

Leicester Shire Economic Development Partnership

July 2002

***emda's* Tier 2 Targets & Tier 3 Milestones**

Purpose of Report

1. This paper summarises the regional outcome targets and milestones which *emda* expect to achieve over the next two years

Background

2. *emda* are currently reviewing their Corporate Plan which sets out the regional targets they plan to achieve and the outputs they expect to be delivered by their funding. While there may be some fine tuning of *emda's* regional targets following the review it is anticipated that they will remain largely the same as their current Corporate Plan.
3. Government determines the Tier 2 outcome targets, of which there are eleven. The fifteen Tier 3 milestones, or outputs, are the measures by which *emda* intend to evaluate the effect of its expenditure regionally and sub-regionally.
4. At present *emda* have not determined their expectations of the contribution individual sub-regional partnerships will be required to fulfil in meeting these regional targets. This will be the subject of discussion when the LSEP's sub-regional priorities are determined and an action programme to achieve them is prepared. Clearly each Sub-Regional Partnership in the East Midlands will contribute to the regional targets and milestones in different ways reflecting their individual local priorities for action. However, it will be important when determining the LSEP's priorities, for which *emda's* financial support will be sort, that the proposed activities and projects meet *emda's* outputs and contribute to meeting their regional targets.

Tier 2 Targets

5. *emda's* Tier Two Targets are as follows:

1 Sustainable Economic Performance

Provide the strategic framework to improve the sustainable economic performance of each region, measured by the trend growth of GDP per capita, while also contributing to the broader quality of life in the region.

Proposed target *emda* are proposing a target of an increase over the period to 2005 of growth in GDP per capita from its present trend rate of growth of 2.15% to an average of 2.4% .

2 Regeneration

Work with Local Strategic Partnerships (LSPs) and other stakeholders to tackle poverty and social exclusion through promoting economic development in the most deprived areas by reducing deprivation by 10% in those wards in the region that are currently in the bottom 20% of the Indices of Multiple Deprivation.

171 East Midlands wards are in the bottom 20% of wards nationally as indicated by the Index of Multiple Deprivation.

Proposed targets

For the 171 wards

- Reduce adults in income support households by 10% - 10,400
- Reduce adults in income based Job Seekers Allowance households by 10% - 2,900
- Reduce unemployment claimant counts by 10% - 2,900

3 Urban

In line with Urban White Paper objectives and working with LSPs, contribute to the renaissance of towns and cities through the delivery of RDAs' Regional Strategies.

Proposed target

emda 's overall aim is to ensure that new and existing homes, jobs and services are effectively related to one another and that effective interdependency between urban and rural areas is established. The following basket of indicators will be used to measure impact.

- 2% increase of all new urban housing on previously developed land and conversions
- 10% increase in people living in city/town centres
- 10% increase of only regional or sub regional retail facilities in city/town centres, as measured by floor space
- 5% increase of new employment land supply
- 3% increase in new employment floor space
- 5% increase in prime property rents

4 Rural

In line with the Rural White Paper objectives and RDAs regional strategies, regenerate market towns in or close to priority rural areas and achieve increases in employment, skills and new business formation in priority rural areas comparable with other priority areas by 2004-05.

Proposed target

In liaison with the Countryside Agency *emda* will identify a further 22 towns for health checks of which a minimum of 11 will be in or near Rural Priority Areas.

In 2002-03 this will be 10 healthchecks, and in 2003-04 this will be 12 healthchecks

In 2002-03 *emda* expect to work with 7 of the market towns which have been health checked in 2001-02 to support the implementation of the needs identified.

In 2003-04 *emda* expect to work with 5 of the market towns which have been health checked in 2002-03 to support the implementation of the needs identified.

In addition *emda* are required to increase employment, skills and business starts in our priority rural areas.

By 2004-05 our targets are:

- To increase employment in the priority rural areas by 1.0%
- To bring the level of total poor literacy and numeracy in priority rural areas down to the national average of 24%
- To increase the number of VAT registrations in priority rural areas by 0.5%

5 Physical Development

emda will work with partners to ensure that:

- **By 2008, 60% of new housing is provided on previously developed land and through conversion of existing buildings.**
- **By 2004, brown field land is reclaimed at a national rate of over 1100 hectares per annum (reclaiming 5% of current brown field land by 2004 and 17% by 2010.)**

Proposed target

Housing target

In order to achieve the nationally set target within the Regional Planning Guidance (RPG0, ie 60% by 2008-09, *emda* propose the following:

For 2002-03 the *emda* target is 45%

For 2003-04 *emda* target is 47%

In December 2002, the East Midlands Regional Local Government Association will consider whether these targets remain reasonable, in the light of the data collection and co-ordination exercise underway in all local authorities in response to the RPG.

Brown field land target

In order to achieve the national targets, *emda* will need to reclaim 348 hectares of brown field land by 2004 and a further 834 hectares

by 2010

The individual yearly targets are as follows

2002-03 133 hectares
2003-04 215 hectares

This gives an annual average of 174 hectares to 2004. The breakdown of this 174 hectares is interpolated from NLUD as follows:

- Previously developed land which is now vacant 34ha
- Derelict land and buildings 73ha
- Vacant buildings 13ha
- Land currently in use and allocated 28ha
- Land currently in use with potential 26ha

6 Employment

Work with partners to increase ILO employment rate over economic cycle

Proposed target *emda* propose an employment target for the East Midlands which will see an increase of employment rate from its current rate of 76.2% to 76.7% by 2005.

