

# REPORT AND ACCOUNTS

The East of England Development Agency  
Annual report and accounts - 2008/09

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Annual Report and Accounts presented to Parliament by the Secretary of State for Business Innovation and Skills in pursuance of Sections 15 (2) and 17 (3) of the Regional Development Agencies Act 1998.

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## chair's statement:

**After six years as chair of EEDA this will be my last annual report as I am to step down before the end of the next year. As I reflect on the past year's activity I also compare it to the previous five. The economic challenges of the last year have brought into sharper focus the need for a regional economic development agency and it is satisfying to see the benefits we bring have been validated independently.**

Providing regional leadership in these uncertain times has been more important than ever for EEDA in the past year. EEDA has had to flex and change month by month to respond to new initiatives and situations as they arise. But it is the close working relationships that we have with our key partners, both in the public and private sector, that have enabled us to continue to plan for the long-term despite the need to address immediate issues in the short-term.

In the short term our priority has naturally been focussed on supporting businesses through these turbulent times. Making business support easy to understand and access has taken a big step forward this year with the launch of EEDA's Business Map. With Business Link at its heart, this map clearly signposts regional businesses to over £30 million worth of business support.

Looking to the future we need to be ready for the economic landscape we emerge into after the recession ends and the immense opportunities and challenges that will present themselves. The future opportunities lie in the commercialisation of innovative products and services in areas that this region excels in such as environmental technologies, high-end manufacturing and life sciences.

At the same time we need to ensure the region has the right governance structures and expertise to deliver change. We are working closely with regional partners to implement the changes that the Sub National Review will bring, planning for new working relationships and agreeing future funding arrangements. Great advances have been made this year in agreeing investment priorities in many parts of the region through the groundbreaking Integrated Development Programmes.

The year ended with the publication of an independent report of the impact of EEDA on the regional economy. Based on an evaluation of £142 million of EEDA investment between 2002-2007, the report finds that between £525 million and £820 million of wealth has been created for the region. This represents a return on investment of £3.70 to £5.80 for every £1 invested – with a mid point of £4.75. Many further benefits will be realised over time increasing the return to £7.60 per £1 invested.

This report provides clear evidence that EEDA is having a significant and positive impact on the economy of the East of England. On behalf of the board I would like to thank all EEDA staff for their continued hard work and commitment in achieving these results and look forward to seeing even greater impact in the years ahead. My thanks to Deborah Cadman who joined EEDA in July 2008, just as the global financial crises started, and has had a baptism of fire but has tackled each new challenge with a cool head and a steady hand.

This year in particular I would like to express my grateful thanks to all the businesses, partner organisations and stakeholders who have supported both EEDA and me personally in promoting the region's needs and delivering much needed investment. It has been my privilege to work with some of the most professional, dedicated and passionate individuals I have ever met and I know that this passion will continue.

I would like to pay tribute to a number of board members whose term of office ended this year. Stephen Castle, Bryony Rudkin and John Snyder have all worked tirelessly to support EEDA and the region and I thank them for their commitment. And last but not least George Kieffer who served on the EEDA Board for six years, the last four as deputy chair. George's enthusiasm and energy have been greatly appreciated by myself, board colleagues and EEDA staff alike and is greatly missed.

We welcomed three new board members in December - from the business world, Nitin Dahad - while local authority representation is added from Madeline Russell and Shona Johnstone

In addition Marco Cereste and Sheila Childerhouse now take on additional responsibilities as deputy chairs.

Finally, I would like to thank David Marlow, who stepped down as chief executive during the year. David and I joined EEDA at the same time, in autumn 2003, and from the outset we enjoyed a strong working relationship and friendship. On behalf of the board I would like to thank David for his leadership and dedication over the five years and we wish him well in his new ventures.

I look forward to us all working together throughout 2009 to lead the UK economy out of recession and it will be with a mixture of sadness and pride that I hand over the reigns to my successor.

Richard Ellis  
chair

Footnote: In line with the region's sustainability agenda we are making this document only available online. The document can be accessed via our website [www.eeda.org.uk](http://www.eeda.org.uk). Taking this route reduces both our costs and our carbon footprint in terms of production, transport and paper usage.

## chief executive's review

**When I joined EEDA in July 2008 the economy was a very different place. In just ten months, to the end of March 2009, we have seen the world faced with financial position never before encountered. In common with other organisations this has meant a period of change at EEDA and an increased need for flexibility as we adjust and adapt to the new challenges.**

2008/09 was the first year of EEDA's new three year Corporate Plan and, despite the challenges it has been a year of huge achievement across the organisation.

Our actions have been more acutely focussed on **supporting businesses** as the recession has taken a firmer grip. EEDA has boosted our £30 million business support package to respond to needs in the region. We have flexed our universal frontline support through Business Link. From 23 October 2008 through until the end of March 2009, Business Link has helped over 105,000 companies and given over 4,000 business Health Checks. EEDA has also boosted its targeted support, for example we have been able to bring on stream an additional round of Proof of Concept grants which saw 19 companies share £380,000.

Our people's **skills and employability** have been enhanced through programmes like Beyond 2010. This £6.2 million programme provides businesses with advice and funding to develop the skills of their workforce. Beyond 2010 also includes the response to redundancy programme which helps to re-train individuals facing redundancy, improving the employability and skills of individuals in the region. In addition, £24 million has been invested through our Economic Participation programme to support people facing barriers to the labour market, helping them to improve their employability and skills or start-up a business.

Cultivating the region's **science, innovation and high level skills** capacity is vital to the future global competitiveness of this region and EEDA made significant investments in science parks, university campuses and research centres during the year.

Improvements to region's long term **infrastructure** continued with investments across the region in both urban and rural areas. Transport remains a key challenge and we continue to work with partners not just to secure new investment but also to identify alternative measures to reduce demand on existing networks.

Recognising the impacts of climate change has given an even stronger focus to the long term environmental **sustainability** of everything we do. 2008 saw the opening of Orbis Energy, centre of excellence for renewable energy, in Lowestoft. An extensive business resource efficiency programme is helping businesses reduce both energy consumption and cost.

Despite our successes, we do not underestimate the challenges that lie ahead. The length and depth of the current recession remains uncertain, a general election will happen within the next 12 months and climate change is an increasing concern to us all. In addition, reductions in EEDA's budget allocation between 2009-11 means we have had to revisit parts of our corporate plan, adapting or deferring some projects.

We must remain focussed and work closely with other funding organisations and bring our expert knowledge to bear to ensure investments bring the maximum impact where most needed.

Despite these uncertainties we must maintain investment in our businesses, our people and our infrastructure to ensure the East of England is at the forefront of the economic recovery and can build its global competitiveness in the years ahead.

We are introducing changes at EEDA to adapt to our changing environment. The region's innovation agenda remains paramount and last year we appointed Paul May as executive director, innovation to strengthen EEDA's expertise in this field. Last year also saw the launch of Insight East, the regional intelligence centre for the East of England. This unit will provide economic research and analysis to ensure EEDA and our partners fully understand the region's economic needs and make informed investment decisions through the future modelling work they are able to undertake.

EEDA's regional perspective places us in an ideal position to think across sectors and boundaries and understand the needs of individual places. We work with partners to develop a package of measures needed across business support, skills, infrastructure and social inclusion that combine to meet the economic needs of each place.

I would like to thank everyone at EEDA for welcoming me so whole heartedly into the organisation. To Richard and the board, my executive team, EEDA staff and the range of partners and stakeholders I have met, I look forward to building on the strong foundations already laid.

Deborah Cadman OBE  
chief executive

# EEDA's Impact

EEDA has maintained its strong performance this year and continues to demonstrate its good value for money creating jobs, improving skill levels and working with partners for the benefit of the people of the region.

Key achievements for 2008/09:

- 5,730 jobs created or safeguarded
- 10,969 people helped to get a job
- 44,614 people with improved skills
- 2,283 businesses helped to start and grow
- 19,189 businesses assisted to improve performance
- 50 acres of brownfield land reclaimed
- 288 million leveraged in public and private investment

Key achievements over 10 years

- 37,724 jobs created or safeguarded
- 31,069 people helped to get a job
- 188,127 people with improved skills
- 10,514 businesses helped to start and grow
- 80,281 businesses assisted to improve performance
- 302 acres of brownfield land reclaimed
- 967 million leveraged in public and private investment

Financial performance:

- £115,086,000 spent on programme delivery
- EEDA exceeded all output targets
- Expenditure was within 0.2% of the budget allocated
- Exceeded efficiency target of £3.3 million recyclable savings

## **Impact evaluation report**

March 2009 saw the publication of the results of the national independent RDA impact evaluation, which demonstrated a positive contribution of RDAs' investments on the economy of the regions. Alongside the national report, EEDA published 'EEDA's Contribution to the Strategic Development of the East of England' Report produced by PA Consulting/SQW. This report provides evidence of the impact of EEDA's investment of £142 million in 2002-07, on the region's economy.



The results indicate that between £525 million and £820 million of wealth has been created for the region (measured in terms of gross value added or GVA). This represents a return on investment of £3.70 to £5.80 for every £1 invested – with a mid point of £4.75. Taking into account the likely future benefits of EEDA’s investments, the wealth created for the region increases to between £874 million and £1.3 billion. This would represent a return on investment of between £6.10 and £9.10 for every £1 invested – with a mid point of £7.60.

# The region in context

The East of England comprises the six counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk and includes four unitary authorities – Luton, Peterborough, Southend-on-Sea and Thurrock.

The region is the second largest in terms of geography and is home to 5.6 million people. It is truly diverse with the remoteness of the north Norfolk coast contrasting with the highly developed areas on the edge of London. The region has experienced strong growth in recent years thanks to its business base, strategic location close to London and international transport gateways. Two of the country's five busiest airports are in the region (London Stansted and London Luton) as well as the UK's largest and fastest growing container port at Felixstowe.

The East of England is the country's top location for innovative activity and private sector research and development and has one of the highest number of small and medium sized enterprises (SMEs) of the regions. The region has assets of international importance, including research institutes and the globally-renowned Cambridge University.

The recession has resulted in the region's economy contracting sharply since mid-2008, although the pace of decline is slowing. Construction and housing-related activities have seen high levels of redundancies in line with the downturn in the region's housing market.

The region's diverse economy and lesser reliance on traditional manufacturing means that the East of England entered the recession in a less vulnerable position with sectors that are more resilient and able to recover in the short term. EEDA's analysis of the impacts of the recession has shown that the region's pharmaceutical, technology, niche manufacturing and agricultural sectors have maintained growth, but that some sectors have contracted significantly.

The lower value of sterling relative to other currencies has helped to boost domestic tourism bookings within the region, benefiting coastal areas in particular – including Great Yarmouth (the region's most deprived district). However, the decline in world trade has offset the benefits that many exporters may have realised from the lower value of sterling. The decline in world trade is evident at the region's ports with port operators at Felixstowe and Harwich cutting costs and jobs due to overcapacity. Key investments are also under threat with Dubai Ports World stalling its projects worldwide to cut costs – including its £1.5 billion investment at London Gateway (Thurrock).

Looking ahead, Insight East forecasts suggest that the region's GVA will decline by 4.1 per cent in 2009, followed by marginal growth of 0.3 per cent in 2010. Businesses are now less pessimistic about their outlook than at the end of 2008 although, even when business conditions begin to improve, unemployment is unlikely to fall until businesses are confident of a sustained recovery.

The region's future economic success will lie in our historic economic strengths and assets. Enhancing our role as a leader in innovation and ensuring that the region has the potential to further develop innovative opportunities that will arise is key.

# About EEDA – the way we work

EEDA's Corporate Plan 2008-11 and the Corporate Plan supplementary submission 2009-11 outline how EEDA will provide leadership, mobilise partners and deploy resources to enable the delivery of the regional economic strategy (RES).

Our three principal roles are:

- Providing leadership in shaping strategic direction
- influencing partners (public, private and third sector) to follow that direction
- delivering a small number of major interventions well.

Improved intelligence gathering provided by EEDA funded research and through the regional intelligence centre, Insight East, allows us to help partners make investment decisions based on reliable and current information. It also allows us to lever in additional funding from other organisations from both public and private sector sources.

All of EEDA's activities are aligned to the achievement of the RES vision and goals, through seven distinct programmes and the allocation of resources across them. Five of these programmes are focused on delivery and two are foundation programmes.

The five delivery programmes are:

- **Business Support:** we provide business support and skills re-training to help businesses survive and prosper and get ready for the upturn
- **Science, Innovation and High-level Skills:** we further develop the region's world-class science and innovation base by encouraging more R&D, more commercialisation of innovative ideas and greater exchange of knowledge between business, universities and research institutes
- **Economic Participation:** we improve employability and increase economic opportunities for individuals unable to participate in the region's economy
- **Regional Infrastructure:** we help the region prioritise essential infrastructure needed for economic development and make the case for increased investment in that infrastructure
- **Sustainable Economy:** we enable businesses and individuals to use resources more efficiently and support the land-based, renewable energy and environmental goods and services sectors to take advantage of emerging opportunities

The two foundation programmes that underpin all of our activity are:

- **Strategy and Intelligence:** we use our region-wide knowledge and our modest resources to set direction for the regional economy (the regional economic strategy) and provide economic research and analysis through our regional intelligence centre, Insight East

- **Partnerships, Advocacy and Communication:** we encourage public and private sector partners to work together to advance the region's economic priorities and to act as advocates for the East of England.

The following pages show how EEDA has had an impact across each of these programmes.

# Business Support

The East of England is home to many of the country's most ambitious and innovative companies. Yet the vast majority of the regions 430,000 businesses do not seek out the support that could help them grow. Improving skills levels is one of the most pressing challenges in the region particularly in the last year as redundancies mean the supply of jobs has reduced and labour supply increased. Access to finance and the need to retrain staff remain key concerns for businesses.

## **EEDA action:**

**The Business Map** - [www.bizmapeast.co.uk](http://www.bizmapeast.co.uk) – in September we launched this new initiative to help businesses in the region access support quickly, easily and effectively. The site had attracted nearly 11,000 visitors by the end of March.

**Business Link:** the main route to support services for SME's in the East of England. Through-out the year, Business Link has been dealing with increasing numbers of business owners seeking ways to counter the effects of the recession. Over 105,000 companies have been helped between October 2008 and March 2009 and over 4000 Health Checks have been undertaken by advisors.

**Access to finance** - new funding for growing businesses and entrepreneurs for research and development, capital investment grants and market analysis.

- extra funding from EEDA has allowed businesses to bring in much needed professional one to one support.
- extra funding from European Regional Development Fund (ERDF) of £5.6 million over the next four years has been raised to support innovative low carbon based companies undertaking R&D and commercial viability testing
- an additional round of "Proof of Concept" grants resulting in an additional £380,000 of grants.
- additional funding was made available for takeITon grants allowing EEDA to support an additional 71 companies in 2008-09. Over the year a total of 246 SMEs received grants to support an IT project, resulting in an overall investment in IT of £2.2 million

**Intensive Support to Businesses** - enterprise agencies across the region delivered Intensive Support to Business, a £250,000 EEDA funded scheme that provided in-depth consultancy support of up to one day to businesses to help them in the current economic climate. This was a three month project which supported 600 businesses between January and March 2009.

**Beyond 2010** – a £6.2 million EEDA and European Social Fund programme to support SMEs with advice and funding to develop the skills of their workforce. Beyond 2010 also includes the response to redundancy programme which helps to re-train individuals facing redundancy. The project has supported over 2,000 people and 200 businesses from its start at the end of 2008. An additional £1 million of funding has been secured and deployed to support businesses and individuals as part of the region's response to the recession.

**Supporting international business:** The region's inward investment agency, East of England International, supported 1,005 businesses, safeguarded 1,688 jobs,

attracted 21 new business investments to the region and assisted 190 businesses to access export markets.

**London 2012** - over 5,000 businesses are signed up to the EEDA supported CompeteFor, an online brokerage service between buyers throughout the London 2012 supply chain and potential suppliers. The East of England is the second region overall in terms of value of contracts won from the Olympic Delivery Authority and CompeteFor

**Knowledge Transfer** - working with partners, EEDA has continued to offer a knowledge transfer programme to small businesses. 30 companies have engaged and a total of £270,000 invested leading to £600,000 total investment with small business.

# Science, Innovation and High-level Skills

Although the East of England has a world-class science and technology base and world-class universities not enough business start ups translate innovation into long term business success. Innovation sits at the heart of successful business development and growth in the East of England. We need the right mix of high-level skills to commercialise R&D development and innovation successfully.

EEDA is fostering this innovation through expanding regional universities, creating sector specific regional centres of excellence and developing a number of world leading science parks.

