
CHIEF EXECUTIVE'S REPORT

1. Introduction

2. Raising Productivity

2.1 Employment, Learning and Skills

2.1.1 Local schools and colleges in the region can now take part in a new and unique learning experience. **Aerozone**, the East Midlands Airport's specially designed onsite education facility, was launched in May and offers tasters of airport life including environmental projects and airport operations. Working in partnership with external companies, the Airport offers a tailored learning experience and helps students identify jobs for the future. The facility was funded by the Airport and *emda*'s Catapulting Kids Programme, which is part of the Agency's £9m Science, Technology, Engineering and Maths (STEM) initiative. Catapulting Kids aims to increase the level of STEM literacy in the population, particularly in the region's key priority sectors, including transport equipment.

2.2 Enterprise and Business Support

Enterprise

2.2.1 On 14 June *emda* board member Stan Crawford chaired the judging panel for the **Young Enterprise East Midlands Regional Final and Innovation Awards** at the University of Nottingham. *emda*, along with a number of sub-regional partnerships, have supported elements of the work of Young Enterprise as part of the development of an enterprise culture within the region. Around 200 people attended the event, which saw finalists from each county in the region competing for a place at the national awards in London on 14 July. The winning company was Bandwagon from West Bridgford School, Nottingham, which developed and sold a range of wristbands, and secured deals with cinemas and with Nottingham Forest Football Club to supply the wristbands as official merchandise.

2.2.2 In order to help integrate the delivery of the **Business Champions** into the full range of Business in the Community activity and to help raise the profile of the programme, BITC has developed a new award as part of their annual gala dinner. The award recognises the outstanding contribution of an individual Business Champion, and this year the winner was Ali Sinclair from In Your Element who has successfully worked with a number of projects through the programme.

Business Support

2.2.3 The total number of users of the **Business Link Service** in the two months to the end of May was 59,508 against a target of 51,000. The number of Intensively Assisted Businesses shows a good start to the year at 1,312 against a target of 1,416 and is expected to be back on profile by the end of quarter one. Also, a very good start to the year was made with 8,915 potential entrepreneurs receiving pre-start assistance in the year to date against a target of 3,500. In addition, over 723 Skills Intensive Assists have been delivered against a target of 449 and, though not part of

the target framework, over 1,702 businesses have been referred to learning and development opportunities.

2.2.4 In pursuing opportunities for East Midlands businesses related to the London 2012 Olympics, 6,303 businesses have now registered on **CompeteFor** and 3,415 of those businesses have published their details, enabling them to be selected for London 2012 related contracts. At 54%, the East Midlands' published rate of businesses is the highest of all regions in the UK. This has led to 153 East Midlands' businesses winning Olympics work, 44 of them directly through CompeteFor.

2.2.5 The evaluation of the first three years of delivery of the **Business Steps Extension (e-business)** project has been completed. The evaluation shows that over 4,800 businesses have received assistance in the adoption and use of technology in business, against a profiled target of 3,785. Overall, all businesses were satisfied with the level of support received and there is clear evidence that employment levels increased for a number of businesses participating in the programme.

2.2.6 *emda's* new programme to support high growth and potential high growth businesses, **Coaching for High Growth**, was launched on 1 April. To date, 90 businesses have applied for the 50 available places in 2010 and, following selection of the 50, delivery of intensive 1-2-1 coaching will commence on schedule in late July. Experienced and quality-assured business coaches will be used from those registered on the East Midlands Service Provider Register (EMSPR). *emda* has been working with the business coaching community in the region and expects around 100 coaches to register over the course of the coming weeks to ensure there is a high calibre and diverse pool of coaches with whom to match client businesses.

2.2.7 To date the **Mentoring for All** programme has helped 213 businesses against the target of 200, and assisted 174 people in their skills development against a target of 171. This will be the final year of the programme as the new Business Mentoring product, which *emda* had championed to become a part of the Solutions for Business portfolio, will not now go ahead due to wider budget cuts.

2.2.8 The **Start up with the Prince's Trust 2** project delivers the Solutions for Business Intensive Start-Up Support service to individuals aged 18-30 that are considering setting up a business. At the end of 2009/10, the project achieved its targets of 232 jobs created and 60 new businesses created and surviving 12 months.

Business Investment

2.2.9 During the first quarter of this financial year, payments totalling £490k have been made to 52 companies under the **Grant for Research and Development** (GRD) scheme. These payments comprised Single Programme of £340k and ERDF of £150k, representing 15% of the annual budget, and leveraged £450k of private sector investment.

2.2.10 In the financial year to date, payments totalling £734k have been made to 16 companies under the **Grant for Business Investment** (GBI) scheme, representing 24% of the scheme's annual budget. These payments have created and safeguarded 177 jobs, leveraged £8.96m of private sector investment and developed 7,921 sq.m. of employment floorspace. In addition, further payments totalling £342k have been made with the support of ERDF funding.

