quality threshold and the cut off point for funding will make up a reserve list, to be offered funding should underspends be released (or clawed back) from approved projects.

All successful applications will be reviewed to highlight the project's contribution to *emda* Tier 3 targets. This process will further refine the project's strategic fit with the Action Plan and help to assess the project's regional contribution, as well as provide a further strategic endorsement for the project (please see Annex A for Tier 3 target definitions).

9.2 Managing High Scoring Projects with Higher than Average Delivery Unit Costs

Due to the need for the Action Plan to deliver in line with its contracted outcome targets *emda* will assess the volume and type of outcomes anticipated from all projects due to be recommended for approval. Where the cost per outcome exceeds that which is available through the Action Plan, the appraisal panel will draw this to the attention of the Strategic Management Board, together with a recommendation as to how to resolve the issue.



Recommendations may take the form of:

- Negotiating to secure a higher level of contracted outcomes from projects
- Restricting future bidding rounds to projects which will deliver outcomes which are in short supply
- Further assessment for strategic regional contribution at Tier 2 / 3
- A combination of the above

In extreme cases, it may be necessary to either withhold approval or only issue an offer letter on an output related basis, setting outcomes at a level above those set out in the grant application.

Project appraisers will all have received suitable appraisal training provided through Government Office. In addition as a result of the Single Pot process that RDAs are going through, Segal Quince Wicksteed Ltd have been retained to undertake intensive project appraisal & management training with key *emda* personnel, from which appraisers will be drawn

10 Project Approval

Following the appraisal of applications, *emda* will compile a summary of the outcome of the bidding round. This will give details of applications submitted, the scores they received and recommendations as to which projects should be approved. This information will be presented to the Strategic Management Board. The Board will also be given aggregated information about the forecast outcomes, which are expected from the package of projects recommended for approval. This will enable the Board to verify that the recommended projects will, collectively, achieve a suitable mix of outcomes. The Board will be responsible for endorsing the appraisal panel's recommendations.

To maintain the transparency and fairness of the appraisal process, the panel will not have discretion to amend the appraisal panels recommendation unless it can be shown that a project has been incorrectly appraised. No variation from the published selection criteria and process shall be made retrospectively.

ESF Offer letters shall be issued to applicants, specifying the following:-

- amount of grant
- grant rate
- project start and end dates
- outputs to be delivered
- expenditure profile
- arrangements for linking grant payments to achievement of outcomes
- record to be kept
- the format and timing of claims
- monitoring / reporting timetable



Successful applicants will be informed that offers of funding are awarded for the delivery of projects as set out in their applications. Any significant changes (unless agreed during the project appraisal process) will invalidate offers of assistance, unless changes are agreed in writing by the accountable body.

The Strategic Management Board with the discretion to issue contracts with claw back clauses linked to the achievement of outcomes.

11 Monitoring Projects

All projects endorsed within this Action Plan shall be obliged to complete quarterly monitoring returns, to coincide with claims. The following parameters will be covered:-

- Expenditure
- Beneficiaries recruited
- Companies assisted
- Volume of delivery
- Outcomes Achieved (including Tier 2 and Tier 3)
- Progress Towards Outcomes
- Private Sector Leverage
- Significant Changes
- Re-forecasting/Re-profiling (if appropriate)
- Publicity undertaken

In addition to the submission of quarterly monitoring reports, all projects will receive at least one monitoring visit from a member of the *emda* Management Team per year. *emda* shall ensure that the Project Managers assigned to the contract are fully conversant with EU Structural Fund regulations, the scope of Measure 1.5 of the EM Objective 2 Programme, parameters of this Action Plan and the terms of offer letters to projects.

Project Managers will use the ESF project monitoring checklist to structure their reviews of the running and performance of projects. Key factors include the parameters set out within quarterly claim reports - record keeping, audit trails and compliance with Structural fund and State Aid regulations

Where appropriate, projects will receive more than one monitoring visit. The number of visits will be determined by taking account of the size, nature, risk and duration of each project.