## **EEDA action:**

**A new university campus in Ipswich** - University Campus Suffolk (UCS) is open for business in an impressive new building on the Ipswich waterfront – with an eight per cent increase in local people studying for a higher education qualification. There are currently around 4,950 students learning through UCS, which also engages directly with over 500 businesses

**A new university centre in Peterborough** – a joint venture between Anglia Ruskin University and Peterborough Regional College to provide a Higher Education presence as part of the new university challenge. EEDA is investing £3.8 million in the new campus building with construction underway and planned opening set for September 2009. There will be places for 3,250 students by 2012. The HE participation rate in Peterborough is 24percent which is below the national average of 30percent.

**A new international research facility** - the Royal Veterinary College completed a new international Zoonotics research facility at its Hawkshead Campus in Hatfield – following a £2.5 million EEDA investment. This is a truly global initiative with involvement from a number of partners across the world and will ensure that the Royal Veterinary College maintains its position in leading the world in research into the control of infectious diseases and zoonoses.

**A lasting Olympics legacy** - this ambitious redevelopment at Hertford Regional College, Broxbourne, is transforming the College's estate to provide learning resources and facilities that are amongst the best in the country. Three buildings have already been completed – The Sports Centre, which will provide a lasting legacy, the Motor Vehicle and Engineering building and the Construction Trades building.

**A new Vision for Norwich Research Park (NRP)** – the 160 acre site is one of Europe's leading technology clusters of plant, microbial, food, health and environmental research facilities. With strong links between the Norfolk and Norwich Hospital and University of East Anglia's Medical School, the park is an important part of the Greater Norwich knowledge economy, attracting new partners, creating highly-skilled new jobs and building new links to business to improve commercialisation. EEDA funding has helped lever in £3.5 million of local authority investment.



**Developing major new research, development and business centres in the region** – OrbisEnergy at Lowestoft, the Cranfield Integrated Vehicle Health Management programme in Bedfordshire and the Luton Innovation and Business Base – three major developments which opened this year.

**World class science parks** – work has continued on a number of globally significant science parks during the year. EEDA has committed £4.2 million to the building of a Knowledge Hub and Innovation Centre at Colworth, Bedfordshire. £3.35m investment has been approved for the long term development of the Innovation Martlesham site in Suffolk and outline planning permission has been approved for the GlaxoSmithKline site at Stevenage, Hertfordshire.

# Regional Infrastructure

Improving the physical environment and connectivity of the region is a crucial element of a successful economy. People need places to live. Businesses need premises to trade from. While the region is generally viewed as well served there are many locations that need regeneration and improvement. To ensure long term global competitiveness it is vital for the region to have modern, sustainable infrastructure.

## **EEDA action:**

**Integrated Development Programmes (IDPs)** – having a coordinated investment plan for a place that is agreed to by all involved in delivering it is vital to the physical economic development of a location. EEDA led IDP's are bringing together partners at sub-regional level to plan, manage and develop new and growing communities, agreeing priorities and combining investment for maximum impact.

**Regional transport planning** – our Transport Economic Evidence Study (TEES) kick-started the debate on the economic impact of congestion on the region's economy to help shape future strategy. This study identifies the cost of congestion in different parts of the region and identifies key investment corridors. This has enabled EEDA to work with partners in agreeing priorities and looking for additional sources of funding

## **Major approvals issued**

- Royal Opera House - production park in Purfleet, Thurrock will be the international centre of excellence for production and professional development in backstage and offstage services for the performing arts. EEDA's contribution is £5.6 million.
- Thetford Enterprise Park - EEDA's commitment of £1.5 million towards road and site infrastructure will open up this 44 acre key employment site on the A11
- Waveney Campus - a public led joint venture to create a new office and research accommodation for up to 1,000 employees providing a major boost to the regeneration of Lowestoft.

## **Major Progress on flagship schemes -**

- Peterborough Southbank which appointed P-pod as preferred developer to develop this seven hectare site in the city centre as an innovative zero-carbon neighbourhood, which will enable the construction industry to be better prepared to meet the government's goal that all new homes will be zero carbon by 2016.
- Eastport, the Outer Harbour in Great Yarmouth, made substantial progress and is nearing completion of the breakwaters which will create a major new employment opportunity
- Colchester Community Stadium - EEDA committed £1 million to the relocation of Colchester United Football Club to a new location providing a new 10,000 seater Community Stadium and a new home for the town's Championship football team. Subsequently the relocation will release their current site for housing. English Partnerships own the housing element and the employment

is derived from the development of the new stadium. The project has reclaimed 1.5ha of Brownfield Land and created 49.5 new jobs.

### **Thames Gateway**

- EEDA, the South East England Development Agency (SEEDA) and the London Development Agency (LDA) jointly published the Thames Gateway Economic Development Investment Plan in September. An early success was the establishment of 'Invest Thames Gateway' a new inward investment agency, supported with £3 million from CLG. This will centralise the international promotion of the Thames Gateway as an investment location.
- Significant progress is also being made to shape plans for an Innovation and Learning centre at the London Gateway port development, and in Southend an investment of £2.25million is facilitating land assembly to support higher education and further education expansion and the regeneration of the town centre.

**National Centre for Carnival Arts** – this new landmark building in Luton includes space for education and training at all levels, apprenticeships, business development and incubation spaces. The centre also includes performance facilities, social and leisure facilities, a childcare centre, meeting rooms, visitor and conference facilities. EEDA committed £1 million to the project. 8 new jobs were created, 4 businesses supported and 175 people had skills support.

**Peterborough to Nuneaton** - capital funding has been granted from a joint consortium of EEDA, East Midlands Development Agency (EMDA) and Advantage West Midlands (AWM) towards the capital work to upgrade the gauge on the Peterborough to Nuneaton section of railway to W10 standard. This will provide an alternative and more direct rail route for freight all the way from Felixstowe to Nuneaton reducing congestion on the London railway network and the A14/A12 highways. This project will attract over £80 million leverage funding.

# Economic Participation

EEDA funding is helping individuals contribute to the regional economy by improving their employability and skills, helping them to start-up their own business and increasing their financial capability and supporting businesses and third sector organisations to grow their business and compete in the current economic climate.

## **EEDA action:**

**Sub-regional investment** - EEDA has been working closely with sub-regional partners to increase economic participation rates in the region. Our flexible funding helps enhance delivery of Local Area Agreement targets and strengthen the local authority / Local Strategic Partnership role in delivering economic development.

During the year, £24 million of EEDA investment has created 285 jobs and over 50 new businesses, assisted over 8,600 people into employment and over 16,500 people with skills development, and levered in over £16 million of public and private sector investment.

Just one example of our sub-regional investment is EEDA's £764,000 investment in the £2.2 million Stevenage Skills Centre, a purpose-built facility providing construction, technology and engineering training. The centre, which is part of North Hertfordshire College, opened its doors in August 2008 and offers courses in a wide range of construction trades including plastering and brickwork, as well as training facilities for apprentices and adults within the engineering and technology sector.

**Social enterprise business support** - Working closely with Business Link and Social Enterprise East of England (SEEE), EEDA ensured £100,000 of funding was distributed to social enterprises to provide high-quality, tailored business support. This has supported approximately 100 social enterprises to help remain competitive and improve their productivity.

**Financial capabilities and inclusion** - EEDA is investing £400,000 of European Social Fund money to help provide financial capability training targeted at individuals and support frontline agencies dealing with vulnerable clients. The project, led by Citizens Advice is helping to provide information on money management, employment support and other relevant services for individuals and ensure they are able to receive high quality information, advice and guidance.

**English Language Training for Migrant Workers** - EEDA is investing £600,000 of EEDA and European Social Fund money to help provide English Language Training for migrant workers to help them utilise their skills and allow them to contribute fully to the regional economy. Last year, 80 people started the programme and are progressing towards English Language qualifications.

**Building Communities** - EEDA has invested £3.3 million in 2008/09 to support the development of community assets to enable people to participate in the economy and provide space for social enterprise development. In total, eight social enterprises have been given funding, creating over 130 jobs. This includes support

for Theatre Resource space in Chipping Ongar and the creation of a Social Enterprise Centre at Citylife in Cambridge.

**Volunteering into Employment** - EEDA is leading delivery of a £2 million European Social Fund and Legacy Trust volunteering into work project. The project, managed by COVER, is helping disadvantaged individuals compete in the labour market as a result of the new skills learnt and experience gained while volunteering in the cultural and sporting sectors. The project is designed to provide a legacy of increased volunteering activity for the region beyond 2012, and develop a progression route into employment for individuals.

**Providing collective voices to third sector organisations to influence policy and improve delivery** - EEDA continues to support five third sector regional infrastructure bodies: COVER<sup>1</sup>, the East of England Faith Council, MENTER<sup>2</sup>, Rural Action East and Social Enterprise East of England. This support enables these organisations to speak up for the sector and help ensure the valuable contribution the sector makes to economic development is recognised at a national, regional and local level.

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<sup>1</sup> COVER are a network for the Voluntary and Community sector in the East of England.

<sup>2</sup> Menter are a network for Black / Minority Ethnic (BME) voluntary organisations and communities in the East of England.

# Sustainable Economy

The region faces both challenges and opportunities through mitigating and adapting to climate change. We have both the need and potential to move towards a low carbon, low resource economy by focussing on sustainable energy technologies, growing our environmental technology sectors and enabling rural economies and businesses to adapt and grow sustainably.

## **EEDA action:**

**Cross cutting projects** - The Sustainable Economy programme is a cross-cutting programme which both leads direct activity on delivery of rural and sustainable development but also drives rural and low carbon activity across the other programmes. Examples across programmes include:

- increasing funding to develop low carbon products through proof of concept funding, through MAS and Innovation Advisory Service, use of our low carbon ERDF funding, and the TakeITon programme which reduces the need for travel. The East of England is the only region to have a low carbon theme for its EU funding.
- the Peterborough Southbank project will develop a zero carbon neighbourhood and the Peterborough to Nuneaton rail enhancements will improve the freight provision in the region, reducing road use and CO2 emissions from road transport.
- investment in environmental research through Norwich Research Park, the Royal Veterinary College and Innovation Park at Martlesham, as well as the investment in the Skills for Energy Partnership support key development in low carbon and rural innovation
- EEDA has led the way in development of the headline CO2 target in the Regional Economic Strategy and driven development of the Integrated Sustainability Framework

## **Direct projects include:**

### **Leading Improvements in Resource Efficiency**

- Through the Business Resource Efficiency and Waste (BREW), Carbon Reduction (CRed) programmes and Renewables East, between £6.90 and £10.50 has been generated for the regional economy for every £1 EEDA has spent. Every £10,000 spent by EEDA on these projects diverted 370 tonnes of waste from landfill and saved 90 tonnes of CO2.
- The business resource efficiency module was mainstreamed during the year into the core Business Link East IDB service
- EEDA committed £2.1 million investment into Resource Efficiency East (EEDA and ERDF funding) to deliver specialist business resource efficiency advice guidance and support.

**Improving Knowledge transfer** - EEDA is linking businesses with Research and Development across the region in the establishment of the Incrops Enterprise

Hub. With £2.2 million funding from EEDA and ERDF, Incrops is supporting businesses to develop new products and markets for crops into non-food uses such as sustainable construction materials and composite materials for low-carbon cars.

### **Championing sustainable energy and carbon reduction**

- **OrbisEnergy** - The year saw the opening of the landmark building OrbisEnergy at Lowestoft, a centre of excellence for offshore energy. The anchor tenant is Airtricity, the renewable energy arm of Scottish and Southern Electricity.
- **Stimulating Carbon Capture and Storage** – we invested in research to identify the regional opportunities for carbon capture, with offshore storage in the Southern North Sea. We have also enabled research with the University of East Anglia and Cranfield University in the economic potential of BioChar to not only sequester carbon but to enhance the region's agricultural output.
- **Renewables East** - we continue to support Renewables East as the region's renewable energy agency, whose focus includes progressing community energy solutions, advanced biofuels and early stage technology acceleration.

**Cut your Carbon** – This carbon reduction programme supports entrepreneurship and behavioural change in local communities. 24 proposals received with 4 communities securing funding. The website received 26,975 unique visitors, 102 communities registering interest and 1842 signed up as members. Members are currently saving 144 tonnes per year, compared to their baseline carbon emissions

### **Driving sustainable economic development in rural areas**

- In 2008/09 EEDA delivered between 35 per cent – 45 per cent of all its key outputs in rural areas of the region including creating 2,315 new jobs and nearly 1,000 new businesses
- Business Link East delivered support to 33,000 businesses in rural areas in 0809 - an increase of 25 per cent on the previous year
- EEDA was a founding member and funder of the East of England Coastal Initiative in 2008/09. This multi-agency project addresses the long-term challenges facing the region's coast, preparing the region for the impacts of climate change.

**Rural Development Programme for England (RDPE)** - EEDA committed £13 million of RDPE 2007-13 funding and spent £8 million on regional projects. We also allocated £21 million to Local Action Groups (LAGs). Examples include:

- Woodfuels East, a regional project developing the wood fuel supply chain in the region. Woodfuels East will bring 15,000 hectares of undermanaged woodland into management, provide up to 120,000 tonnes of renewable material for the production of combined heat and power and reduce carbon emissions by around 90,000 tonnes per annum.
- The Camgrain project was awarded £3.9 million to provide collaborative storage and advanced processing facilities for an additional 60,000 tonnes of grain, benefitting over 350 SME farmer members increasing their overall

profits by around £1 million. The project has won the first ever UK single supply-chain contract for Sainsbury' in-store bakery. The project is already seeing carbon savings of around 360t expected to rise to 1000t per annum by project completion.

- £4.5 million awarded to LandSkills East to improve skills in the land-based sector and to build access to higher level mainstream skills provision. The contract will deliver around 17,000 training days to the sector over a range of activities at the vocational and higher skills levels.

**Developing organisational excellence** - EEDA achieved accreditation to both ISO14001 and EMAS in 2008/09. Recycling amounts have increased by 63 per cent compared to the previous year. Shared journeys by staff has increased by 40% with a saving of approximately 25,003 miles. EEDA's overall Carbon Footprint for 2008/09 reflects a saving of 144 tonnes CO2 and a 20 per cent reduction on 2006/07 baseline.



# Strategy and Intelligence

During 2008-9, EEDA on behalf of the region, has lead the development of a new regional economic strategy. This sets a long-term direction and priorities to enable the region to be internationally competitive, improve well-being and make the transition to a low carbon, low resource economy. This has been accompanied by extensive investment planning work at regional level, with sub-regional partners and within EEDA to align and maximise the use of resources to deliver our shared ambitions. In addition, EEDA has also invested heavily to improve intelligence and evaluation evidence to improve decision-making.

## **EEDA action:**

**A new economic blueprint for the region** - following input from stakeholders across the East of England, and endorsement from the regional assembly, the regional economic strategy (RES) was launched – mapping out the region's economic future through to 2031. The RES commits the region to ambitious targets that if achieved would mean that by 2031:

- real GVA per head would be over 70 per cent higher than today
- there would be over 424,000 more residents with jobs than today
- there will be 643,000 more adults qualified to at least level 4, 1.1 million more adults qualified to at least level 3 and 1.2 million more adults in the region qualified to at least level 2 than today.

The regional economic strategy was developed using latest economic and environment modelling techniques, and accompanied by evidence base and integrated sustainability appraisal that represent leading practise.

**Aligning economic and spatial planning** – the East of England will be the first English region to produce a joint implementation plan detailing how the objectives laid out in new Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS) will be aligned and sets out the critical interventions needed to meet these objectives in areas such as housing, transport, wider infrastructure and sustainable economic development. The East of England Investment Plan (EEIP) will help create greater coordination of delivery and alignment of major investment decisions. It will enable the region to unlock barriers to sustainable growth and development by providing the evidence to accelerate the funding and delivery of key schemes. It will also set the longer term context and priorities for investment in areas such as housing, transport, wider infrastructure and sustainable economic development.

**Learning from evaluation** - EEDA has now dramatically increased the coverage of Impact Evaluation Framework compliant evaluations and has evaluation evidence covering in excess of 60 per cent of programme spend between 2002/03 to 2006/07. The findings from these evaluations will demonstrate EEDA's impact and will inform the BIS RDA National Impact report. They will also be used to assist EEDA to make more informed investment decisions in the future.