7 Skills

Work with LSCs, NTOs and other partners to improve the levels of qualifications of the workforce in order to meet priorities as defined in Regional Frameworks for Employment and Skills and to help meet national learning targets

Proposed target

- Improve basic skills in the workforce
- Tackle specific sectors skills shortages allied to key clusters
- Improve ICT skills in the workforce

In addition *emda* will work with partners to support the achievement of regional learning targets:

- 80% of 11 year olds reaching the expected standard for their age in literacy, and 75% in numeracy
- 50% of 16 year olds gaining 5 A-C GCSE with 95% gaining at least one GCSE
- 85% of 19 year olds with a level 2 qualification
- 60% of 21 year olds with a level 3 qualification
- 54% of adults with a level 3+ qualification
- 31% of adults with a level 4+ qualification
- 7% reduction in non learners
- 45% of medium and large organisations recognised as Investors in People

8 Productivity

Work with Regional Partners to enable an increase in productivity measured in Gross Value Added per hour worked in the region

Proposed target The proposed target is to increase GVA per hour worked by 3.0% by 2004-05

9 Enterprise

Work with the Small Business Service and others to help build an enterprise society in which small firms of all kinds thrive and achieve their potential with:

- **An increase in the number of people considering going into business**
- **An improvement in the overall productivity of small firms**
- **More enterprise in disadvantaged communities**

Proposed target In addition to the targets set, *emda* has set a target for the additional numbers of new businesses desired in the region. This arises from the research behind the Birth Rate Strategy.

- An increase of 20% in the number of new VAT registered businesses by 2004-05
- Increase the number of people stating that they are considering starting up in business by 2,500 by 2004-05
- Improve productivity of small firms by 2% by 2005
- Increase the number of VAT registered companies in the bottom 20% wards by 1%

10 Investment

Make the region an attractive place for investment to maintain the UK as the prime location in the EU for foreign direct investment, particularly by providing effective co-ordination of inward investment activities of regional and local partners.

Proposed target *emda* propose to increase foreign direct investment, year on year, by one percentage point above the rate of average growth in the EU as a whole.

11 Innovation

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

Proposed targets Increase in proportion of innovating businesses

This means both stimulating existing businesses to innovate and by creating new, innovative businesses. In both cases it is vital to have the right advice available at the right time, and for there to be effective mechanisms available to deliver support. Capacity both of support agencies and of delivery organisations is therefore the key area to address at a regional level, together with a campaign to raise awareness of the opportunities they present.

Increase in proportion of innovators using the science base

This means ensuring that East Midlands businesses know where scientific expertise is available and how it can be accessed. An infrastructure for the interface between the knowledge base and the business community in those subjects relevant to the region’s priority sectors and clusters will be further developed to assist this. The East Midlands Universities Association (EMUA) is a significant partner in this work, in particular through their HEROBC-funded ‘third stream’ activities.

The following are the proposed proxies for measuring the above outcomes:

- To increase participation in knowledge transfer schemes such as STEP, TCS, SMART, LINK and Faraday Partnerships by 5% per year.
- To increase business expenditure on R& D as a % of regional GDP by 5% (from 1.27% to 1.33% -see ONS 1999)
- To increase the sales of new-to-market products as a % of sales to 7% (i.e. above the UK figure of 6.7% - regional figures not yet available).

Tier 3 Milestones

6. The table below gives *emda's* forecast outputs for the plan period against the 15 milestones.

	Milestone	Forecast outputs 2002-03	Forecast outputs 2003-04
1	Employment Opportunities: Support the creation or safeguarding of x net jobs		
	a) Created	2,550	2,650
	b) Safeguarded	2,600	2,700
	c) Total	5,150	5,350

	Milestone	Forecast outputs 2002-03	Forecast outputs 2003-04
2	Brown Field Land: Remediate and / or recycle x hectares of Brown field land	119 hectares	125 hectares
3	Education and skills: Support the creation or learning opportunities for x individuals	2,375	2,450
4	Business Performance: Support the creation and / or attraction of x new businesses	470	500
5	Strategic Influencing: Improvement	5%	5%
6	The number of additional community facilities including access centres	155	160
7	The number of science and technology based spin out companies	30	40
8	The number of new cluster maps and subsequent cluster strategies developed. The number of businesses engaged.	5 500	3 800
9	The number of businesses supported by emda programmes to increase their use of ICT.	1000	1200
10	The number of enterprises assisted by regional investment funds	65	85
11	The number of new social enterprises	75	85
12	The number of graduates newly employed in small businesses	100	180
13	The number of people over 45 receiving advice and guidance support to return to the labour market.	750	750
14	The number of businesses influenced to expand in the region as a result of aftercare visits. Number of businesses influenced to expand Number of Aftercare visits	10 110	10 110
15	New build or refurbished space – square metres A is Workspace new / refurbishment B is Housing new / refurbishment	A 81,000 m ² B 175,000 m ²	A 84,000 m ² B 183,000 m ²