Particular attention will be paid to any projects which include employees wage costs as part of their match-funding package. Whilst this practice is eligible, gathering adequate evidence of payroll costs frequently proves to be problematic.

A register of support received by each company assisted will be maintained. This will enable the partnership to monitor the total level of assistance received by each company. Given that several individuals within a company may receive support, possibly through a number of different projects, it is essential that we consolidate project level data to establish whether companies receive in



excess of the threshold level of support to count towards the output indicator “Number of companies assisted (ESF)”.

12 Financial Management

emda, as Accountable Body for the Action Plan, will employ financial systems and controls designed to ensure:

- Compliance with Structural Fund regulations
- Compliance with the conditions of Measure 1.5 of the East Midlands Objective 2 Programme
- Compliance with the terms set out in the offer of support from GO:EM to the Action Plan partnership
- Value for money at Action Plan level
- Compliance with the terms set out in offer letters to individual project sponsors
- Value for money at project level
- Adequacy of audit trails
- The timely release and reallocation of underspends
- Compliance with the RDA Financial Memorandum agreed with Government

Achievement of these objectives depends on the robust implementation of the project monitoring processes (set out in section 10). In addition to these processes, *emda* will utilise the financial systems and processes detailed at section 7.5

emda has considerable experience in managing Central Government funding streams and understands and operates stringent appraisal, endorsement and management information systems.

Funding streams which *emda* has managed to date include the Single Regeneration Budget, Regional Innovation Funding, Innovative Clusters Fund, Business Recovery Fund plus various other initiatives that have been developed by *emda* and its partners.

13 Payment of Grant to Partnerships

The project management and monitoring systems will ensure that project expenditure is checked, prior to being consolidated by the Accountable Body to develop grant claims for the Action Plan as a whole.

In practice this means that our first (Advance) claim will be for 30% of the sum of individual projects' approved expenditure, **AFTER** the project appraisal process has checked that expenditure outlined is in respect of ESF eligible items.

Similarly, second claims will be calculated by consolidated expenditure approved to each project. Eligibility of expenditure will have been checked prior to projects being approved. Any necessary amendments, due to the withdrawal of applications or recovery of underspends will be made.

Subsequent claims will be in retrospect, i.e. they will be in respect of activity that has taken place and been satisfactorily evidenced. Activity and expenditure (at project level) will have been checked, prior to inclusion in claims by the Accountable Body to GO:EM.



14 Competitive Tenders

Where project sponsors issue sub-contracts for the delivery of some or all of a project, we will take steps to ensure that EU Public Procurement Regulations are adhered to (see project Management). In practice we do not anticipate a significant level of sub-contracting of services.

Invitation to tender documents may be issued to carry out priority activities which the Strategic Board identify as necessary to achieve the Action Plan outputs.

This Invitation to Tender route will only be utilised if it is felt that a specific Theme within this action plan has not been adequately covered by potential bidders.

15 Records

emda will maintain records to support all eligible expenditure incurred in the delivery and management of this Action Plan. All projects supported will be contractually required to submit evidence of expenditure with each of their claims for grant funding. In this way *emda*, as Accountable Body, will always have evidence to justify all claims paid to project sponsors. Payments made by GO:EM, in respect of this Action Plan, will either be fully evidenced or be held within a separate *emda* account pending receipt of claims and supporting evidence. By bringing evidence “in house” *emda* is protected from the risk that project sponsors either fail to gather or retain adequate evidence, or cease trading and disappear taking with them their project’s audit trail.

Records relating to this plan shall be maintained separately from other *emda* initiatives (including our Measure 1.1 Action Plan) and will clearly differentiate between Technical Assistance and project delivery costs.