**Getting the best deal for the region** – submissions have been made on the Regional Funding Advice (RFA) with working groups formed to take forward each of the RFA themes of transport, housing and regeneration, economic development and skills. The process of developing the RFA has helped EEDA and partners focus on

what is really needed in the region, particularly in response to the recession, and providing the support that businesses and individuals need. Through this exercise partners have shown a commitment to:

- enhancing business support and response to redundancy
- building on areas of international comparative advantage (R&D, life and bioscience, information and communication technologies, clean technologies)
- accelerating transition to a low carbon, low resource economy
- Implementing a new investment framework to deliver sustainable growth in response to the Sub National Review

**Corporate Plan** – 2008/09 saw the publication and endorsement by BIS of EEDA's Corporate Plan 2008/11, which sets out EEDA's contribution to delivering the Regional Economic Strategy. Following budgetary reductions EEDA had to review the Corporate Plan and produce a supplementary Corporate Plan submission to reflect the reduced budget. The Corporate Plan supplement document 2009-11 captures the conclusion of the review of EEDA's investment portfolio to ensure it provides the maximum impact in the short and medium-term on tackling the recession and preparing for the upturn; outlines the mechanisms put in place to embed evaluation and lessons learnt from it in EEDA's investment framework and provides an updated programme and performance framework with an outline of key priorities in 2009-11 and anticipated deliverables.

**Improving economic intelligence** – Insight East, the regional intelligence centre, has been launched and provides research and analysis for the region, providing, vital information to help EEDA and our partners better understand the regions needs and make better informed decisions. At the heart of the intelligence centre is the website [www.insighteast.co.uk](http://www.insighteast.co.uk) which holds the quarterly economic bulletins, the major studies that are commissioned and a wealth of economic data for stakeholders to use. An Advisory Board consisting of seven regional partners has been appointed which will guide the priorities and work of the regional intelligence centre.

# Partnership, Advocacy and Communications

This programme is embedded within all of the programmes. No one organisation delivers economic development alone. It requires cooperation and understanding between groups to collaborate and ensure investments have the biggest impact. In response to the changes brought about by the sub national review and current thinking around industrial activism EEDA is adapting to changing government policy by developing fresh ways of working with existing and new partners. We ensure strategic regional policy is managed in the right way and local programmes are delivered effectively. EEDA is playing a key role in building the national and international profile of the region and a continued lead role in developing national policy development and influence.

## **EEDA action:**

**Working with partners to deliver change** – we are continuing to delegate roles and responsibilities to local authorities to meet Sub National Review recommendations. A review of partnership arrangements has been led sub-regionally and new working arrangements agreed in all areas. EEDA is advising and supporting local authorities to deliver programmes effectively and supporting the work of the Regional Infrastructure programme, particularly around Integrated Delivery Programmes (IDPs).

**Speaking for the region** – we work closely with stakeholders to ensure the East of England is promoted regionally, nationally and internationally – with a clear focus on political engagement to secure the best deal for the region.

- EEDA has been working closely with the Regional Minister, Barbara Follett MP, to ensure that key priorities for the East of England are raised regionally and nationally.
- EEDA engages with regional MPs and national Ministers from all parties to ensure a common understanding of regional issues and how to address these issues regionally and nationally.
- EEDA has taken a more proactive role in engaging stakeholders in policy surrounding future economic development through events such as the Innovation Nation Roadshow, East of England Response to Economic Circumstances and policy discussions at the political party conferences.

EEDA's advocacy and engagement programme over 2008/09 has led to good progress being made in this area of activity resulting in:

- a significant increase in proactive ministerial and MP engagement
- targeted stakeholder engagement
- a presence at party conferences
- a successful Westminster event in March 2009 involving 23 MPs, 4 peers, 12 local authority leaders, 38 business leaders and 46 key stakeholders.

**Promoting major campaigns** - we ensure businesses and communities are aware of the opportunities that exist to access funding or to contribute to supporting the region. Examples include:

- promoting funding streams, like takeITon
- leading debate on regional issues, like regional transport priorities
- the development and launch of The Business Map making access to business support easier
- promoting new information resources like Insight East, the new regional intelligence centre
- developing and implementing the Cut Your Carbon campaign which helps communities reduce their carbon footprint
- Promoting European funding streams like the European Regional Development Fund (ERDF) and the Rural Development Programme for England (RDPE).

**Inspirational events for business** – EEDA have continued with the series of business events offering business leaders the opportunity to hear from inspirational speakers and network with other organisations.

**Delivering better customer service** – there is an ongoing drive to improve EEDA's service to customers, ensuring EEDA is accessible to all and responds to all business effectively

# Performance management and evaluation

## **Accountability**

EEDA's performance management and reporting operates at several levels. In addition to our reporting on outputs to central government, stakeholder accountability is enforced through

- regular liaison panel meetings with the East of England Regional Assembly (EERA)
- high-level meetings between senior executives of EEDA, the Government Office for the East of England (GO East) and EERA
- a number of public accountability meetings through the year

## **Balanced scorecard**

EEDA uses a scorecard approach as our key performance management tool. Our performance scorecard covers all areas of EEDA's organisational activity identified in our business plan to a detailed set of action plans. These action plans are based around our internal directorate structure and are supported by a series of enabling goals. We also monitor our performance against a set of improvement goals to ensure we continually improve our ways of working. We also carry out staff and customer satisfaction surveys to measure people's views of our effectiveness.

The EEDA board and executive receive monthly reports on progress against actions set out in the performance scorecard and where appropriate these reports are used to refocus our resources to ensure our corporate targets are met. The monthly reports are also shared with all EEDA staff, GO East and EERA.

## **Impact evaluation and the Public Value Programme**

March 2009 saw the publication of the results of the national independent RDA impact evaluation report which demonstrated a positive contribution of RDAs' investments on the economy of the regions. Alongside the national report, EEDA published 'EEDA's Contribution to the Strategic Development of the East of England' report produced by PA Consulting/SQW. This report provides evidence of the impact of EEDA's investment of £142 million in 2002-07, on the region's economy.

The results indicate that between £525 million and £820 million of wealth has been created for the region (measured in terms of gross value added or GVA). This represents a return on investment of £3.70 to £5.80 for every £1 invested – with a mid point of £4.75. Taking into account the likely future benefits of EEDA's investments, the wealth created for the region increases to between £874 million and £1.3 billion. This would represent a return on investment of between £6.10 and £9.10 for every £1 invested – with a mid point of £7.60.

Importantly for EEDA, this evaluation exercise has provided us with clear evidence of the effectiveness of different types of interventions, to underpin decision-making and effective investment planning and management. In addition, it has identified some lessons we need to learn in relation to our performance monitoring and management framework, systems and culture.

To further strengthen evaluation within EEDA and its performance management and investment framework, EEDA has produced a new evaluation strategy which contains a clear outline of activities we need to undertake in 2009/10 and beyond to embed compliant evaluation within the organisation. It also contains an evaluation schedule for the 2009-11 and 2011-14 corporate planning periods.

In the revised Corporate Plan summary document submitted to Government, EEDA reprioritised investment across programmes in light of the recession, national policy such as New Industry: New Jobs, and the findings of evaluation. This should not only respond to increased demand for business support services, but should over the medium term lead to improve value for money through an increased return on investment. This results from a shift in funding from areas such as physical development to intervention types (e.g. access to finance; early stage business support) that have in the past demonstrated higher GVA to cost ratios.

### Financial and Output performance

Performance in both financial and output delivery terms is summarised in the following tables

**Table 1 - Programme summary – net expenditure**

	Capital £000	Current £000	Total £000
Business Support	7,194	29,710	36,904
Science, Innovation & High-Level Skills	22,389	4,461	26,850
Regional Infrastructure	13,380	2,723	16,103
Economic Participation	15,789	10,949	26,738
Sustainable Economy	671	2,900	3,571
Strategy & Intelligence	391	1,688	2,079
Partnerships, Advocacy & Communications	102	2,739	2,841
<b>Total Corporate Plan programmes</b>	<b>59,916</b>	<b>55,170</b>	<b>115,086</b>
Running Costs	582	12,991	13,573
<b>Total Net Expenditure</b>	<b>60,498</b>	<b>68,161</b>	<b>128,659</b>
BIS - grant-in-aid allocation	60,526	68,385	128,911
Underspend on allocation	- 28	-224	-252

*In addition, EEDA incurred non-cash costs (depreciation, write-downs and cost of capital charges) of £4.8 million against an allocation of £5.5 million*

The overall level of net spending in 2008/09 was around £3.5m lower than in the previous year as EEDA received reduced resources to deliver programmes set out in the Corporate Plan 2008/11. The vast majority of the expenditure was incurred delivering four central programmes and individual commentaries earlier in the report set out an overview of the activities undertaken.

### **Maximising resources**

In terms of budget management, net expenditure was within £0.25 million or 0.2 per cent of the grant-in-aid allocation awarded to the Agency by BIS. These results were in-line with forecasts provided to the department throughout the year and within the target set in the Performance Dashboard of being within 0.5 per cent of the budget allocation. EEDA, in common with other RDAs, is not permitted any level of overspending on its allocation.

### **Achieving efficiency**

As part of the Comprehensive Spending Review 2007, RDAs were required to draw-up Value for Money plans to achieve cash savings and performance improvements over the three years 2008-11. All savings are recyclable. The Resources Committee agreed EEDA's plan in September 2008 which identified savings of £4.4m against a target set by government of £3.3 million in 2008/09. The table below sets out actual performance against both this VFM plan and the target:

**Table 2 – Value for Money**

<b>VFM PLAN 2008-09</b>	Cash Releasing Savings	Performance Improvement	Total
CSR07 Savings Target £K	1,766	1,595	3,361
VFM Planned Savings £K	2,314	2,090	4,404
Actual Performance £K	2,155	3,707	5,862
% of savings target achieved	122%	232%	174%
% of planned achievement	93%	177%	133%

Cash releasing savings exceeded the CSR target but were 7% below planned levels due to difficulties in generating leverage. Performance improvements generated from additional outputs significantly exceeded both the planned and the target levels. More details on outputs achieved are shown in table 3 below.

Table 3 - Summary of outputs achieved by programme

	Jobs Created	Employment Support (people assisted to get a job)	Business Creation	Business Support (Businesses Assisted)	Business Support - Businesses Engaged in New Collaborations	Brownfield Land reclaimed (ha)	Private Investment Levered (£)	Public Investment Levered (£)	Skills (people assisted)
<b>Sustainable Economy</b>	72	0	4	1,003	61	0.0	6,862,477	127,645	854
<b>Business Support</b>	4,053	2,039	2,173	15,508	0	0.0	7,900,765	3,547,871	16,225
<b>Business Support Access to Finance</b>	813	0	0	266	72	0.0	28,396,349	224,382	0
<b>Economic Participation</b>	426	8,620	72	607	2	2.7	3,082,787	16,660,499	16,015
<b>Regional Infrastructure</b>	148	203	0	431	16	45.0	69,194,647	86,817,002	434
<b>Science &amp; Innovation</b>	218	107	34	1,374	336	2.1	37,753,696	27,311,825	11,086
<b>TOTAL</b>	5,730	10,969	2,283	19,189	487	49.8	153,190,721	134,689,224	44,614
<b>of which – urban</b>	3,415	6,761	1,335	11,240	287	24.4	116,853,324	102,736,081	27,587
<b>of which – rural</b>	2,315	4,208	948	7,948	200	25.4	36,337,397	31,953,143	17,026
<b>including disadvantaged</b>	398	861	141	1,270	32	3.1	5,138,796	6,080,301	2,582



# Equality & diversity

We are aware that we cannot be complacent if we intend to continually improve on our performance in equality and diversity. Following an external re-assessment of our employment and procurement policies and practice, EEDA was re-accredited with the C2E (Committed to Equality) Gold Standard award in April 2009. Staff understanding and awareness of equality and diversity, particularly disability awareness, had improved since the first assessment was undertaken last year. The 20% staff interviewed by the assessor gave positive feedback on equality and diversity training overall and generally felt that EEDA was going in the right direction.

We have introduced an e-procurement process which is intended to improve accessibility to EEDA's contract opportunities, and are working in partnership with regional and local business representative organisations and Supplier Diversity Europe, to provide tendering workshops for potential SME suppliers.

In the last year, EEDA has established an external Equality Advisory Group to monitor our performance in the implementation of our Single Equality Scheme Action Plan (currently in draft form), and to provide us with a diverse perspective as the organisation moves forward on its equality journey.

The East of England has one of the fastest growing populations in England, including the fastest growing ageing population. At the current rate of growth, it is predicted that by 2021, half the region's population will be over 50 years whilst the 15-49 year age group will fall by 3% to 42%. EEDA's own workforce reflects this trend, with 23% aged over 50 and almost 50% aged over 40. In recognition of the need to adapt to and plan for change, EEDA has embarked on a 2-year European project with the Working Lives Research Institute at London Metropolitan University, to encourage innovative approaches to demographic change, with particular reference to the employment of the over 50's.

EEDA is actively promoting flexible and smarter working practices to partners and SMEs in the region, through its membership of the Workwise East Steering Group and the SPACE project, which will enable staff from participating public sector organisations in the region to benefit from "hot-desking" facilities in their offices. We recognise the need to lead by example, and have been awarded the Workwise UK mark of excellence, in recognition of how EEDA deploys and is developing smarter working practices to improve the quality of our services whilst providing a more inclusive working environment.

We have worked with regional partners in including equality as part of the integrated sustainability appraisal in our Regional Economic Strategy (RES) as well as in the East of England Implementation Plan (EEIP) which details how the Regional Economic Strategy and the Regional Spatial Strategy will be delivered.

**Table 4 - Ethnic mix of EEDA's workforce**

Staff in post at 31 March 2009 by ethnic origin, gender and grade (where there are no employees attributed to certain ethnic groups these groups have been removed for the purposes of this report)

Grade	Students		Technical & Admin		Professional Managerial		Senior Managers		Board Members		Total	
	M	F	M	F	M	F	M	F	M	F	No	%
White (British)	2	1	16	44	55	58	15	9	7	3	210	86.1
White (Other)			1	4	7	6			2		20	8.2
White (Irish)						1					1	0.4
Bangladeshi				1	1						2	0.9
Asian or Asian British	1		2								3	1.2
Black or Black(British)				1							1	0.4
Chinese						1					1	0.4
Mixed – White & Asian						1					1	0.4
Other								1			1	0.4
Unknown						1			1	2	4	1.6
<b>Total</b>	<b>3</b>	<b>1</b>	<b>19</b>	<b>50</b>	<b>63</b>	<b>68</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>5</b>	<b>244</b>	<b>100</b>

**Table 5 - Age profile (including board members)**

Age Range	No of Employees	%
20 or under	0	0
21 to 30	39	15.9
31 to 40	82	33.5
41 to 50	60	24.5
51 to 60	58	23.7
Over 60	6	2.4
<b>Total</b>	<b>245</b>	<b>100</b>

**Disability** – Just over 1% of the workforce have declared they are disabled (compared to an estimated 15-18% nationally of working age overall, and 44% in the 50-65 year age group). This figure is therefore not likely to be a true reflection of the actual situation at EEDA.

# Board member biographies

## **Richard Ellis – chair**

Richard was reappointed as chair of the East of England Development Agency for a further three years in December 2006, which has now been extended for up to a further year to December 2010. However, Richard will step down as Chair early in 2010 to concentrate on his growing business interests. For a 6 month term from 1 April 2009, Richard will take on the revolving chairmanship of the Regional Development Agency (RDA) network, Chair of Chairs, and will lead negotiations with government on behalf of all the English RDAs.

Richard was chief executive of Kettle Foods until 2000 and is managing director of Norfolk Country Cottages. Richard is a chartered management accountant, a trustee of Norwich Theatre Royal, a member of the Regional Council of the Prince's Trust and a director of The Forum Trust.

Richard is the lead chair for the nine English RDAs on rural and sustainable development issues. In this role he represents RDAs and rural partners in work with the Department for Environment, Food and Rural Affairs (Defra).

## **George Kieffer (retired from EEDA board 13 December 2008)**

George Kieffer is currently a company director and self-employed management consultant in defence, aerospace and leisure industries.

George is currently Chairman of the Haven Gateway Partnership and a Director of the Harwich Haven Authority. He is vice-chairman of the Swan Housing Association Group and a Trustee of several charities. He was deputy chairman of East of England International, the body formed to promote inward investment and international trade services, until April 2009 and a director of the Centre for Integrated Photonics until January 2009. He is a Freeman of the City of London and Liveryman and Past Master of the Worshipful Company of Turners.

Until his retirement from the board George was chair of EEDA's Resources committee and member of EEDA's Remuneration and Selection committee and a member of the East of England Regional planning panel

## **Marco Cereste – deputy chair from 14 December 2008**

Marco is the chair of a group of private family businesses. The Italian government has awarded him three major honours - in 1990 he was awarded the rank of "Cavaliere" (Italian Knight) and in 2001 he was awarded the rank of "Cavaliere Ufficiale" (Officer Knight) both in the Order of Merit, more recently he was awarded one of Italy's highest honours La Stella Doro Della Soledarieta Italiana, First Class.

He has worked in the NHS for 24 years and is chair of Peterborough NHS. He is founder chair of the NHS Confederation, is a former member of the NHS Executive International Audit Development Group and the NHS Corporate Governance Advisory Panel. He is chair of Peterborough Health Partnership board.