2.2.11 In April 2009, ERDF funding of £1.4m for GBI was endorsed by Board Resources Group under the Priority Axis 2 regionally managed business support programme. This funding has now been fully committed and ERDF totalling £542k has already been claimed, representing 12 businesses assisted, £8.5m investment levered, 13,710 sq.m. floorspace developed and 61 jobs created.

International

2.2.12 Since the start of April we have had 10 **inward investment** successes, creating or safeguarding 1,194 jobs (against annual targets of 36 and 2,600 respectively). This is the highest number of successes and jobs achieved in the first quarter of the year since 2007. These include:

- Chinese automotive manufacturers ChangAn are locating their European R&D centre at Nottingham Science Park, an investment of £20m that will create 200 high-quality jobs. Their new operations were launched on 28 June.
- US company SOS Metals have established a recycling facility in Derbyshire creating 15 jobs. Their customers include Rolls-Royce, helping them to reclaim valuable metals. Their new operations were launched on 23 June.

2.2.13 In June, Toyota Manufacturing UK started production of the **Hybrid Auris Synergy Drive vehicle** at its Burnaston factory in Derbyshire. The vehicle will be assembled in Derbyshire, while the Hybrid Synergy Drive system's petrol engine will be built in Deeside, North Wales. Burnaston becomes the first plant to manufacture full hybrid vehicles in Europe. Auris HSD will be built in the same production line as petrol and diesel Auris, alongside the Avensis.

2.2.14 We are continuing to respond to **large company contractions**, including the following:

- The work of the AstraZeneca taskforce continues. Consultation on the site closure has now been completed, and the company is now consulting its employees on opportunities to move to roles at other AZ sites. The first stage of the Economic Impact Assessment is now expected to report in late July. We are working with company and taskforce partners to put in place a package of support for people who will be affected by the closure.

2.2.15 Our tracking of major private sector disinvestments has identified 3 large contractions in April and May, with 184 associated job losses. This is significantly lower than the same period last year, which saw 12 disinvestments and 847 jobs lost.

Tourism

2.2.16 Tourism marketing campaigns run during the 2009 spring and summer periods have generated £28m for the region's economy against an initial investment of around £1.1m. More than £27m was generated through domestic tourism activity delivered by the region's five destination management partnerships. Campaigns in France, Germany and the Netherlands generated a further £1m.

2.2.17 Around 100 businesses have entered this year's tourism awards, which aim to recognise those businesses that are at the forefront in delivering quality experiences for visitors to the region. The East Midlands scored the highest number of Gold awards of any English region in the 2010 national finals. Regional finalists undergo a mystery shop and receive a report outlining areas of their business in which improvements can be made.

2.2.18 A survey on business confidence has revealed that 81% of the region's tourism businesses expect to do well this year, due in part to more people choosing to holiday at home as a result of threatened air strikes and consumer concerns about cancellations from the volcanic ash. The hotel industry in particular has reported a slight upturn in trade, with nearly two in five hoteliers reporting an increase in visitor numbers.

2.3 Innovation

2.3.1 Since the announcement of budget reductions we have been considering alternative routes for delivering commitments under the second **Regional Innovation Strategy**. This is being guided by East Midlands Innovation, who met on 3 June, with Ric Parker of Rolls-Royce in the chair for the first time. Proposals for using ring-fenced Priority 1 ERDF funding are being investigated and tested with partners.

2.3.2 We are also in discussions with the **Technology Strategy Board** to explore ways in which we can work with them to use ERDF funding to deliver programmes that will benefit businesses across the region. This includes the potential to co-fund the next phase of Knowledge Transfer Partnerships, which encourage collaboration between universities and businesses.

2.3.3 An *emda* **Technology Demonstration Grant** has developed technology that can support community medical staff make clinical decisions in complex cases, which in turn reduces the need for hospital-based patient consultations. Derby NHS Trust has established a company, MS3, to exploit the commercial potential of the technology. The project has so far received a number of accolades, including runner-up in the 'Partnerships with the NHS Award' (MediLink 2010), and one of the 'Three Flowers of Innovation' (East Midlands Strategic Health Authority).

2.3.4 A delegation of 18 people representing innovation, technology and science agencies and businesses from across **Finland** visited the Agency on 10 June. The visit was part of their 'Innoventurer' programme, which involves benchmarking innovation across Europe. They had singled out Nottingham and the East Midlands, alongside London, as models of European good practice. The day included visits to *emda*, the Healthcare iNet, BioCity, and University of Nottingham Innovation Park campus.

2.3.5 **Innovation in the Engineering and Food Sectors** was a 3-year, £600k project with the Food Processing Faraday Partnership to stimulate regional engineering companies to diversify into food and drink process engineering, and so help stimulate innovation in food and drink manufacturing. It has been shortlisted for a business impact award from Praxis Unico, recognised for its part in pioneering engineering innovation within the triangle of the food industry, the engineering sector and academia in the East Midlands. The Food and Drink iNet is now building on this project in their second phase activities.

2.3.6 The Transport Equipment iNet has issued a call for **Collaborative Research and Development** (CRD) projects covering four key themes: additive manufacturing, environmental impact reduction, transport information systems and integration, and novel safety systems. There has been a good response to the call (55 expressions of interest), indicating a strong demand from SMEs and a high level of interest from universities.