Documentation will include:-

- The Action Plan Submission
- Details of any revisions to the Action Plan
- Action Plan Offer Letter
- European Structural Fund Project Management Guidance
- Details of any significant changes agreed (at Action Plan level)
- Summary of Action Plan income and expenditure
- Details of each bidding round help (Announcement of each bidding round; guidance to applicants; expressions of interest; applications received; details of project appraisal and scoring processes; scores awarded to applications; ESF guidance for the relevant period)
- Offer Letters issued to projects
- Cumulative details of funds committed within each bidding round
- Claims received from project sponsors
- Evidence in support of the above claims
- Summary of checks undertaken to verify the adequacy of evidence
- Copies of correspondence with project sponsors requesting further evidence where appropriate
- Project monitoring reports
- Correspondence documenting any cases where grants are withheld or recovered
- Summary of outcomes achieved by each project
- Summary of overall outcomes achieved
- Final evaluation of Action Plan



- Final claims for projects and action plans

All records will be retained by *emda* for a period of not less than three years from the end of the calendar year within which the Action Plan's final claim is paid by GO:EM.

Project sponsors offer letters (contracts) will specify and record separately the details of capital and revenue expenditure being granted.

16 Audit Arrangements

At the end of each calendar year quarterly claims will be combined to produce an account of total expenditure for the year. The format of quarterly claims will be structured so as to gather the information of the type and detail required annually by GO:EM.

Project level claims will already have been checked (and amended if necessary), prior to their inclusion within the accountable body's claims to GO:EM.

After a statement of annual expenditure has been produced - by consolidating project claims – the annual account will be scrutinised and signed off by our external auditors, The National Audit Office.

Whilst the "Guidance for operators of programmes through the action plan process" states that individual projects will not be subject to audit at final claim stage, we will undertake our own checks to verify final claims. Desk based checks will be undertaken for all projects. Full audits will be carried out on a sample of not less than 10% of projects. Factors which will be taken into account when selecting projects to be audited will include size; risk and track record. *emda* personnel will receive appropriate training to enable them to discharge this duty effectively.

In view of the fact that *emda*, the Accountable Body, is expected to outlive this Action Plan, retention of records should not present any problems. *emda* will maintain records to support all eligible expenditure incurred in the delivery and management of this Action Plan. All projects supported will be contractually required to submit evidence of expenditure with each of their claims for grant funding.

All records will be retained by *emda* for a period of not less than three years from the end of the calendar year within which the Action Plan's final claim is paid by GO:EM. If *emda* were to cease operating within this period arrangements would be made to transfer records to a suitably qualified agency or partner organisation.



17 Withholding and Recovery of Grant

Our aim is to prevent the need for repayment of grants – this undoubtedly being better for both project sponsors and the East Midlands region.

Whilst aware of the need for sound reasons mechanisms for withholding and recovery of grant funding, *emda* is keen to ensure that these arrangements come into force. The key to achieving this is to develop and maintain suitably rigorous project and programme management systems (set out in the sections above).

To summarise the partnership will:

- ensure that programme managers are aware of the regulations and conditions attached to their grant aid;
- Include robust clawback conditions within offer letters;
- ensure that applicants are aware of the regulations and conditions within which their projects must operate;
- Undertake thorough eligibility checks during the project appraisal process;
- Attach clear targets and conditions to project offer letters;
- Monitor projects regularly to ensure compliance with regulations and progress against outcome and expenditure profiles. Where problems emerge swift remedial action will be taken; and
- Regularly consolidate financial and performance-monitoring data from individual projects in order to monitor the overall progress of the Action Plan. If problems are identified swift remedial action will be taken.

As a safeguard, the following arrangements will be put in place to enable the withholding or recovery of grant funding:

17.1 Ability to Repay Grant

During the appraisal of applications the financial viability of applicants will be assessed to determine whether the applicant would be able to make repayments of grant funds if required to do so. (see note below)

17.2 Risk Assessment

During the appraisal of applications the level of risk associated with each project will be considered. Factors which will be taken into account include: track record of applicant; the credibility of financial and performance projections; rate or profile of expenditure Vs rate or delivery of outcomes (i.e. is all or most expenditure incurred before outcomes are achieved) and



size of project. The outcome of the risk assessment will have an impact upon whether projects are approved, offer letter conditions, and the frequency and nature of monitoring undertaken.