Marco is deputy chair of the Greater Peterborough Partnership, chair of Peterborough Renewable Energy Limited and holds a number of non-executive directorships including Opportunity Peterborough.

Marco is Leader of Peterborough City Council, has held office as chair, treasurer and secretary of the local branch of the Conservative Party and has canvassed on behalf of the party. Marco is chair of EEDA's Resources Committee. He is also co chair of the Europe and International Affairs Panel.

### **Sheila Childerhouse – deputy chair from 14 December 2008**

Sheila has over 20 years' experience in the NHS, beginning in 1984, as a member of the former Norfolk Family Practitioners Committee. She was a non-executive director of North West Anglia Health Authority until 1999 and briefly with King's Lynn and Wisbech Hospitals Trust before she became chair of the West Norfolk PCT in 2000. In 2005 Sheila moved across to become chair of the Queen Elizabeth Hospital NHS Trust in King's Lynn and in October 2006 became chair of the new NHS Norfolk.

Sheila was a high school teacher and a district councillor for over 24 years. Sheila is chair of EEDA's Strategy Committee and is a member of EEDA's Remuneration and Selection Committee Also chair of EEDA's migrant workers' steering group and EEDA's champion for the Economic Participation core product, a member of the EERA Social Inclusion Panel and the Community and Voluntary Forum Eastern Region (COVER). She has a wide breadth of experience within the voluntary and community sector, particularly in urban and rural regeneration, and sits on the board of governors at a local primary school.

Sheila is also a partner in a family farming business

### **Stephen Castle (retired from EEDA board 13 December 2008)**

Stephen Castle is the Essex County Council cabinet member for Economic Development, Regeneration and the 2012 Games . As aboard member he sat on EEDA's Strategy Committee and the board of the Thames Gateway Strategic Partnership representing the East of England Regional Assembly, and is also deputy chairman of the Thames Gateway South Essex Partnership . Stephen is the deputy chairman of the LGA Culture, Tourism and Sport Board. Stephen was also former president and board member of the national Conservative Party.

Stephen has been the East of England's leading player in the London bid to host the 2012 Olympic Games and Paralympic Games since its inception,

which has culminated in his chairmanship of the Nations and Regions East group (the organisation responsible for all aspects of Olympic activity in the East of England) and membership of the Nations and Regions Group of the London Organising Committee for the Olympic Games. Stephen is also currently the chairman of the East Regional Sports Board (with the responsibility of overseeing the development of sporting excellence across the East of England).

A lifelong resident of south Essex with two young sons, he is director of Castle Opticians, the largest independent chain of optometrists within Essex, and a qualified ski instructor. In his spare time he enjoys swimming, gardening and travel.

**Bryony Rudkin (retired from EEDA board 13 December 2008)**

Bryony Rudkin is a member of the Labour group on Suffolk County Council and is the national lead peer for Labour at the Improvement and Development Agency's peer clearing house and a member of the Labour leadership team at the Local Government Association. Bryony was elected to Ipswich Borough Council in May 2008 and is also a member of the East of England Regional Assembly (EERA) Europe and International Affairs Panel, EERA's Housing Panel, the Suffolk Learning and Skills Council and the Haven Gateway Local Economic Partnership.

Bryony sat on EEDA's Olympic sub-committee and was on EEDA's Resource and Remuneration and Selection committee.

**John Snyder (retired from EEDA board 13 December 2008)**

John Snyder is an entrepreneur in residence at The Centre for Entrepreneurial Learning at University of Cambridge, where he studied Geography and Social Political Science. He was co-founder of the Muscat software company, co-founder of Library House, co-founder of Grapeshot, founder of Enterprise Accelerator and was chairman of the 5th Cambridge Enterprise Conference.

John has been a member of the Regional Venture Capital Fund Advisory Panel, on the Cambridge University Hospitals Board of Governors, a member of the Greater Cambridge Partnership Board as well as observer on the Health Enterprise East board. John was a member of EEDA's strategy committee.

He has led many overseas projects and expeditions including a traverse of the Sahara Desert to live with communities of nomads near Timbuktu. He subsequently produced "Rivers of Sand", a film for Channel 4's "Fragile Earth" series which was awarded "Documentary of the Year".

## **Bev Hurley**

Bev Hurley joined the EEDA board on 14 December 2007.

Bev started out in social housing and regeneration in inner city London. Her career then took her to Canada, where she helped pioneer a major change management project for a global gold mine. On returning to the UK, Bev established three successful businesses prior to being appointed chief executive of YTKO, a business consultancy specialising in the commercialisation of innovation and business growth.

She founded the Norfolk Network and Norfolk First, a business angel group, to stimulate greater enterprise and innovation in the county, and leads 'Enterprising Women', now a national community measurably increasing the number, sustainability and growth of women-owned businesses.

Bev is a board member of Prowess, a Women's Enterprise ambassador, an Enterprise Fellow at the University of East Anglia and a member of the European Centre for Women in Technology. She sits on EEDA's Audit Committee and the Science and Industry Council and is a board champion for innovation and enterprise.

## **Edward Iveagh**

Edward Iveagh has been chairman of Elveden Farms Ltd since 1992 and has transformed the 22,500 acre Suffolk estate into a multi-faceted, diverse and profitable business.

He is a non-executive director of Burhill Estates, a golfing and land management company that has developed the concept of quality pay and play golf courses across England.

He was deputy chairman of Iveagh Trustees for ten years and is now chairman of Iveagh Ltd a London-based hedge fund and wealth management operation and is a founding partner of Capital I, an asset finance vehicle.

He is chairman of the Brecks Tourism Partnership and has been involved in a broad range of charitable initiatives including chairman of Chadacre Agricultural Trust, patron of the MacMillan Cancer Support Suffolk Appeal Office and trustee and chairman of the investment committee of East Anglian Air Ambulance.

Between 1996 and 1999 he was an active crossbench member of the House of Lords.

Edward sits on EEDA's Strategy Committee, is EEDA's Olympic champion, rural lead and is a board member of East of England Tourism.

## **Karen Livingstone**

Karen Livingstone is director of strategic partnerships at the East of England Strategic Health Authority.

Formerly, she was special advisor to the Secretary of State for Health, Patricia Hewitt and director of communications and marketing at the Chartered Society of Physiotherapy, director of campaigns at the Transport and General Workers' Union and has over 20 years' experience of communications management for trade unions and public sector bodies.

Karen is a member of EEDA's Audit Committee and is the board champion for women's enterprise and equality issues.

## **Paul Burall**

Paul Burall was elected to King's Lynn and West Norfolk Borough Council in 1991 and was leader of the Liberal Democrat Group on the Council until 2005.

He was a member of the East of England Regional Assembly (EERA) from 2001 to 2004 and of the executive committee of the assembly and the Regional Planning Panel from 2003 to 2004. Paul chaired the Liberal Democrat party's Environmental Assessment Group from 1991 until 2006 and is currently chairing a party working group that has produced a policy paper on the natural environment that will be debated at the party's 2009 autumn conference. He is a policy council member and former vice chair of the Town and Country Planning Association.

Paul is a freelance writer and lecturer specialising in environmental, design and industrial and management issues. He was a visiting professor in the Faculty of Engineering at the University of Ulster - advising on environmental issues - from 1997 to 1999.

Paul is a member of EEDA's Resources Committee and EERA's Environment and Resources Panel, as well as being a board member of Renewables East and chair of the Inspire East advisory board.

## **Peter McCarthy-Ward**

Peter is BT's regional director for the East of England. He is responsible for ensuring BT is alert and responsive to the regional agenda and for maintaining good relationships with key regional opinion formers.

Peter joined BT in 1983 as marketing and product manager for residential apparatus. His responsibilities covered market analysis, product management, development and procurement for BT's range of cordless telephones, answering machines and accessories.

During the 1990s Peter held a range of roles centred on the development of UK regulatory policy, including leading the BT teams responding to regulatory

initiatives such as accounting separation, universal service and number portability. Peter was BT's project director for the 1996 retail price control review.

From October 2000 until 2004 Peter was strategy director for BT's retail line of business, where he was responsible for development and communication of the BT retail strategy and for retail pricing. From 2004 to 2008 Peter was BT's Director, Equivalence, responsible for BT's response to its regulators strategic review and for developing and implementing the undertakings which resulted.

Peter McCarthy-Ward is a member of the CBI Regional Council for the East of England, and also a member of EEDA's Resources Committee and of EEDA's digital partnership.

Peter is a graduate of the INSEAD Senior Management Programme. He is married with two adult children

### **Stuart Evans**

Stuart Evans has been an entrepreneurial business leader in Cambridge since 1983, having been founding CEO at Plastic Logic (2000-06) and Cotag International (1983-98).

In addition to EEDA, his current portfolio includes being a non-executive director of Huntingdon-based Pursuit Dynamics; chairman of Novacem, a CleanTech spin-out from Imperial College, London; and a trustee of the Arthur Rank Hospice Charity in Cambridge.

His professional life has been international from the beginning, with a Harvard MBA and early career with IBM and McKinsey & Co. He has a Cambridge BA/MA; is a chartered director of the Institute of Directors; and has been a technology pioneer at the World Economic Forum in Davos.

Stuart is a board member of East of England International. He chairs EEDA's Remuneration and Selection Committee and is a member of its Resources Committee. He takes a special interest in innovation, enterprise and entrepreneurship from a global perspective.

### **Tim Wilson**

Professor Tim Wilson PhD CCMi FRSA is vice chancellor and chief executive of the University of Hertfordshire.

Professor Wilson started his career in heavy industry. After this he pursued a career in academia, including posts at Leeds Metropolitan University, Cranfield University and De Montfort University as well as positions at French and German business schools. He has published widely in his own discipline of Operational Research, in addition to several works in the field of Higher Education Management.



He is a board member of the Higher Education Funding Council for England, he is chairman of UHHoldings Ltd and deputy chair of the CBI Innovation, Science and Technology Committee. He has contributed to many regional and national bodies formulating policy in teacher education, health research and university/business interaction. He is a well known internationally as a champion of "business-facing universities" and has many connections with public and private higher education agencies in the Far East.

Professor Wilson is chair of EEDA's Audit Committee and a member of East of England Science and Industry Council.

### **Will Pope**

Will Pope is currently non-executive chairman of the health, safety and environmental businesses IEG Technologies UK Ltd, Cranfield, Bedfordshire, AAR Environmental Ltd, Watford, Hertfordshire, and CEO of Microbila Solutions, Oxford.

He also has his own business developing health, safety and environmental technologies and companies, advising those in the process of developing companies in these and other industrial sectors including communications, media, manufacturing, distribution and retail.

He won an Engineering Excellence Award from Ford Motor Company and an Innovation Award from BAE Systems in 2008, and was also Business Innovation Support Team Person of the year, 2008, for the SPARE Technology Network.

He was formerly chief executive officer of Bedford-based Casella Group Limited, a post which he held for ten years from 1995-2005, developing the company into a high level health, safety and environmental consulting company, and a high technology research and development, software and electronics manufacturing and laboratory business, operating with bases in the UK, USA and Europe.

For four consecutive years, between 1998 and 2002, he was a winner of the Deloitte & Touche NatWest "Technology Fast 50" award for the fastest growing businesses in the East of England. In 2003, Casella became the UK market leader in its field.

Prior to Casella, he was executive director of environment worldwide at Inspectorate plc, Witham, Essex (1991-95).

Will was a founder director of The Society for the Environment, incorporated by Royal Charter, became the Society's first Chairman (2001-05), and remains a director today. He is vice president of the charity The Institution of Environmental Sciences, having been a council member and trustee (1992-date) and chairman (1999-2002). He is a former member of the board of the Science Council (2000-2003), and is a member of the DEFRA/DTI Environmental Innovations Advisory Group (2003-2008). A member of SEEDA's MK Enterprise Hub board (2005-2008), he is also a SEEDA Merlin

Mentor (2005-date), and was chairman of the MSc ECSC at the University of the West of England (2004-2008). He has lectured in many countries around the world and has appeared as an expert witness in the High Court and at public enquiry.

Will is deputy chair of EEDA's Audit Committee, and a member of its Remuneration and Selection Committee.

### **Nitin Dahad**

Nitin Dahad joined the EEDA board on 14 December 2008, and has a number of different roles in consulting, high-tech start-ups, publishers, and as a non-executive director/board member in private and public sector organisations. Nitin has operated in all the major technology centres in Europe, USA, and Asia, working with large semiconductor and electronics companies in the early part of his career and then as a commentator/journalist on various aspects of international business and entrepreneurship.

His current professional interests include consulting, corporate marketing and business development firm TechSpark, which works with technology start-ups and high-growth companies in leading edge technologies around the world.

Nitin also works with identysol, a start-up established to utilise the latest communications technology for tracking and monitoring solutions. Among the most significant achievements during his career was that of taking a UK-based start-up, ARC International, first to Silicon Valley and subsequently through to an initial public offering (IPO) on the London Stock Exchange. In the public sector, Nitin Dahad serves on the board of governors at the University of Hertfordshire. He is also involved with The Rajasthani Foundation, a charity/community organisation for people of Rajasthani origin in the UK. In 1995, he was instrumental in helping establishing a business network for ethnic minority businesses in conjunction with the Hertfordshire Training & Enterprise Council (TEC), now Business Link.

Nitin Dahad is a graduate in electronic engineering from the City University in London, and is a member of the IET. Nitin is a member of EEDA's Strategy Committee and EEDA's digital partnership and also a board member of East of England International.

### **Madeline Russell**

Madeline Russell joined the EEDA board on 14 December 2008 and was first elected to Bedfordshire County Council in June 2001 to represent Biggleswade.

Within a year, she had become Cabinet Member for Community Development and became Cabinet Member for Children's Services in December 2003 at a time when children's social care was in special measures. With Children's Services improving fast, she was elected Leader of the Council in May 2005 and has led the Council to CPA three stars and improving strongly. A trained linguist and member of the Chartered Management Institute, Madeline had a career in London working in management in SMEs, latterly in the legal world.

She has been involved in a number of voluntary organisations and has been a school governor for 20 years. She has lived in Bedfordshire all her life.

Madeline sits on EEDA's Resources Committee.

### **Shona Johnstone**

Shona Johnstone joined the EEDA board on 14 December 2008 and has been a county councillor for 16 years.

During that time she has held a wide range of roles in local government in Cambridgeshire, including lead member for environment and transport, the first lead member for children and young people and leader of the council. She led the development of the Cambridgeshire Guided Busway scheme which, when completed in 2009, will be the longest in the world. She has also been at the forefront of the campaign to upgrade the A14 in Cambridgeshire, persuading the Department for Transport to make the Cambridge-Huntingdon Multi Modal Study the first of the government's multi-modal studies.

Shona has been a member of the LGA's Regeneration and Transport Board since its inception and regularly contributes to the work of the board, particularly on sustainable and public transport issues. Her expertise led to invitations to join both the National Cycling Strategy Board and the Board of the Low Carbon Vehicle Partnership. She was also invited to be part of the Quality of Life Commission, set up by David Cameron to develop Conservative policy on transport and climate change. She is also a member of the Commission for Integrated Transport. . Shona has been a non executive director at Addenbrookes Hospital since 2002.

Shona is a member of EEDA's Audit Committee and is EEDA's sustainable development and skills champion. Shona also represents EEDA on EERA's Regional Planning Panel

## DIRECTORS' REPORT

The directors present their Annual Report and Accounts for the year ended 31 March 2009.

### Principal Activities

EEDA was established under the provisions of the Regional Development Agencies Act 1998 ('the Act'). It came into existence on 14 December 1998, following Parliamentary approval of the Act and the appointment of board members.

The Agency became fully operational on 1 April 1999 when it was launched with the name EEDA and took over the regional activities of English Partnerships, the Rural Development Commission and the SRB Challenge Fund, formerly administered by the Government Office for the East of England.

EEDA has the following purposes:

- a) to further economic development and regeneration;
- b) to promote business efficiency, investment and competitiveness;
- c) to promote employment;
- d) to enhance the development and application of skills relevant to employment;
- e) to contribute to the achievement of sustainable development in the United Kingdom.

The Agency is a Non Departmental Public Body (NDPB) sponsored by the Department for Business, Innovation and Skills (BIS). The Agency draws up a Corporate Plan every three years to cover a period that coincides with government public expenditure reviews. The current Corporate Plan covers the period 2008-11.

### Non-Executive Directors (the board)

The board members appointed by the Secretary of State for Business, Enterprise & Regulatory Reform include local authority and private sector representatives. The terms of employment and remuneration are set out in the remuneration report. EEDA maintains a Register of Board Members' interests. Members declare their interests to the board in any transaction involving relevant organisations and do not participate in any debate or vote on related matters. The register of interests is available on request from the Executive Director, Communications at the address below.