3. Ensuring Sustainability

3.1 Transport and Logistics

3.1.1 Under its European Economic Recovery Plan the European Union had allocated funding to develop rural broadband services in member states to be delivered through the Rural Development Programme mechanism. The East Midlands share of this money was £400k. Following extensive negotiations with stakeholders and with the Board's endorsement, we had agreed to augment this funding with £4m vired from the farm diversification measure within our existing £61m RDPE allocation. However, despite repeated requests, approval at the national or at the European Union level has not yet been given to use the £4m for this use. Therefore, we are now launching an **RDPE broadband fund** consisting solely of the £400k. Expressions of interest will be received by mid-September and full applications will then be invited from a limited number of applicants. Decisions on these are expected to be made before Christmas. The purpose of the fund is to inspire innovative solutions to rural broadband provision at the local level. It is anticipated that three or four awards will be made.

3.2 Energy and Resources

3.2.1 On 22 June, the East Midlands celebrated the work of a number of different Business in the Community (BITC) projects at the Trent Vineyard in Nottingham, with *emda* sponsoring the **Carbon Positive Awards** for the second year. Aimed at highlighting best practice in carbon management for large and small companies, the awards form part of our regional work with BITC. Cllr. Geoff Stevens presented the awards to the successful businesses, with this year's winners including:

- Larkfleet Group for innovative work in the construction sector to promote sustainable building techniques;
- Boots UK Ltd for work to design a bespoke solution to reduce the environmental impact of their delivery vehicles;
- Loughborough University for the campaign they have launched across campus to engage employees in reducing their carbon footprint.

3.3 Land and Development

3.3.1 On 17 June *emda* and Laing O'Rourke co-hosted a royal visit by HRH The Duke of Kent to the **Explore Manufacturing Park** to witness the regeneration of the former Steetley colliery, quarry and brickworks near Worksop, Nottinghamshire. *emda* facilitated Laing O'Rourke's location and investment with grants totalling £6.3m to remediate 28 hectares of the site. It is anticipated that 270 new jobs will be created on the site.

3.3.2 Earlier in the day, the Duke of Kent visited **Sherwood Energy Village**, the community-led, *emda* supported regeneration scheme of the former Ollerton colliery. Sherwood Energy village is renowned as an exemplar regeneration scheme, combining public, private and community-led voluntary resources. Having received numerous awards for its delivery, it was the first recipient of the Enterprising Britain Award in 2005 and now provides more job opportunities for the community than when the pit was fully operational.

3.3.3 On 16 June Corby Borough Council's new £8.3m **Enterprise Centre** came another step closer to completion with the 'topping out' ceremony held on site by principle contractor Kier and developer Bela. The centre has received £1.2m of ERDF funding and a grant of £6.4m from *emda*. When completed, the centre will provide 4,200 sq m of starter office and studio accommodation, helping to provide over 150 new business start ups and 600 new jobs in the first 10 years of its life: it is on target to meet the scheduled opening, planned for October this year.

3.4 Environmental Protection

3.4.1 A recent assessment has given the **Avenue** site an 'excellent' in the Civil Engineering Environmental Quality Assessment and Awards Scheme. CEEQUAL, which aims to improve sustainability in civil engineering projects, gave a score of 96.2%, which is thought to be one of the highest ever gained on a publicly-funded project in the UK. This former coking works, near Wingerworth, Chesterfield, is one of the most contaminated sites in Western Europe, and one of the largest remediation projects in the country. VSD Avenue our contracting delivery partner, is using a combination of innovative contaminated land remediation technologies to deliver high quality, sustainable regeneration.

4. Achieving Equality

4.1 In 2007, the then Office of the Third Sector (now the Office for Civil Society) announced the £5.9m Improving **Social Enterprise Business Support Programme**, which would run until 2011 and was designed to both increase the number of social enterprises using Business Link services and improve their levels of customer satisfaction. Social Enterprise East Midlands and East Midlands Business Ltd co-developed the regional programme, which has been recognised as a best practice model by the Government. On 10 June, *emda* received confirmation that the final tranche of the programme had received Ministerial clearance, allowing the grant programme to continue with £175k of support made available to new and existing Social Enterprises in the East Midlands in 2010/11.

4.2 On 13 July, Abby Johnson Brennan spoke at the annual **Culture Club** event at Broadway Cinema in Nottingham. The event was to update the cultural sector on plans for 2012-related activity and the Cultural Olympiad and was organised by the region's Creative Programmer. The London Organising Committee's Head of Ceremonies, Martin Green, also spoke about opportunities for the region, including the Torch Relay.

4.3 The **Samsung Hockey Champions Trophy** took place in Nottingham between 10-18 July. The event, taking place in the UK for the first time, was supported by *emda* and saw the top six women's teams in the world competing. *emda* also sponsored the Quicksticks festival of hockey across the region's primary schools aimed at increasing participation in the sport. The festival was awarded the London 2012 Inspire mark.