A risk log will be kept separately and will be incorporated into the continuous evaluation of projects within the programme.

17.3 Offer Letter Conditions

Offer letters issued to applicants will clearly identify key targets and parameters that need to be complied with. Similarly, Offer Letters will contain clauses permitting the Accountable Body to withhold or reclaim grant funds where conditions have been breached.

17.4 Hand-over/Pre Start Meetings

We will hold pre-start meetings with project managers to ensure that any offer letter conditions are fully understood and that applicants will monitor progress appropriately. To facilitate this process the accountable body will not only train those *emda* staff responsible for overseeing project management, but will also appoint a member of staff to undertake responsibility for auditing projects. This individual will already possess extensive experience of auditing projects and will receive training and development to ensure full conversance with EU Structural Fund regulations.

17.5 Monitoring Schedule

A schedule of monitoring activity will be established for each project. This will involve both desk based checking of projects' grant claims and monitoring visits. The frequency, timing and intensity of monitoring will reflect the risk associated with each project. Where a project or applicant is deemed to be "high risk" we will undertake an early review of progress and project management systems to identify any problems at an early stage. All approved projects will be visited at least once a year. In this way we aim to avoid situations where large sums of grant funding are paid to applicants and subsequently it is identified that a repayment is necessary.

17.6 Claim Periods

To enable expenditure paid to individual projects to be consolidated claim periods will be standardised. Each claim will cover quarters (or part thereof) - Jan to March; April to June; July to Sept; Oct to Dec.

Where project sponsors consider quarterly claims to be inappropriate (for example, where activity/expenditure within a quarter is insufficient to warrant a claim) alternative arrangements may be agreed. No claims will be allowed to include expenditure from more than one calendar year, so that – for reporting purposes - all costs can be accurately broken down by year.

17.7 Retrospective Payment of Claims

All grant payments made by the Accountable Body to project applicants will be in respect of proven activity and expenditure - no advance claims will be paid to individual project sponsors. *emda*, therefore has the opportunity to check all claims prior to distributing funds to projects.



17.8 Contract Terms

Where major components of projects are sub-contracted, we will recommend that, where appropriate, offer letter conditions and claw-back arrangements are passed on to sub-contractors.

N.B. *emda* is aware that organisations most in need of grant aid may be those least able to make repayments in the event of problems with their projects. Rather than simply preventing organisations with limited resources, reserves or poor credit ratings from accessing funds the Accountable Body will take an informed decision as to whether they are willing to shoulder the risks associated with supporting such applicants.

18 Forward Strategy

Projects supported through this Action Plan must demonstrate that they can deliver satisfactory levels of outcomes during the life of the plan. We will not provide funding for initiatives whose success is dependent upon securing ongoing assistance. The outcomes forecast within this plan are, therefore, not dependant upon ongoing support.

emda will ensure that all projects received consider sustainability issues within the delivery of their projects or by agreeing dissemination and evaluation activity within the Project approval stage. We believe a key outcome of the programme will be the ability to better understand the level of knowledge deficit within the Objective 2 area and this will lead to new policy formation within local and regional economic development agencies.

Whilst individual projects will not require ongoing support, it would be entirely unrealistic to suggest that an investment of £2M will make radical inroads into the region's skills gaps.

What we can achieve through this plan is to show successfully the way by giving a relatively small number of firms the skills they need to exploit business opportunities and to help establish structures which will enable this to be replicated throughout key sectors of the East Midlands economy.