Board Members have corporate responsibility for ensuring that the Agency complies with any statutory or administrative requirements for the use of public funds. Other corporate responsibilities include ensuring provision of the overall strategic direction of the Agency and monitoring performance.

Like others who serve the public, board members are required to follow the seven principles of public life set out by the Nolan Committee. They are also required to follow all procedures set out in the Code of Practice and RDA policies (including Access to Information, Gifts and Hospitality) and not to misuse their position, or any information gained through their position on the Board, for personal gain or political purposes.

Board members during the year are set out on page 49. The Board itself met on 11 occasions during the year. The Board has four sub-committees, Audit, Resources, Strategy and Remuneration & Selection.

### Executive directors

The board has appointed an executive team to manage the activities of the Agency. Individuals who served on the executive team during the year were as follows:

David Marlow	Chief Executive (until 16 July 2008 – see note below)
Deborah Cadman	Chief Executive (from 17 July 2008, appointed 15 June)
Peter Watson	Deputy Chief Executive and Executive Director, Corporate Services
Rachel Bosworth	Executive Director, Communications and Enterprise
Steve Cox	Executive Director, Strategy & Development
Alison Webster	Executive Director, Skills & Communities
Jamie Merrick	Executive Director of Strategy (appointed 1 October 2008)
Paul May	Executive Director of Innovation (appointed 1 February 2009)

Note: David Marlow continued employment with EEDA until 31 October 2008 in an advisory capacity to the chief executive and the board.

## **Agency and accounting officer responsibilities**

Under Section 14 of the Regional Development Agencies Act 1998, EEDA is required to prepare a Statement of Account for each financial year in the form and on the basis determined by the Secretary of State, with the consent of HM Treasury.

The accounts are prepared on an accruals basis and must give a true and fair view of EEDA's state of affairs at the year-end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts EEDA is required to:

- observe the accounts direction issued by the Secretary of State, including relevant accounting and disclosure requirements
- apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that EEDA will continue in operation.

The accounting officer for the BIS has designated the chief executive as the Accounting Officer of EEDA. The accounting officer's responsibilities include the propriety and regularity of the public finances and the keeping of proper records, as set out in the NDPB's accounting officer's memorandum issued by HM Treasury.

The accounting officer is also responsible for ensuring that there are appropriate controls over any publication of the financial statements, including the publication of the National Audit Office audit report on the Agency's website and in other electronic forms.

The accounting officer is required to make a disclosure to the auditors such that as far as he/she is aware, there is no relevant audit information of which the Agency's auditors are unaware and that he/she has taken all the steps that ought to have been taken to make him/herself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information.

## **Management Statement and Financial Memorandum**

The Secretary of State issued EEDA with an Accountability and Financial Framework in October 2008 which replaced the Management Statement and Financial Memorandum. This sets out the financial framework under which EEDA should operate and with which EEDA has complied with in all material respects during the course of 2008/09.

## **Financial Results and Review**

Due to changes in reporting requirements from 2006-07, EEDA shows a net expenditure in the Group Income & Expenditure Account for the year of £130 million. The changes required Grant-In-Aid funding from the BIS to be treated as financing reserves on the Balance Sheet and not as income in the Income & Expenditure Account. This is because the funding is regarded as contributions from a controlling party which gives rise to a financial interest in the residual assets of the agency. During the year, reserves reduced from £10 million to £0.6 million. This principally reflects a net reduction of £7 million in the stock of development assets (resulting from year end downward valuation of properties) and a cash reduction of £2 million.

## **Post Balance Sheet Events**

There are no post Balance Sheet events to report.

## **Principal Risks and Uncertainties**

The Agency's key risks are set out in its Risk Management Strategy which is published on the website.

## **Special Purpose Entities**

The Agency has received Section 5 (2) consent from the BIS to participate in the following corporate bodies:

- Centre for Integrated Photonics Ltd (CIP Ltd)
- Adit East LLP
- Bedfordshire Consortium Ltd
- Opportunity Peterborough Urban Regeneration Company Ltd
- Renaissance Southend Urban Regeneration Company Ltd
- 1<sup>st</sup> East Urban Regeneration Company Ltd
- Harlow Renaissance Ltd

## **Pension Costs**

Pension Costs are set out in note 6 to the Financial Statements and the treatment of pension liabilities and the relevant pension scheme details are set out in the Remuneration Report on pages 52 to 54.

## **Employment, Health & Safety and Environment Policies**

### **Health and Safety**

EEDA's Health & Safety policy statement sets out how it will fulfil its health and safety responsibilities. It applies to staff, visitors, contractors and anyone who might be affected by activities related to offices, commercial and industrial properties and projects.

The Health & Safety Committee meets every three months to report on health and safety and to agree and share best practice. All staff can raise matters with their Joint Staff Council Representatives or directly with members of the Committee.

The Committee is chaired by an employee competent in health and safety. The members of the Committee include representatives from each of the EEDA offices, our co-locating partners occupying EEDA's offices, the Estates Manager, the Senior Office Manager and a representative from EEDA's Joint Staff Council.

### **Employee Information and Consultation**

EEDA aims to be an equal opportunities employer. All job applicants are given full and fair consideration and are judged on the merit of their skills, qualifications and experience in relation to the particular demands of the post.

EEDA seeks to promote and maintain good relations with its staff and considerable emphasis is placed on frequent formal and informal consultation at working level.

A Joint Staff Council provides a mechanism for management and staff to discuss pay, conditions of service and other matters of concern. Through this procedure, the management process and by the use of EEDA's intranet, all employees are advised on a regular basis of EEDA's performance.

### **Employment of disabled persons**

The Agency recognises that functional limitations arising from disabled people's impairments do not inevitably restrict their ability to perform effectively in a job. The Agency selects applicants for interview after giving full and fair consideration to their skills and abilities. The Agency will make reasonable adjustments to enable applicants with a disability to perform to the best of their ability throughout the recruitment process.

Should any employees become disabled while employed by the Agency, reasonable adjustments will be made and wherever possible appropriate training will be arranged with a view to continued employment.

### **Sickness absence data**

A total of 1,073 days were lost to sickness absence in the year 2008/09 which equates to 4.5 days for each member of staff.

### **Green housekeeping**

EEDA has a statutory duty to contribute towards sustainable development. Ensuring that its own environmental performance is based on the principles of sustainability was recognised as a priority in the Regional Economic Strategy. The Agency has a green travel plan which limits CO2 emissions for its leased car fleet. All office power is procured on green tariffs and within the offices there are facilities to recycle a full range of materials including paper, cans and plastic.

### **Service First**

EEDA is committed to the principles of Service First, including those on service standards, customer service, information provision and value for money. The standards adopted by EEDA are based upon best practice and support the concept of continuous improvement of the organisation. Details of the Service First standard can be obtained from the website [www.eeda.org.uk](http://www.eeda.org.uk) or from the executive director, communications at the following address:

East of England Development Agency  
Victory House  
Vision Park  
Chivers Way  
Histon  
Cambridge  
CB24 9ZR

### **Better payment practice code**

EEDA fully supports the Better Payment Practice Code and aims to pay all undisputed invoices within 30 days of receipt and overall to pay at least 90 per cent of all invoices within these terms. In 2008/09, EEDA paid 93 per cent (2007/08 90 per cent) of all invoices within 30 days of receipt.

In October 2008, the Prime Minister announced that government departments would aim for a 10 day payment target for invoices from small and medium sized enterprises. EEDA is committed to complying with the Prime Minister's pledge and aims to pay undisputed SME suppliers' invoices within 10 working days of receipt. From the start of 2009, EEDA paid 87 per cent of SME invoices within this target.

### **Open Government**

EEDA is committed to the principles of Open Government and as part of this a model publication scheme can be found on the EEDA website alongside our compliance with the requirements of the Freedom of Information Act 2002. There were eight complaints received under Service First criteria and, excluding requests for published information, EEDA received 63 written requests for information under the Freedom of Information Act 2002 during 2007/08 (2007/08 49), all of which were answered within the agreed period for responses.

### **Political and Charitable Donations**

No political or charitable donations were made during the year.

### **Committees**

#### **Resources Committee**

The Committee advises the EEDA board on resource policy and strategy issues, decides resource matters on behalf of the board, considers and makes recommendations to the board on the financial performance of the Agency and makes minor amendments to the Agency's approved budget, and recommends to the board any significant changes. The Committee met four times during the year.

The Committee was chaired by George Kieffer until December 2008 and Marco Cereste from January 2009.

Other members were:

Peter McCarthy-Ward

Bryony Rudkin (until December 2008)

Stuart Evans

Paul Burrall (from January 2009)

Madeline Russell (from February 2009)

#### **Strategy Committee**

The Committee considers the revision of the Regional Economic Strategy and the Agency's Corporate Plan and makes recommendations to the board. The Committee met three times during the year.

The Committee was chaired by Richard Ellis until December 2008 and Sheila Childerhouse from January 2009.

Other members were:

Stephen Castle (until December 2008)

John Snyder (until December 2008)

Paul Burrall (until December 2008)  
Earl of Iveagh Edward Guinness  
Nitin Dahd (from February 2009)

### **Remuneration and Selection Committee**

The Committee approves the remuneration, terms and conditions and job description of the Chief Executive and executive directors, considers their performance targets and outcomes of the annual performance appraisal, sits as a panel for the appointment of the chief executive and agrees the arrangements for appointment panels for executive directors. The Committee met five times during the year.

The Committee was chaired by Richard Ellis until November 2008 and Stuart Evans from December 2008.

Other members were:

George Kieffer (until December 2008)  
Bryony Rudkin (until December 2008)  
William Pope  
Stuart Evans  
Sheila Childerhouse (from June 2008)

### **Audit Committee**

The Committee reviews the Annual Report and Accounts, meets with the NAO (as external auditors), monitors the work of the EEDA governance team and the internal audit service provided by Ernst & Young, monitors the implementation of the Risk Management Strategy and advises the Accounting Officer. The Committee met four times during the year.

The Committee was chaired by Tim Wilson

Other members were:

Karen Livingstone  
Sheila Childerhouse  
William Pope  
Bev Hurley (from March 2008)  
Shona Johnstone (from February 2009)  
Ken Barnes (external co-opted member)

### **Audit Services**

The Comptroller and Auditor General is appointed by statute to audit the East of England Development Agency, and reports to Parliament on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The following costs have been incurred in relation to services provided by the Comptroller and Auditor General:

Statutory Audit Services	£ 54,250
IFRS Audit Services	£ 4,750

The Comptroller and Auditor General also has statutory powers to report on the economy, efficiency and effectiveness with which the Agency has used its resources.



## REMUNERATION REPORT

This report, for the year ended 31 March 2009, is produced by the board on the recommendation of the Remuneration Committee and deals with the remuneration of the chair, chief executive, board members and Executive Directors who have influence over the decision of the Agency as a whole.

### Remuneration Committee

The remuneration of Board Members is set by the Secretary of State and is reviewed every year by the BIS in line with the recommendations of the Senior Salaries Review Board.

The Remuneration Committee met during the course of the year to consider the remuneration of the chief executive officer (CEO) and to advise the CEO on directors' remuneration. The members of this Committee are shown on the previous page.

The responsibilities of the Committee include:

- approval to the remuneration, terms and conditions and job description of the chief executive and directors
- considering the performance targets and outcomes of the annual performance appraisal of the chief executive and directors
- sitting as a panel for the appointment of the chief executive
- agreeing arrangements for appropriate panels for director level jobs

The Committee's full terms of reference are available on EEDA's website.

### Remuneration Policy

The Committee intends that the remuneration of the chief executive and executive directors, both in terms of base salary and total package, should be competitive taking into account the individual's performance, experience and the role fulfilled. This is designed to promote the Agency's short and long-term success by securing high calibre executives. For the chief executive, basic salary on recruitment is determined by national guidelines based on the Senior Salaries Review Board which recommend the chief executive's salary scale. The Committee will determine final levels of remuneration taking account of experience, responsibilities and achievement of agreed performance criteria. A pay award of 2.5 per cent was agreed with effect from 1 April 2009 for RDA chief executives.

For other staff, a total pay award package of 3.27 per cent including basic pay revalorisation, incremental progression and bonus pot) was agreed with effect from 1 July 2008. The Agency maintains a performance related bonus scheme. The Agency believes that this is a suitable way of promoting continued excellence by combining required targets with appropriate rewards. Performance related incentives are structured to offer a suitable level of remuneration for exceptional performance by an executive.

The level of bonus (up to 10 per cent of salary) is dictated by the extent to which a set of defined performance measures are met or surpassed, both by individuals and by the Agency as a whole. The performance measures for senior managers, excluding chief executive, for the year ending 31 March 2009 covered the following areas, identified as key to enhancing the performance of the Agency:

- overall score achieved against EEDA's Performance Dashboard targets.
- personal targets specific to the post-holder.

Non-consolidated performance pay for the chief executive can be up to a maximum of 20 per cent of salary and is based on achievement of performance objectives agreed by the board and GO-East. Consolidated increases up the salary scale are also performance related.

### Service Contracts

Board members have been appointed on fixed term contracts of three years and are contracted to carry out two days work per month (three days per week for chair and one day per week for Deputy Chair) on behalf of EEDA. They can be re-appointed on fixed term contracts up to a maximum of ten years. Board Members' appointments are made in accordance with the Commission of Public Appointments code by the Secretary of State.

There is no provision in place for the early termination of Board Member contracts.

## Audited part of the Remuneration Report

	Date of Appointment	Expiry of Tenure	Salary 2008/09 £	Salary 2007/08 £
<b>Richard Ellis (chair)</b>	14/12/2003	13/12/2009	80,510	78,931
<b>Paul Burrall</b>	14/12/2004	13/12/2010	8,538	8,371
<b>Celia Cameron</b>	14/12/2004	13/12/2007	-	6,278
<b>Stephen Castle</b>	14/12/2002	13/12/2008	5,990	8,371
<b>Marco Cereste (Deputy Chair from December 2008)</b>	14/12/2001	13/12/2010	14,081	8,371
<b>Sheila Childerhouse (Deputy Chair from December 2008)</b>	14/12/2004	13/12/2010	14,081	8,371
<b>Nitin Dahad</b>	14/12/2008	13/12/2011	2,548	-
<b>Stuart Evans</b>	14/12/2007	13/12/2010	8,538	2,790
<b>Earl of Iveagh Edward Guinness</b>	19/03/2007	13/12/2012	8,538	8,595
<b>Beverly Hurley</b>	14/12/2007	13/12/2010	8,538	2,790
<b>Shona Johnstone</b>	14/12/2008	13/12/2011	2,548	-
<b>George Kieffer (Deputy Chair until December 2008) *</b>	14/12/2002	13/12/2008	11,981	16,742
<b>Karen Livingstone</b>	14/12/2003	13/12/2009	8,538	8,371
<b>Peter McCarthy-Ward</b>	14/12/2006	13/12/2009	8,538	8,371
<b>Chris Paveley</b>	14/12/2001	13/12/2007	-	6,278
<b>William Pope *</b>	14/12/2006	13/12/2009	8,538	8,371
<b>Bryony Rudkin</b>	14/11/2002	13/12/2008	5,990	8,371
<b>Madeline Russell</b>	14/12/2008	13/12/2011	2,548	-
<b>John Snyder</b>	14/12/2003	13/12/2008	5,990	8,371
<b>Tim Wilson</b>	14/12/2003	13/12/2009	8,538	8,371

\* George Kieffer and William Pope (from 3 February 2009) were also directors of CIP Ltd.

During the year, the Agency paid expenses of £2,448 to Ken Barnes as a co-opted member of the Audit Committee.

### Pension benefits of board members

With the approval of the BIS, pension schemes have been put in place for the present and former Chair with contribution rates and benefits which are identical to the Principal Civil Service Pension Scheme but which is funded directly by the Agency. The Agency is not permitted to pay these contributions to a personal pension scheme or other pension plan provider. On retirement, payment of the Chair's pension will be the responsibility of the Agency, underwritten by the BIS. No other Board Members are eligible for pension contributions, performance related pay or any other taxable benefit as a result of employment with the Agency.