The work of Sector Skills Groups will be vital to the continuation of work undertaken through this Action Plan. The role of these groups is to engage employers within the sectors they represent, ensure that training provision reflects the needs of their industry, identify and overcome barriers to the uptake of training and generate increased employer commitment to training. Having supported the establishment of the Sector Skills Groups within the life of this action plan, we would expect them to take a lead in promoting skills developments thereafter.

19 Significant Changes

Managing projects to ensure that they operate within acceptable parameters is extremely challenging. This is particularly true of projects of an innovative nature, which are by their very nature something of a step into the unknown. Accurately forecasting expenditure, uptake and delivery of services and the resultant outcomes is particularly demanding.



Working within this environment *emda* has set out to devise systems which support the development of realistic targets, well thought out profiles, and tight monitoring which detects any significant variances at an early stage.

There are a number of key factors which need to be addressed in order to reduce the incidence of significant changes within individual projects and manage them across the Action Plan as a whole.

Firstly, and often overlooked, is the need to ensure that Project Managers are fully conversant with guidance regarding significant changes. To this end we propose covering the topic during the launch of each bidding round and in pre start meetings with successful applicants. Attendance to these meetings will be compulsory. Project Managers will therefore know what constitutes a “significant change” and appreciate the importance of either preventing them or at least identifying and reporting them.

The Partnership is faced with the dilemma that, on the one hand, permission for significant changes should be sought in advance, whilst on the other, projects generally cannot identify them until they have occurred. To address this, we will build a “safety margin” into projects’ contracted outcomes – i.e. we shall contract for the delivery of 120% of the outcomes set for this Action Plan. Project Managers are therefore in a position to identify “under-performance” of up to 20% (relative to our internal, enhanced, targets) before “Significant Changes” have occurred. This gives an opportunity for, either, remedial action or advance notification of changes to the Secretariat.

As explained within section 8 of this document we attach great importance to the early identification of any potential or actual under-performance. Project Managers will be encouraged to report changes (actual or anticipated) as soon as they become apparent. A question on the quarterly monitoring return form will act as a prompt to elicit this information.

Changes reported at project level will be assessed at project management level and if deemed significant will be reviewed by the Strategic Board to agree remedial actions with project promoters.

At Action Plan level variances will be considered by the Strategic Management Board at least quarterly, with additional meetings convened as deemed appropriate by *emda*’s Action Plan Manager.



ANNEX A - Tier 3 Definitions and Milestones from *emda* Corporate Plan

1.	Tier 3 Milestone	Employment Opportunities: Support the creation or safeguarding of x net jobs
	Definition	<p>As defined by the Tier 3 Technical Guidance:</p> <p>This milestone is defined as the total number of net jobs attributable to <i>emda</i> activity. FDI jobs should be included in gross new jobs, but excluded from net figures. The unit of account is permanent full time equivalent job (fte), excluding Construction jobs, temporary jobs in setting up the project and seasonal jobs (if incidental to the operation). Net new jobs are calculated from gross new jobs by applying multiple funding and additionality adjustments. All the above applies to safeguarded jobs, with the additional test: A job can only be <i>forecast</i> to be safeguarded if it exists at the time of the decision to commit funding and is forecast to be lost within one year if the project does not go ahead. It can only be <i>counted</i> as safeguarded if it was forecast as at risk and is still in existence at the time of counting and no longer at risk of being lost within a year.</p>
	Measure	<p>As defined by the Tier 3 Technical Guidance:</p> <p>Forecast jobs should normally be derived from the applicants business plan. If this is not feasible, then calculate from analysis of other similar projects and activities. A job is created when a post is actually filled and should have a life expectancy of at least one year, part time jobs should be converted to fte jobs on a pro-rata basis. Two forecasts should be shown a) net jobs and b) gross FDI jobs. Monitoring will take place at intervals during the lifetime of a project.</p>
2.	Tier 3 Milestone	Brownfield Land: Remediate and / or recycle x hectares of Brownfield land



<p>Definition</p>	<p>As defined by the Tier 3 Technical Guidance:</p> <p>This milestone is defined as the total number of hectares of land remediated to an acceptable condition and/or recycled into effective use as a direct result of RDA inputs and activities.</p> <p>Brownfield land is defined as: “Land which is or was occupied by a permanent structure...and associated fixed surface infrastructure...in both built up and rural settings.” The definition <i>includes</i> defence buildings and land used for mineral extraction and waste disposal where provision for restoration has not been made through development control procedures. The definition <i>excludes</i> land and buildings currently in use for agricultural purposes and land in built up areas which have not been developed previously. Also excluded is land which was previously developed but where the remains of any structure or activity has blended into the landscape over time.</p> <p>Remediation is defined as making the land fit for use by removing physical constraints to development. This could include dealing with contamination, existing structures, stabilisation, levelling, provision of flood defences and other significant infrastructure without which the land could not be re-used.</p>
<p>Measure</p>	<p>As defined by the Tier 3 Technical Guidance:</p> <p>Land should not be double counted as first remediated and then serviced even if these are separate projects. The first will produce land as an output, the second may produce other direct and indirect outputs.</p> <p>For reporting, it is necessary to show the total hectareage of land regenerated calculated on a gross basis, rather than the net developable area. <i>Forecasts</i> are reported at time of appraisal and outputs are <i>counted</i> at practical completion. In cases where sites are reclaimed in phases each completed phase can be counted as output at the time.</p> <p>Monitoring will take place at intervals during the lifetime of a project.</p>



3.	Tier 3 Milestone	Education and Skills: Support the creation or learning opportunities for x individuals
	Definition	<p>As defined by the Tier 3 Technical Guidance:</p> <p>This target focuses on <i>emda</i> activity such as funding research and development, employer surveys, the design of new and innovative learning programmes, through demonstrator projects and by funding training provision.</p> <p>Support generally means direct action by <i>emda</i> to provide training places.</p> <p>Learning opportunity is a place on any vocational training or general education course which <i>emda</i> funds in whole or in part to help improve the regional skills base. The course need not lead to a formal qualification but should last the equivalent of at least one week. This could comprise a number of sessions for the same individual. Training should be relevant to the <i>emda</i> strategy.</p>
	Measure	<p>As defined by the Tier 3 Technical Guidance:</p> <p>Need to show a breakdown of learning opportunities by subject/sector, client group and level of qualification (and basic skills). The reporting figure is the total number of places arising from direct <i>emda</i> action to provide training places.</p> <p>Monitoring will take place at intervals during the lifetime of a project.</p>



4.	Tier 3 Milestone	Business Performance: Support the creation and / or attraction of x new businesses
	Definition	<p>As defined by the Tier 3 Technical Guidance:</p> <p>This target focuses on new businesses added to the regional economy as a direct result of <i>emda</i> activity. This includes direct support, both financial and non-financial to the business as well as indirect support such as establishing business networks or the provision of premises.</p> <p>A new business means that a new commercial entity has commenced full time operation in the region. This can include:</p> <ul style="list-style-type: none"> - Independent start-ups of all sizes. - Independent spin-outs from established businesses, universities and other research and development bodies. - New to the region branches of businesses established elsewhere in the UK. - Foreign direct investment bringing new enterprises to the region. - Not for profit social enterprises
	Measure	<p>As defined by the Tier 3 Technical Guidance:</p> <p>The number reported is simply the number of new businesses started up/attracted to the region and sustained for at least 12 months as a direct result of <i>emda</i> activity. In the case of indirect support, there must be a demonstrable link from the activity to the creation or attraction of new business.</p> <p>New businesses should be <i>forecast</i> when <i>emda</i> commits to the activity and <i>counted</i> 12 months after they start trading in the region. Monitoring will take place at intervals during the lifetime of a project.</p>
5.	Tier 3 Milestone	Strategic Influencing:
	Definition	A year-on-year increase in levels of partner satisfaction in relation to <i>emda</i> 's performance in driving through change and engaging partners in the delivery of the Regional Economic Strategy and the achievement of Tier 3 Targets
	Measure	<p>Will be based on retrospective independent survey of partners carried out annually</p> <p>This will be underpinned by annual reports on the achievement of Tier 2 Targets (quantitative) and on the engagement of partners (qualitative)</p>