Name	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/03/09 and related lump sum	CETV at 31/03/08	CETV at 31/03/09	Employee contributions and transfers in	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000
Richard Ellis Chair	1	6	80	108	3	20

This by-analogy arrangement shadows the benefits provided under the premium option of the Principal Civil Service Pension Scheme. A full actuarial valuation was carried out as at 31 March 2009 by a qualified independent actuary. The major assumptions of the actuary were:

	Value as at 31 March 2009	Value as at 31 March 2008
	£' 000 s	£' 000 s
<b>Present value of scheme liabilities</b>		
Liability in respect of		
Active members	148	109
Deferred Pensioners	-	-
Current Pensioners	47	-
Total present value of scheme liabilities	195	109

	31/03/2009	31/03/2008
The inflation assumptions	2.75%	2.75%
The rate of increase in salaries	4.29%	4.30%
The rate of increase for pensions in payment and deferred pension	2.75%	2.75%
The rate used to discount scheme liabilities	6.04%	5.30%

	Value as at 31 March 2009	Value as at 31 March 2008
	£' 000 s	£' 000 s
<b>Analysis of movement in scheme liability</b>		
Scheme liability at the beginning of year	109	87
Movements in the year:		
Current service cost (net of employee contribution)	23	24
Interest cost	6	5
Employee contributions	3	3
Actuarial loss/(gain)	57	(10)
Benefits paid	(3)	-
Past service cost	-	-
Net individual pension transfer-in	-	-
Settlement and curtailments	-	-
Scheme liability at end of year	-	-
<b>Scheme liability at the end of year</b>	<b>195</b>	<b>109</b>

	2008/2009 £' 000 s	2007/2008 £' 000 s
<b>Expenses to be recognised in profit or loss</b>		
Current Service Cost (net of employee contributions)	23	24
Interest cost	6	5
Past Service Cost	-	-
Settlement and curtailment	-	-
<b>Total Expenses/(Income)</b>	<b>29</b>	<b>29</b>

	Year Ending 2008/2009 £' 000 s	Year Ending 2007/2008 £' 000 s
<b>Actuarial gains/losses to be recognised in the Statement of Recognised Income and Expense</b>		
Experience loss/(gain) arising on the scheme liabilities	54	1
Changes in assumptions underlying the present value of the scheme liabilities	3	(11)
<b>Total actuarial loss/(gain)</b>	<b>57</b>	<b>(10)</b>

<b>Cumulative total actuarial loss/(gains)</b>	-	-
--	---	---

	Year Ending 2008/2009 £' 000 s	Year Ending 2007/2008 £' 000 s
<b>History of experience gains and losses</b>		
Experience loss/(gain) arising on the scheme liabilities		
Amount	54	1
Percentage of scheme liabilities at the end of year	27.5%	0.9%

**Estimate of contributions expected to be paid into the scheme over the year 1 April 2009 to 31 March 2010**

Employer contribution	23
Employee contribution	3

## Emoluments of Chief Executive and Directors

### Remuneration details

	Salary	Bonus/ PRP	Other Benefits	Pension Contributions	Total 2008-2009	Total 2007-2008
	£'000	£'000	£'000	£'000	£'000	£'000
David Marlow <i>chief executive (until 16 July 2008) and advisor (until 31 October 2008)</i>	83	27	1	18	129	186
Deborah Cadman <i>chief executive (from 17 July 2008, appointed 15 June 2008)</i>	104	-	1	26	131	-
Peter Watson <i>deputy chief executive &amp; executive director, corporate services</i>	104	6	4	25	139	140
Steve Cox <i>executive director, strategy &amp; development</i>	97	5	2	25	129	131
Rachel Bosworth <i>executive director, communications &amp; enterprise</i>	95	7	2	24	128	112
Alison Webster <i>executive director, skills &amp; communities</i>	83	5	2	21	111	104
Jamie Merrick <i>executive director of strategy (from 1 October 2008)</i>	40	-	2	10	52	-
Paul May <i>executive director of innovation (from 1 February 2009)</i>	17	-	-	4	21	-

The Business Interests of the chief executive and executive directors are included in note 28 Related Party Transactions on page 80.

The chief executive and other senior level staff are appointed on permanent contracts of employment which can be terminated by giving 3 months written notice to EEDA.

For the chief executive and senior management team, early termination, other than for misconduct or on the grounds of capability, will be under the terms of the PCSPS. The terms of the scheme come under the terms of the Civil Service Compensation Scheme. All are members of the Principal Civil Service Pension Scheme.

### Benefits in kind

Additional benefits include the use of company cars or the payment of an essential user allowance.

### Non-cash remuneration

The former chief executive received reimbursement of relocation costs of £ 3,022 in 2008/09.

### Compensation paid, significant awards to former senior managers

There were no significant awards or compensation paid to former senior managers.

**Amounts payable to third party for services as a senior manager**

The position of Executive Director, Corporate Services was covered on an interim basis from December 2008 at a cost of £49,085.

**Details of fixed term contracts**

Apart from the board members detailed earlier, there are no senior managers appointed on fixed term contracts.

**Pension entitlement details**

Name	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/03/09 and related lump sum	CETV at 31/03/08	CETV at 31/03/09	Employee contributions and transfers in	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000
David Marlow	2 -	35 -	496 -	562 -	2 -	23 -
Deborah Cadman	2 -	2 -	- -	19 -	4 -	16 -
Peter Watson	- -	63 -	1032 -	1098 -	3 -	- -
Rachel Bosworth	1 3	12 36	158 -	186 -	1 -	16 -
Steve Cox	- -	25 75	330 -	353 -	1 -	- -
Alison Webster	1 -	26 68	400 -	446 -	3 -	19 -
Jamie Merrick	1 2	9 28	95 -	104 -	1 -	8 -
Paul May	- -	- -	- -	2 -	1 -	2 -

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed.

The columns "CETV at 31/03/08" and "CETV at 31/03/09" of the above table show the member's cash equivalent transfer value accrued at the beginning and the end of the reporting period. The final column reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued

pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The factors used to calculate the CETV were revised on 1 April 2005 on the advice of the scheme actuary.

## **Pension schemes**

EEDA employees are members of one of the following schemes

### **Principal Civil Service Pension Scheme (PCSPS)**

The PCSPS is an unfunded multi-employer defined benefit scheme but EEDA is unable to identify its share of the underlying assets and liabilities. It is therefore not possible to apply the requirements of FRS17 in these circumstances. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office; Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)). For 2008/09, employers' contributions of £1.6 million were payable to the PCSPS (2007/08 £1.5 million) at one of four rates in the range 17.1% to 25.5% of pensionable pay, based on salary bands. Rates will reduce from April 2009 to within the range 16.7% to 24.3%. Employer contributions are to be reviewed every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

From 30 July 2007, civil servants may be in one of four statutory based final salary defined benefit scheme (classic, premium, classic plus and nuvos). The scheme they are in is dependant on the date they joined EEDA. New entrants after 30 July 2007 may choose between membership of nuvos or joining a good quality money purchase stakeholder based arrangement with a significant employer contribution (Partnership Pension Account).

#### **Classic Scheme**

Benefits accrue at the rate of 1/80<sup>th</sup> of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5% of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

#### **Premium Scheme**

Benefits accrue at the rate of 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80<sup>ths</sup> of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5% of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8<sup>ths</sup> of the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

#### **Classic Plus Scheme**

This is essentially a variation of *premium*, but with benefits in respect of service before 1 October 2002 calculated broadly as per *classic*.

#### **Nuvos**

On 30 July 2007 the government introduced a new pension scheme called nuvos for new entrants to the Civil Service. Under this scheme benefits accrue at the rate of 2.3% of pensionable earnings for each year of service with the amount increasing by RPI every April. Members will pay contributions of 3.5% of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 37.5% of the member's pension to date. Children's pension are payable to members' children and any other dependent children up to the age of 18 or up to the age of 23 if they are in full time education. On death in service the scheme pays a lump sum benefit of twice pensionable earnings.

### **Partnership Pension Account**

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

### **Homes and Communities Agency Pension Scheme**

The Homes and Communities Agency Pension Scheme is a multi-employer defined benefit scheme but EEDA is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007 and more details can be found in the separate scheme statement of the Homes and Communities Agency Pension Scheme. For 2008/09, normal employer contributions of £11,510 were payable to Homes and Communities Agency Pension Scheme (2007/08 £11,454) at the rate of 23.4% of pensionable pay. It has been agreed that contributions will be reviewed on an annual basis, although the Actuary conducts a full review of the fund every three years. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and they reflect past experience of the scheme.

### **CIP Ltd Pension Scheme**

The CIP pension scheme is a group personal pension arrangement. The charges are based on stakeholder pension charges where the provider's own funds are used. The scheme has not imposed the recent increases allowed to stakeholder pensions by the government. There is access to external fund managers. The employer contribution is 3% and this is matched by an employee contribution of 3%, of basic salary. Employees may make additional voluntary contributions within HMRC limits, either as regular monthly or single contributions. Joining the pension scheme is on three months service.

Signed: 14 July 2009

Richard Ellis Chair

Signed: 14 July 2009

Deborah Cadman Chief Executive and Accounting Officer

## **STATEMENT ON INTERNAL CONTROL 2008/09**

### **Scope of responsibility**

As accounting officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of EEDA's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

I also share responsibility with the board for ensuring that EEDA continues to operate within the framework specified by the Secretary of State and set out in EEDA's Accountability and Financial Framework.

### **The purpose of the system of internal control**

EEDA's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve EEDA's policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. EEDA's system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of EEDA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in EEDA for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### **Capacity to handle risk**

As the region's RDA, I recognise that EEDA is in a unique position in our relationship with private enterprise and public accountability. Calculated risk taking to achieve our desired outcomes is fundamental to our way of working. At the same time we are a public body, accountable to Parliament and our regional stakeholders, and operating in a governance framework set and monitored by the Treasury and our sponsoring department. This requires us to comply with high standards in legal and financial matters, and to be able to account for all our decisions and actions.

Oversight of the risk management process is provided by the Audit Committee through the review of EEDA's Risk Management Strategy and ensuring that risk management arrangements are effective. At an Executive level, the Chief Executive's Team has the responsibility for ensuring that the risk management framework is effective and operating in practice. The Chief Executive's Team is responsible for assigning a risk owner at the level of executive director for each corporate risk and for keeping the risk profile of the Agency under review.

To achieve a robust framework, the Agency has integrated risk management processes into our core project management processes. By providing guidance, training and equipping our staff to deal effectively and efficiently with their every day duties, the key risks we face as an Agency can be effectively managed.

### **The risk and control framework**

EEDA's consideration of risk is embedded in policymaking, planning and delivery by evaluation of risk by the executive in establishing strategy and in managing operational activities.

EEDA undertakes an annual risk management review in which board members and the Chief Executive's Team play a key role. As part of the review a corporate risk register is produced to document identified risks. Each risk is evaluated and prioritised based on the impact and the likelihood of the risk occurring. A risk owner is assigned to each risk, who is responsible for developing the underlying risk management plan and carrying out periodic review of the risk profile to ensure that key mitigating controls and actions continue to be in place. The risk management plans are approved by the Chief Executive's Team.

The Audit Committee and EEDA board contribute to the risk management process using their wide experience of many types of organisations. The aim is to exploit their experience and to build on good practice. Decisions on significant projects and activities are made either by the Chief Executive's Team or the EEDA Board, depending on the scale and nature of the project or activity. The make-up of the Board and the Chief Executive's Team allows for the varying views on the level of associated risks to be identified and considered. This facilitates the identification of the relevant risk appetite in each case.

EEDA has recognised the need for robust information management systems and security over the data held on the Agency's IT systems. The consideration of information risks is an integral part of the EEDA's risk management framework.



An executive director has been assigned as the Agency's Senior Information Risk Owner (SIRO), Information Asset Owners have been identified and they have carried out information risk assessments. As part of its response to information risk, the Agency continues to work towards the Information Security Management Standard ISO27001. A Business Continuity Plan is in place incorporating the critical areas of the business.

The Senior Information Risk Owner has confirmed that an Annual Assessment of Information Risk has been completed satisfactorily and that the Statement of Internal Control can be approved.

### **Review of effectiveness**

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the views of the Audit Committee, the work of the internal auditors and the executive managers within EEDA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. Each EEDA director has assessed the control environment operating with their directorate.

EEDA has established adequate systems and processes to ensure the achievement of its corporate objectives and public accountability. EEDA has appropriate guidance in place to assist staff in carrying out their responsibilities.

EEDA's system of internal control includes appropriate governance and risk management arrangements, controls, checks and balances to ensure proper accountability. The systems include formal processes for appraising and approving programmes and projects, which involve oversight and approval at various levels of management or by the EEDA board, depending on the size of the activity. Financial and procurement monitoring and reporting procedures are in place.

EEDA has established adequate processes for maintaining and reviewing the effectiveness of the system of internal control and there are no significant internal control issues to report.

The Governance Team provides assurance to the executive and the board over the governance and risk management arrangements and on compliance with internal controls. EEDA is developing an assurance framework and is now seeking to place reliance on other wider sources of assurance.

The monitoring of internal performance is undertaken via the performance dashboard, which has been reported on a monthly basis to the board and quarterly to the Audit Committee.

Finally, the results of an impact evaluation covering a majority of EEDA's activities between 2002 and 2007 were published this year. In response to its findings an evaluation policy incorporating a rolling programme of evaluation covering major areas of expenditure has been developed. Lessons learned have been applied with a particular focus on informing future investment and corporate planning, including the reprioritisation of EEDA investment in light of the recession and budget reductions. In addition key systems and processes have been reviewed in order to improve data capture for further evaluations; to improve corporate performance and to improve our impact on the region's economy.

Deborah Cadman  
chief executive and accounting officer  
East of England Development Agency

## **The East of England Development Agency**

### **THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO HOUSES OF PARLIAMENT AND THE EAST OF ENGLAND DEVELOPMENT AGENCY**

I certify that I have audited the financial statements of the East of England Development Agency for the year ended 31st March 2009 under the Regional Development Agencies Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of the Agency, chief executive / accounting officer and auditor**

The Agency and chief executive as accounting officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Regional Development Agencies Act 1998 and the directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Agency's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Regional Development Agencies Act 1998 and the directions made thereunder by the Secretary of State. I report to you whether, in my opinion, the information, which comprises the Management Commentary and the Director's Report, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Foreword, the Chief Executive's Review and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

#### **Basis of audit opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which

govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Regional Development Agencies Act 1998 and directions made thereunder by the Secretary of State, of the state of the East Of England Development Agency's affairs as at 31st March 2009 and of its net expenditure for the year;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Regional Development Agencies Act 1998 and the directions made thereunder; and
- information, which comprises the Management Commentary and the Directors' Report, included within the Annual Report, is consistent with the financial statements.

## **Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Report**

I have no observations to make on these financial statements.

*Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road*

Date:

**GROUP INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2008/09 £'000	2007/08 £'000
<b>Income</b>			
European funding	3	2,069	2,834
Other grants	4	600	2,869
Proceeds from disposal of development assets		1,138	11,698
Release from Revaluation Reserve	20	3,782	-
Rent and maintenance charges		4,432	446
Other income		658	3,375
<b>TOTAL INCOME</b>		<u>12,679</u>	<u>21,222</u>
<b>Expenditure</b>			
Book value of investment assets written off	11	28	-
Book value of development assets sold	14	1,122	10,812
Book value of development assets written off	14	3,946	-
Bad debts written off and movements in provision for bad and doubtful debts		989	(33)
Salaries and wages	6	14,467	12,352
Other administrative costs	7	6,222	6,152
Programme expenditure	2	115,134	131,878
Other costs in relation to subsidiary		420	586
Depreciation and amortisation	9,10	1,297	915
Impairment of intangible fixed assets	9	<u>277</u>	<u>-</u>
<b>TOTAL EXPENDITURE</b>		<u>143,902</u>	<u>162,662</u>
Net expenditure on continuing operations		(131,223)	(141,440)
Interest receivable	5	824	1,018
Notional cost of capital		(181)	(731)
Net expenditure on ordinary activities		<u>(130,580)</u>	<u>(141,153)</u>
Taxation	8	299	(569)
Net expenditure after tax		<u>(130,281)</u>	<u>(141,722)</u>
Reversal of notional cost of capital		181	731
Net expenditure taken to reserves		<u>(130,100)</u>	<u>(140,991)</u>

The notes on pages 64 to 81 form part of these accounts.

All activities are from continuing operations.