	Comment	The first survey reported in November 2001 and established baselines for awareness, perceptions of <i>emda's</i> contribution to the regional economy, modus operandi, quality of service, staff performance, regional profile and overall impression. We will derive levels of increase in those areas which impact on the delivery of the Regional Economic Strategy and the achievement of Tier 2 Targets
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6.	Tier 3 Milestone	The number of additional community facilities including access centres
	Definition	<p>Community facility: any physical development which offers a service to a local community</p> <p>Access centre: a physical development which offers a service or range of services to a local community. Essential services for an access centre are access to ICT training, basic skills, childcare and FE outreach provision</p> <p>Services: could include crèche and childcare facilities, crime prevention and safety initiatives, provision of information about civil rights, local authority services, economic inclusion issues such as funding for social enterprises, depending on result of a local needs analysis</p>
	Measure	<p>The output to be counted is the number of physical developments</p> <p>Outputs will be counted during monitoring and at the post completion evaluation phase in accordance with <i>Performance Monitoring and Evaluation Framework</i>. Monitoring will take place at intervals during the lifetime of a project</p>
	Comment	<p>Community facility: Such facilities will arise from the rural and SRB activities</p> <p>Access centre: Access centres will largely arise from the work on economic inclusion</p> <p>The sole reason for supporting community facilities is to remedy market failure and overcome deprivation so we do not intend to support those in affluent areas</p>

7.	Tier 3 Milestone	The number of science and technology based spin out companies
	Definition	A spin out company is one which starts out from a university, research institution or an existing business, and is based on the exploitation of research or technology developed within the university, research institution or business
	Measure	<p>We will count the numbers of only those such businesses which we support in some way</p> <p>Outputs will be counted on a case by case basis as they arise from the range of our activity</p>



	Comment	There is a wide range of activity being proposed which will increase the number of spin out companies. This includes the work with higher and further education to develop closer links with business; cluster development; the strands of innovation activity.
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8.	Tier 3 Milestone	The number of new cluster maps and subsequent cluster activities being developed
	Definition	We define a Cluster Map as a diagrammatic representation of a specific business cluster from which market failure or opportunity is identified and subsequent interventions to address these are developed, in the form of a Cluster strategy
	Measure	<p>We will measure the number of maps and strategies produced</p> <p>We will then measure the engagement of businesses through their attendance at workshops, seminars and conferences. We will regard a business which has three hits as being engaged. Outputs will be counted on a case-by-case basis, with a mechanism in place to record single and multiple hits.</p>
	Comment	As cluster strategies move into the implementation phase, we propose to measure the numbers of businesses who are engaged in the processes. The next step will be to develop impact measures for such businesses.

9.	Tier 3 Milestone	The number of businesses supported by emda programmes to increase their use of ICT.
	Definition	A business increases its use of ICT if it upgrades software or hardware, develops new products or processes using ICT, or upgrades trading on line.
	Measure	Outputs will be counted on a case-by-case basis through the Single Programme Appraisal procedures.
	Comment	We will be funding networks (and sub regional partnerships) to deliver greater use of ICT by businesses, using ERDF funding where applicable. The contracts or agreements will include outputs and recording mechanisms.

10.	Tier 3 Milestone	The number of enterprises assisted by regional investment funds
	Definition	An enterprise assisted by regional investment funds, is one which received funding from the EM Regional Venture Capital Fund or the EM Community Loan Fund. Further funds may be added to the list as they are developed.
	Measure	<p>The output to be counted is the number of businesses per year.</p> <p>Outputs are to be counted on a case-by-case basis as reported by the Fund Managers for the RVCF. For the Community Loan Fund, outputs will be counted during appraisal.</p>



	Comment	<p><i>emda</i> funds and support goes into the development of the RVCF, not into the fund itself. Without <i>emda</i> support the fund would not exist. It is therefore appropriate to measure numbers of businesses assisted, rather than the performance of the business itself.</p> <p>The Community Loan Fund is a hybrid in that <i>emda</i> is both developing the Fund and investing in it. The Fund will be available for social and community enterprises and each application will set out impact measures. These may include indirect contributions to these tier 3 targets, but these are not included in our overall figures. Until the Loan Fund becomes operational we are not in a position to consider developing enterprise impact measures. We therefore consider that the number of enterprises assisted is the best measure to choose.</p>
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11.	Tier 3 Milestone	The number of new social enterprises
	Definition	A Social Enterprise is a business, which offers a service to the local community on a commercial basis but where the profits are retained by the community.
	Measure	<p>The output to be counted is the number set up per year.</p> <p>Outputs are to be counted during monitoring and at the post completion evaluation phase in accordance with the <i>Performance Monitoring and Evaluation Framework</i>. Monitoring will take place at intervals during the lifetime of a project.</p>

12.	Tier 3 Milestone	The number of graduates newly employed in small businesses
	Definition	The number of graduates employed by small businesses in the region as a direct result of <i>emda</i> 's Get on with Graduates Programme.
	Measure	<p>The regional project manager will supply the number.</p> <p>Outputs are to be counted during monitoring and at the post completion evaluation phase in accordance with the <i>Performance Monitoring and Evaluation Framework</i>. Monitoring will take place at intervals during the lifetime of the project.</p>
	Comment	The Get on with Graduates Programme has established aims to get more graduates employed by SMEs. The purpose of the programme is to improve the skill base of the business and graduates are matched to businesses to add value at graduate level, not to be employed on menial tasks.

13.	Tier 3 Milestone	The number of people over 45 receiving advice and guidance support to return to the labour market
	Definition	The number of people who receive advice and guidance arising from the mature workforce initiative.



	Measure	Outputs will be counted by the organisation conducting the programme and will be reported through the Mature Workforce Management Group
	Comment	This work builds on the regional pilot. County pilots during 2002-03 will result in region wide delivery of this initiative, through a number of different organisations. The actual design of the programme in the counties may differ, but the outcome will be the same and consistent reporting mechanisms will be agreed. The outputs being forecast are those attributable to <i>emda</i> funding and represent a percentage of the total.

14.	Tier 3 Milestone	The number of businesses influenced to expand in the region as a result of aftercare visits.
	Definition	The re-investment by FDI businesses in the region, which will either improve competitiveness and/or create or safeguard jobs.
	Measure	We will count the number of re-investment projects identified and assisted by aftercare visits, derived from the National Investor Development Programme (NIDP). We will report this number as part of the quarterly returns to IUK, partners and the <i>emda</i> board.
	Comment	There are currently 110 FDI companies on the aftercare programme which are considered to be important to the region and which are targeted for visits.

15.	Tier 3 Milestone	New build or refurbished space – square metres
	Definition	<p>Any physical development, carried out directly by <i>emda</i> or with <i>emda</i> funding which comprises the creation of floorspace for employment use, either through constructing new buildings or through refurbishment of existing buildings. This will exclude access centres, which are covered by another target, but includes all space intended for B1, B2 and B8 uses.</p> <p>Also included is the provision of new or refurbished housing provided through community regeneration programmes.</p>
	Measure	<p>The output to be counted is the number of square metres of floorspace or housing created.</p> <p>Outputs are to be counted during monitoring and at the post completion evaluation phase in accordance with the <i>Performance Monitoring and Evaluation Framework</i>. Monitoring will take place at intervals during the lifetime of a project.</p>