**GROUP STATEMENT OF RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2008/09 £'000	2007/08 £'000
Revaluation not released to Income and Expenditure Account	20	(7,488)	2,286
Actuarial gain /(loss) on FRS 17 pension scheme		(57)	(10)
Loss on Subsidiary	12	(152)	-
Gains and losses recognised since last Annual Report		<u>(7,697)</u>	<u>2,276</u>

**GROUP BALANCE SHEET  
AS AT 31 MARCH 2009**

	Notes	2008/09 £'000	2007/08 £'000
<b>INTANGIBLE ASSETS</b>			
Software licences and development expenditure	9	1,553	1,286
		<u>1,553</u>	<u>1,286</u>
<b>FIXED ASSETS</b>			
Tangible operating assets	10	4,195	3,639
Investment assets	11	2,535	2,738
		<u>6,730</u>	<u>6,377</u>
<b>CURRENT ASSETS</b>			
Stock of development assets	14	11,219	19,765
Debtors	15	4,344	5,854
Cash at bank and in hand	26	18,361	20,422
Operating stocks in relation to subsidiary		550	581
		<u>34,474</u>	<u>46,622</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	38,677	41,493
		<u>(4,203)</u>	<u>5,129</u>
<b>NET CURRENT ASSETS</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year		-	-
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Provisions	17	3,486	3,031
		<u>594</u>	<u>9,761</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>			
<b>RESERVES</b>			
Grant-In-Aid reserve	19	(2,158)	(717)
Revaluation reserve	20	2,105	9,593
General reserve	21	647	885
		<u>594</u>	<u>9,761</u>

Approved by the Board on 14 July 2009

Deborah Cadman  
chief executive and accounting officer

Richard Ellis  
chair

**AGENCY BALANCE SHEET****AS AT 31 MARCH 2009**

	Notes	2008/09 £'000	2007/08 £'000
<b>INTANGIBLE ASSETS</b>			
Software licences	9	42	82
		<u>42</u>	<u>82</u>
<b>FIXED ASSETS</b>			
Tangible operating assets	10	2,153	1,885
Investment assets	11	2,535	2,738
Investment in subsidiary	12	435	587
Long term loans	13	-	-
		<u>5,123</u>	<u>5,210</u>
<b>CURRENT ASSETS</b>			
Stock of development assets	14	11,219	19,765
Debtors	15	5,064	5,468
Cash at bank and in hand	26	18,356	20,172
		<u>34,639</u>	<u>45,405</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	38,299	40,394
		<u>(3,660)</u>	<u>5,011</u>
<b>NET CURRENT ASSETS</b>			
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Provisions	17	911	542
		<u>594</u>	<u>9,761</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>			
		<u>594</u>	<u>9,761</u>
<b>RESERVES</b>			
Grant-In-Aid reserve	19	(2,158)	(717)
Revaluation reserve	20	2,105	9,593
General reserve	21	647	885
		<u>594</u>	<u>9,761</u>

Approved by the board on 14 July 2009

Deborah Cadman  
chief executive and accounting officer

Richard Ellis  
Chair

**GROUP CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2008/09 £'000	2007/08 £'000
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	27	(131,240)	(135,551)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		824	1,018
		<hr/>	<hr/>
		(130,416)	(134,533)
<b>TAXATION</b>			
UK corporation tax paid		299	(569)
		<hr/>	<hr/>
		(130,117)	(134,084)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible operating and intangible assets	9,10	(2,396)	(2,444)
Investment in Subsidiary	12	(435)	
Proceeds on disposal of fixed operating, investment and development assets		1,138	11,698
Receipts from repayment of loans	13	1,249	-
		<hr/>	<hr/>
<b>Net cash outflow after capital expenditure &amp; financial investment</b>		(130,561)	(125,848)
<b>FINANCING</b>			
Grant-In-Aid received	19	126,390	115,218
Grant-In-Aid used:			
to purchase intangible assets	9	17	44
to purchase operating assets	10	1,196	1,313
to purchase development assets	14	53	426
to make loan advances		844	-
		<hr/>	<hr/>
<b>Net cash inflow after financing</b>		(2,061)	(8,847)
<b>NET LIQUID FUNDS AS AT 31 MARCH</b>	26	<hr/> <hr/>	<hr/> <hr/>
		18,361	20,422



## Notes to the Financial Statements for the Year Ended 31 March 2009

### 1a: Accounting policies for the group

#### i: Basis of accounting

The financial statements of EEDA have been prepared in a form directed by the Secretary of State for the BIS, with the approval of HM Treasury, in accordance with the Regional Development Agencies Act 1998. Without limiting the information given, the financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and meet the accounting and disclosure requirements of the Companies Act 1985. The financial statements are prepared on the historical cost basis modified by the inclusion of development and investment assets at current values. The Agency was issued with an Accounts Direction on 9 November 2005 which was effective for the 2008/09 financial year.

#### ii: Basis of consolidation

These accounts take advantage of the exemption provided by Section 230 of the Companies Act 1985 and a separate Income and Expenditure Account for the Agency is not presented. The consolidated accounts incorporate the accounts of the Agency and its subsidiary, the Centre for Integrated Photonics (CIP) Ltd, which was incorporated on 19 September 2003.

#### iii: Fixed assets – investment assets

Land and buildings held as industrial or commercial investment properties are shown in the Balance Sheet at open market value. In accordance with SSAP 19, no depreciation is provided in respect of investment properties.

The portfolio of industrial and commercial investment properties held at any one time is accounted for on an individual asset basis. Any write-down of the property to open market value, and subsequent adjustments thereto, are accounted for annually and separately identified in the Income and Expenditure Account. Any surplus on revaluation of these properties to open market value, and subsequent adjustments thereto, is credited to a Revaluation Reserve after eliminating the overall accumulated unrealised deficit, as originally charged, by revaluation adjustment, to the Income and Expenditure Account.

The partnership workspace is valued on the present value of future rental streams.

Acquisitions and disposals of land and buildings are accounted for on the date of legal completion.

#### iv: Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. The Agency holds no finance leases. However, its subsidiary CIP does, as referred to in note 1b vi.

#### v: Development assets

Development assets, consisting of land and buildings, are shown at open market value which is the lower of current replacement cost and net realisable value. In accordance with SSAP 9, the Agency treats valuations of development assets individually with increases in value being credited to the Revaluation Reserve and reductions in value being charged to the Income and Expenditure Account (to the extent that there is no credit on the Revaluation Reserve against which such a reduction can be charged). Acquisitions and disposals of development assets are accounted for on the date of legal completion.

#### vi: Fixed assets – tangible operating assets and intangible assets

Tangible fixed assets are valued at depreciated historic cost. Software licences are capitalised as intangible assets at their cost of acquisition. The Agency applies a capitalisation threshold for the following categories:

IT Hardware	£ 500
IT Software	£ 300
Workstations	£ 350
Other Furniture & Equipment	£ 750

#### vii: Depreciation

Intangible assets are amortised over 3 years on a straight line basis. Depreciation is provided to write off the replacement cost of tangible fixed assets over their anticipated useful lives on a straight line basis at the following annual rates:

Equipment	5 years
IT hardware & software	3 years

**viii: Investments and loans**

Investments and loans are shown net of provision for amounts considered doubtful and net of write-offs for amounts considered irrecoverable. Provision has been made for all loans where recovery appears doubtful. No loan is written off until the impossibility of recovery is beyond doubt. Approval from the BIS is obtained for any write-off in excess of £250,000.

**ix: Pension costs**

Certain of the employees of EEDA participate in the Principal Civil Service Pension Scheme (PCSPS), or the English Partnerships Pension Scheme. These pension schemes are defined benefit schemes. The PCSPS is a non-contributory scheme for employees. The Board Members are not members of these or any other pension scheme of EEDA. The Chair has a pension arrangement that is analogous to PCSPS. CIP Ltd has operated a pension scheme on behalf of its employees.

**x: Government grants**

EEDA's activities are funded primarily by Grant-in-Aid provided by the BIS. Grant-in-Aid is treated as financing and credited to the Grant-in-Aid Reserve because it is regarded as contributions from a controlling party. Other government grants to finance revenue expenditure are treated as income. Other government grants in respect of capital expenditure on assets that are depreciated are credited to the General Reserve and released to the Income and Expenditure Account over the expected useful life of the relevant tangible fixed assets.

**xi: Provisions for liabilities and charges**

The terms of CIP Ltd's occupation of the leasehold premises require that the building is reinstated at the end of the period of occupation. Provision is made for the costs that will arise from decommissioning the equipment currently operational in the building.

**xii: Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**xiii: Cost of capital**

When calculating the surplus or deficit for the year, EEDA is required to include, as expenditure, a notional cost of capital, to the extent that there is no real charge for this. It is calculated at a rate specified by Treasury which for 2008-09 was 3.5% (2007-08 3.5%) of the average of total assets less total liabilities. After the surplus or deficit for the year there is an entry reversing this amount.

**xiv: Financial instruments**

EEDA has no borrowings and draws down grant-in-aid monthly for its cash requirement and is therefore not exposed to liquidity risks. It has no material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

**1 b Items relating specifically to CIP Ltd****i: Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

In the case of long-term contracts, turnover reflects the contract activity during the period and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs.

The company receives funding for certain projects on a "matched cost" basis under European Framework 6 Research and Development and BIS programmes. This funding is recorded as turnover to the extent that the costs for which the funding is available have been incurred. The funding rates vary between 40% and 100%.

Grant income is received from the parent undertaking (EEDA) to enable the company to provide open access to its facilities to small and medium sized entities and other research partners and also to enable the company to carry out fundamental research. The grant is recognised as turnover on a straight line basis over the period to which it relates.

**ii: Research and development**

Research and development expenditure is written off in the year in which it is incurred.

Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and are amortised in line with the expected sales. All other development costs are written off in the year of expenditure.

**iii: Negative goodwill**

Negative goodwill is released to the profit and loss account over the period in which the non-monetary assets are acquired giving rise to the negative goodwill consumed.

**iv: Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**v: Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**vi: Finance Leases / Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payment is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**vii: Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the period of the lease.

**viii: Long-term contracts**

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for loss on all contracts in the year in which the loss is first foreseen.

**ix: Grants**

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

## 2: Analysis of Programme expenditure by theme

	Programme Expenditure recorded in I&E account 2008/09 £'000	Programme Expenditure recorded in I&E account 2007/08 £'000
Business Support	36,168	31,277
Science, Innovation & High Level Skills	27,327	42,774
Economic Participation	27,026	24,868
Regional Infrastructure	17,175	25,818
Sustainable Economy	3,297	2,402
Partnerships, Advocacy and Communications	2,353	3,321
Strategy & Intelligence	1,788	1,417
	<u>115,134</u>	<u>131,878</u>

## 3: European funding

	2008/09 £'000	2007/08 £'000
European Regional Development Fund	437	76
European Social Fund	1,519	2,547
Other European Commission funding	113	211
	<u>2,069</u>	<u>2,834</u>

## 4: Other grants

	2008/09 £'000	2007/08 £'000
Other government grants	179	1,696
Partner contributions	421	1,173
	<u>600</u>	<u>2,869</u>

## 5: Interest receivable

	2008/09 £'000	2007/08 £'000
Bank deposit	282	1,009
Bank Deposit ERDF	80	9
Loan	462	-
	<u>824</u>	<u>1,018</u>

## 6: Salaries and wages

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
<b>Board Members</b>				
Board Members fees	369	315	215	206
Pension costs	24	22	21	20
Social security costs	16	14	16	14
	<u>409</u>	<u>351</u>	<u>252</u>	<u>240</u>
<b>Staff</b>				
Salaries and wages inc overtime	8,625	8,004	7,610	6,900
Pension costs	1,817	1,536	1,783	1,505
Social security costs	923	807	732	641
	<u>11,365</u>	<u>10,347</u>	<u>10,125</u>	<u>9,046</u>
Temporary staff costs	1,684	1,430	1,684	1,430
Seconded staff costs	236	65	236	65
Other staff costs	173	8	173	8
	<u>2,093</u>	<u>1,503</u>	<u>2,093</u>	<u>1,503</u>
Redundancy costs	<u>600</u>	<u>151</u>	<u>600</u>	<u>151</u>
Total salaries and wages	<u><u>14,467</u></u>	<u><u>12,352</u></u>	<u><u>13,070</u></u>	<u><u>10,940</u></u>

### Staffing numbers

The average number of staff, including all seconded and contracted staff, employed by the Agency during the year was 245 (2007-08 243).

	Group		Agency	
	2008/09	2007/08	2008/09	2007/08
Senior managers	12	10	7	6
Staff	249	238	203	200
Secondees	8	11	8	11
Temporary staff	27	26	27	26
<b>Total</b>	<u><u>296</u></u>	<u><u>285</u></u>	<u><u>245</u></u>	<u><u>243</u></u>

## Seconded staff

Staff were seconded from the following organisations during the accounting period.

Name of organisation	No of staff
Learning & Skills Council	1
Citylife	1
Government Office for the East of England	2
London Borough of Barking and Dagenham	1
Cambridgeshire County Council	1
UK Border Agency	1
Business Link East	1

## Loans to employees

The total value of loans outstanding was £ 513 relating to 1 employee. (2007-08 £2,563 relating to 1 employee)

## 7: Other administrative costs

	2008/09 £'000	2007/08 £'000	
Travel and subsistence	714	612	
Other staff costs	481	630	
Office costs	2,006	1,733	
Estate management	166	210	
Marketing and PR	100	272	
Professional costs	1,364	1,164	
IT and communication	253	262	
Other	1,138	1,269	
	<hr/> <hr/>	<hr/> <hr/>	
	6,222	6,152	
Net expenditure is arrived after charging:			
Auditors' remuneration			
Statutory Accounts	EEDA	54	53
IFRS Audit Services	EEDA	5	-
	CIP Ltd	14	14
	Plant and machinery	1,316	200
Operating lease rentals	Other	221	1,065

Included in office costs are those in respect of EEDA's accommodation. These are a head office at Histon, near Cambridge and a sub-regional office at Thetford. Office costs in respect of CIP Ltd are the premises at Adastral Park, Martlesham Heath near Ipswich.

**8: Taxation**

	2008/09 £'000	2007/08 £'000
UK corporation tax at 21% (2007/08 30%) – Agency	11	423
UK corporation tax at 20% (2007/08 20%) - Subsidiary	(9)	6
Under provision in prior year	(384)	183
Deferred tax provision	83	(43)
	<u>(299)</u>	<u>569</u>

**9: Intangible assets**

	Group		Total £'000	Agency	
	Development expenditure £'000	Software licences £'000		Software licences £'000	Total £'000
<b>COST</b>					
At 1 April	1,237	328	1,565	328	328
Additions in period	594	17	611	17	17
At 31 March	<u>1,831</u>	<u>345</u>	<u>2,176</u>	<u>345</u>	<u>345</u>
<b>AMORTISATION</b>					
At 1 April	33	246	279	246	246
Amortisation in period	10	57	67	57	57
Impairment for the year	277	-	277	-	-
At 31 March	<u>320</u>	<u>303</u>	<u>623</u>	<u>303</u>	<u>303</u>
<b>Net book value</b>					
31 March 2009	<u>1,511</u>	<u>42</u>	<u>1,553</u>	<u>42</u>	<u>42</u>
<b>Net book value</b>					
31 March 2008	<u>1,204</u>	<u>82</u>	<u>1,286</u>	<u>82</u>	<u>82</u>

## 10: Tangible operating assets

	Group			Agency		
	Equipment	IT	Total	Equipment	IT	Total
<b>COST</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April	3,419	4,196	7,615	1,234	4,196	5,430
Additions	726	1,060	1,786	136	1,060	1,196
Disposals	-	(1,997)	(1,997)	-	(1,997)	(1,997)
At 31 March	<u>4,145</u>	<u>3,259</u>	<u>7,404</u>	<u>1,370</u>	<u>3,259</u>	<u>4,629</u>
<b>DEPRECIATION</b>						
At 1 April	1,389	2,587	3,976	958	2,587	3,545
Depreciation in period	392	838	1,230	90	838	928
Disposals	-	(1,997)	(1,997)	-	(1,997)	(1,997)
At 31 March	<u>1,781</u>	<u>1,428</u>	<u>3,209</u>	<u>1,048</u>	<u>1,428</u>	<u>2,476</u>
<b>Net book value</b>						
31 March 2009	<u>2,364</u>	<u>1,831</u>	<u>4,195</u>	<u>322</u>	<u>1,831</u>	<u>2,153</u>
<b>Net book value</b>						
31 March 2008	<u>2,030</u>	<u>1,609</u>	<u>3,639</u>	<u>276</u>	<u>1,609</u>	<u>1,885</u>

Included within the net book value of the Group figures is £Nil (2007-08 - £20,483) relating to CIP Ltd assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £ 852 (2007-08 - £2,556).

## 11: Investment assets

	Group			Agency		
	Properties	Partnership workspace	Total	Properties	Partnership workspace	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	2,490	248	2,738	2,490	248	2,738
Revaluation	(175)	-	(175)	(175)	-	(175)
Investment asset written off	-	(28)	(28)	-	(28)	(28)
Valuation at 31 March 2009	<u>2,315</u>	<u>220</u>	<u>2,535</u>	<u>2,315</u>	<u>220</u>	<u>2,535</u>

An independent valuation of the whole portfolio was carried out as at 31 March 2009, by Roche Chartered Surveyors. Valuations are carried out annually in accordance with the Practice Statements contained in the Appraisal and Valuation Standards Fifth Edition published by the Royal Institute of Chartered Surveyors and the Agency's accounting policy.



## 12: Interest in subsidiaries & joint ventures

### Subsidiary – Company limited by guarantee

<i>Name of undertaking</i>	<i>Interest</i>	<i>Year end</i>	<i>Nature of business</i>
Centre for Integrated Photonics Ltd (CIP Ltd)	100%	31 <sup>st</sup> March	Promotion, research, development and exploitation in the fields of photonics, nanotechnology and optics.

The accounts of CIP Ltd have been consolidated with those of the Agency.

### Key financial results

	Total		Agency Share	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
Gross operating income	3,691	3,396	3,691	3,396
Gross operating expenditure	(3,852)	(3,256)	(3,852)	(3,256)
Taxation	9	(6)	9	(6)
Profit/(Loss) for the year after taxation	(152)	134	(152)	134
Consolidation adjustments	(81)	(549)	(81)	(549)
Consolidated (loss)/profit for the year	(233)	(415)	(233)	(415)
Net assets at 31 March	435	587	435	587

CIP Ltd currently have outstanding liabilities to EEDA of £1,773m. The repayment of the liabilities is not expected within the next 12 months.

### Joint ventures – Limited liability partnership

<i>Name of undertaking</i>	<i>Interest</i>	<i>Year end</i>	<i>Nature of business</i>
Adit East LLP (Limited liability partnership)	50%	31 <sup>st</sup> March	Provision of access to broadband internet services to the public sector.

Joint venture with BIS

During 2005-06 the EEDA Board took the decision to scale down the operational capabilities of Aggregated Demand for IT (Adit East LLP) – the regional aggregation body (RAB) for the region to reflect the changing broadband environment. Trading ceased on 31<sup>st</sup> May 2005. There were no results to consolidate and no Balance Sheet assets and liabilities.

### Joint ventures – Company limited by shares

<i>Name of undertaking</i>	<i>Interest</i>	<i>Year end</i>	<i>Nature of business</i>
Bedfordshire Consortium Ltd	50%	30 <sup>th</sup> April	Facilitation and management of the joint investment of funds into a major project delivery company, NIRAH Holdings Ltd.

Joint venture with Bedfordshire County Council

During 2005/06 the Agency gained Section 5(2)(c) consents from the BIS to form the above company and make it a loan. A further loan was advanced during 2006/07, the repayment of which is considered doubtful. This was fully provided against during the same year.

### Joint ventures – Companies limited by guarantee

<i>Name of undertaking</i>	<i>Interest</i>	<i>Nature of business</i>
Opportunity Peterborough URC Ltd	33.3%	Regeneration of the Peterborough area
Renaissance Southend URC Ltd	33.3%	Regeneration of Southend
1 <sup>st</sup> East URC Ltd	50%	Regeneration of Lowestoft & Great Yarmouth
Harlow Renaissance Ltd	25%	Regeneration of Harlow

The Urban Regeneration Companies have been established primarily to facilitate joint strategies and project delivery in their respective areas. The majority of the activities of the URCs and Harlow Renaissance Ltd are administrative in nature, and as such the assets and liabilities of the companies at the year end are not considered material and therefore not consolidated.

### 13: Long term loans

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
At 1 April	3,225	3,216	3,216	3,216
Additions	844	9	844	-
Less amounts paid in the year	(1,249)	-	(1,249)	-
Less amounts paid in prior year	(25)	-	(16)	-
	<u>2,795</u>	<u>3,225</u>	<u>2,795</u>	<u>3,216</u>
Less provision for doubtful debts	(2,795)	(3,225)	(2,795)	(3,216)
At 31 March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Analysis of the provision balance is as follows:

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
At 1 April	(3,225)	(3,216)	(3,216)	(3,216)
Specific additions	(844)	(9)	(844)	-
Reductions (general loan provision)	1,274	-	1,265	-
At 31 March	<u>(2,795)</u>	<u>(3,225)</u>	<u>(2,795)</u>	<u>(3,216)</u>

**14: Stock of development assets**

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
At 1 April	19,765	27,501	19,765	27,501
Additions in period	53	426	53	426
Revaluation	(3,531)	2,515	(3,531)	2,515
Transfer from Investment Assets	-	135	-	135
Disposals	(1,122)	(10,812)	(1,122)	(10,812)
	<u>15,165</u>	<u>19,765</u>	<u>15,165</u>	<u>19,765</u>
Write down to I & E account	(3,946)	-	(3,946)	-
Valuation at 31 March	<u><u>11,219</u></u>	<u><u>19,765</u></u>	<u><u>11,219</u></u>	<u><u>19,765</u></u>

An independent valuation of the whole portfolio was carried out as at 31 March 2009, by Roche Chartered Surveyors. Valuations are carried out annually in accordance with the Practice Statements contained in the Appraisal and Valuation Standards Fifth Edition published by the Royal Institute of Chartered Surveyors and the Agency's accounting policy.

**15: Debtors**

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
Trade debtors	2,146	2,270	1,133	1,381
Prepayments	565	651	512	597
EC and other grants	801	2,696	801	2,696
Accrued Income	148	-	148	-
Other debtors	97	84	1,870	707
Value added tax	197	24	216	-
Interest receivable	7	87	7	87
Corporation tax	383	42	377	-
	<u>4,344</u>	<u>5,854</u>	<u>5,064</u>	<u>5,468</u>

**Debtors – Analysis of balances**

	2008/09 £'000	2007/08 £'000
Balances with other central government bodies	1,271	2,485
Balances with local authorities	145	1,169
Sub total - intra-government balances	<u>1,416</u>	<u>3,654</u>
Balances with bodies external to government	2,928	2,200
	<u><u>4,344</u></u>	<u><u>5,854</u></u>

**16: Creditors: Amounts falling due within one year**

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
Bank loans and overdrafts	115	-	-	-
Payments received on account	271	71	235	39
Trade creditors	11,366	11,418	10,711	11,164
Amounts due under finance leases and HP agreements	-	3	-	-
Accruals	21,603	28,757	22,194	28,004
VAT	-	546	-	546
Tax and social security	1,080	699	917	641
ERDF Grant Advance	4,242	-	4,242	-
	<u>38,677</u>	<u>41,493</u>	<u>38,299</u>	<u>40,394</u>

**Creditors – Analysis of balances**

	2008/09 £'000	2007/08 £'000
Balances with other central government bodies	10,147	3,949
Balances with local authorities	855	3,172
Sub total - intra-government balances	<u>11,002</u>	<u>7,121</u>
Balances with bodies external to government	27,675	34,372
	<u>38,677</u>	<u>41,493</u>

## 17: Provisions

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
<b>Deferred taxation</b>				
At 1 April	(90)	(47)	(93)	(47)
Provision for the year	83	(43)	85	(46)
At 31 March	<u>(7)</u>	<u>(90)</u>	<u>(8)</u>	<u>(93)</u>
<b>Early retirement / redundancy</b>				
At 1 April	189	295	189	295
Provision for the year	577	151	577	151
Released in year	(43)	(257)	(43)	(257)
At 31 March	<u>723</u>	<u>189</u>	<u>723</u>	<u>189</u>
<b>By Analogy Pension Provision</b>				
At 1 April	109	-	109	-
Provision for the year	86	109	86	109
Released in year	-	-	-	-
At 31 March	<u>195</u>	<u>109</u>	<u>195</u>	<u>109</u>
<b>Decommissioning cost (see note below)</b>				
At 1 April	700	700	-	-
Provision for the year	-	-	-	-
Released in year	-	-	-	-
At 31 March	<u>700</u>	<u>700</u>	<u>-</u>	<u>-</u>
<b>Capital grants</b>				
At 1 April	1,786	795	-	-
Prior Year Restatement	-	442	-	-
Provision for the year	413	834	-	-
Released in year	(324)	(285)	-	-
At 31 March	<u>1,875</u>	<u>1,786</u>	<u>-</u>	<u>-</u>
<b>Business Link – contract end liabilities</b>				
At 1 April	337	-	337	-
Provision for the year	-	337	-	337
Released in year	(337)	-	(337)	-
At 31 March	<u>-</u>	<u>337</u>	<u>-</u>	<u>337</u>
Total provisions	<u>3,486</u>	<u>3,031</u>	<u>910</u>	<u>542</u>

Note: The directors of CIP Ltd have estimated the decommissioning cost provision on the basis of the estimates in a report by Martello Partners on 14 February 2003 and the actual experience of decommissioning the plant before it was acquired by EEDA from Corning Ltd. On the basis of a further review by the directors at 31 March 2009, the provision remains unchanged.

Provision for deferred taxation is in respect of accelerated capital allowances, short term timing differences and losses, which are fully provided for at a corporation tax rate of 21% (2007-08 28%).

**18: Deferred taxation**

The major components of the provision for deferred taxation, which has been fully provided at a corporation tax rate of 21% (2007-08 28%), are:-	2008-2009 £'000	2007-2008 £'000
Accelerated capital allowances	(7)	(90)
	<u>(7)</u>	<u>(90)</u>

**19: Grant-In-Aid reserve**

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
Balance as at 1 April	(717)	23,849	(717)	23,849
Purchase of assets	2,110	1,782	2,110	1,782
Transfer to Pension Reserve	86	109	86	109
Grant-In-Aid income	126,390	115,218	126,390	115,218
Net expenditure	(130,100)	(140,991)	(130,027)	(141,675)
Balance in relation to subsidiary	73	(684)	-	-
Balance at 31 March	<u>(2,158)</u>	<u>(717)</u>	<u>(2,158)</u>	<u>(717)</u>

**20: Revaluation reserve**

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
Balance as at 1 April	9,593	7,624	9,593	7,307
Revaluation of:-				
Investment assets	(175)	(229)	(175)	(229)
Development assets revaluation	(3,531)	2,515	(3,531)	2,515
Development asset - write back of downward revaluation in prior years	(3,782)	-	(3,782)	-
Balance in relation to subsidiary	-	(317)	-	-
Balance at 31 March	<u>2,105</u>	<u>9,593</u>	<u>2,105</u>	<u>9,593</u>

## 21: General reserve

	Group		Agency	
	2008/09 £'000	2007/08 £'000	2008/09 £'000	2007/08 £'000
<b>ERDF Funding</b>				
Balance as at 1 April	407	407	407	407
Additions	-	-	-	-
Balance at 31 March	<u>407</u>	<u>407</u>	<u>407</u>	<u>407</u>
<b>Activities in relation to subsidiary</b>				
Balance as at 1 April	587	453	587	453
Movement in relation to consolidation	<u>(152)</u>	<u>134</u>	<u>(152)</u>	<u>134</u>
Balance at 31 March	<u>435</u>	<u>587</u>	<u>435</u>	<u>587</u>
<b>Pension</b>				
Balance as at 1 April	(109)	-	(109)	-
Additions to reserve in period	<u>(86)</u>	<u>(109)</u>	<u>(86)</u>	<u>(109)</u>
Balance as at 31 March	<u>(195)</u>	<u>(109)</u>	<u>(195)</u>	<u>(109)</u>
Total Balance as at 31 March	<u>647</u>	<u>885</u>	<u>647</u>	<u>885</u>

## 22: Operating leases

As at 31 March 2009 EEDA had annual commitments under operating leases as follows:

	2008/09		2007/08	
	Buildings £'000	Other £'000	Buildings £'000	Other £'000
<i>Leases Expiring:-</i>				
- within one year	196	75	-	61
- between one and five years	951	146	896	140
- over 5 years	169	-	169	-
	<u>1,316</u>	<u>221</u>	<u>1,065</u>	<u>201</u>

Rental costs of operating leases are charged to the Income and Expenditure Account on a straight line basis over the term of the lease.

## 23: Contingent Liabilities

At 31 March 2009, there were potential liabilities arising from the re-tendering of the Business Link service to run from April 2010. Under the terms of the existing funding agreement, EEDA are liable for staff redundancy and other closure costs that the current provider may incur at the end of that agreement. These liabilities, if any, will not be quantifiable until the contract is let at the end of 2009. (2007-2008 Nil).

## 24: Commitments

	2008/09 £'000	2007/08 £'000
Expenditure authorised by the Board and contracted at 31 March amounted to:	19,141	6,980
	<u>19,141</u>	<u>6,980</u>

## 25: Post Balance Sheet events - Authorised date

The Agency's financial statements are laid before the Houses of Parliament by the Secretary of State of the Department for Business, Innovation and Skills . FRS21 requires the Agency to disclose the date on which the accounts are authorised for issue. This is the date on which the certified accounts are dispatched by the Agency's management to the Secretary of State.

The authorised date for issue is 17 July 2009.

## 26: Reconciliation of net cash flow to movement in net funds

	Group		Agency	
	2008/09	2007/08	2008/09	2007/08
	£'000	£'000	£'000	£'000
Increase (decrease) in cash for the period	<u>(2,061)</u>	<u>(8,847)</u>	<u>(1,816)</u>	<u>(9,085)</u>
Net Funds at 1 April	<u>20,422</u>	<u>29,269</u>	<u>20,172</u>	<u>29,257</u>
Net Funds at 31 March	<u>18,361</u>	<u>20,422</u>	<u>18,356</u>	<u>20,172</u>

## 27: Reconciliation of operating deficit to net cash outflow from operating activities

	2008/09	2007/08
	£'000	£'000
Net expenditure on continuing operations	(131,223)	(141,440)
Investment in Subsidiary	435	587
Depreciation and amortisation charges	1,297	915
Impairment of Research & Development Asset	277	-
Proceeds from disposal of operating assets	-	(6)
Proceeds from Disposal of Partnership Assets	(29)	9
Amounts written off Loan repayable	(1,249)	-
Book value of development assets sold	1,122	10,812
Proceeds from disposal of development assets	(1,138)	(11,698)
Release from Revaluation Reserve	(3,782)	-
Additions to stock of development assets	(53)	(426)
Amounts written off development assets	3,946	-
Decrease / (Increase) in stock	31	(159)
Decrease / (Increase) in debtors	1,097	(1,220)
(Decrease) / Increase in creditors and provisions	(1,971)	7,075
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u><u>(131,240)</u></u>	<u><u>(135,551)</u></u>



## 28: Related party transactions

EEDA is an executive NDPB of BIS. During the year, EEDA had significant transactions with this department and with other entities for which BIS is regarded as the parent and in particular with other RDAs. EEDA has also had a number of transactions with other Government departments and other Central Government bodies, including English Partnerships / Homes & Communities Agency and the Department for Communities and Local Government. In addition, the Agency was involved in the following related party transactions and proposals during the period which are considered material:

### chief executive and executive directors business interest

Name	Business Interests	Position
Deborah Cadman	Regional Council for the Learning Skills Council	Member
	Suffolk Foundation	Trustee
Steve Cox	Bedfordshire Consortium Ltd	Director
	Cambridgeshire Horizons Ltd	Non-Executive Director
	Harlow Renaissance Ltd	Non-Executive Director
Paul May	Ocuity	Chairman
	Axonica	Director
Jamie Merrick	Renaissance Southend	Director

### Board members related party transactions

Related party	Name	Position in party	Payments 2008/09 £	Receipts 2008/09 £	Nature of payment/receipt
Bedfordshire County Council	Madeline Ann Russell	Leader	54,438	162	Services
British Telecom plc	Peter McCarthy-Ward	Director, East of England	27,881		Services
Bedford and Luton Economic Development Partnership	William Pope	Director	3,114,940		Grants
Cambridge University Hospitals	Shona Johnstone	Non-executive Director	66,955		Grants
Cambridgeshire County Council	Shona Johnstone	Councillor	1,589,711		Grants
			9,487	2,163	Services
East of England International Ltd	Stuart Evans	Non-executive Director	1,936,102		Grants
	George Kieffer	Non-executive Director			
East of England Tourist Board Ltd	The Earl of Iveagh Arthur Edward Rory Guinness	Director	1,280,554		Grants
	George Kieffer	Non-executive Director			
Essex County Council	Stephen Castle	Councillor	2,896,396		Grants
			38,548	32,887	Services
Essex Development & Regeneration Agency (EXDRA)	George Kieffer	Non-executive Director	2,165,120		Grants
			10,000		Services
Hertfordshire Prosperity Ltd	Robert James Timothy Wilson	Shareholder	1,041,581		Grants
IEG Technologies UK Ltd	William Pope	Director	15,000		Grants
King's Lynn & West	Paul Richard Burall	Councillor	149,250		Grants

Norfolk Borough Council				83	Services
Local Government Association	Shona Johnstone	Member	345		Services
	Bryony Rudkin	Member			
Norfolk Network	Beverly Jane Hurley	Chief Executive Officer	16,000		Grants
Norwich Heritage Economic & Regeneration Trust (Norwich Heart)	Richard Marriott Ellis	Director	250,000		Grants
Peterborough City Council	Marco Cereste ossi	Concillor	4,285,292		Grants
			51,080		Services
Peterborough URC	Marco Cereste ossi	Director	329,925		Grants
			20,000		Services
Prowess Ltd	Beverly Jane Hurley	Non-Executive Director	830		Services
Royal Norfolk Agricultural Association	Richard Marriott Ellis	Member	3,770		Services
RSPB	Richard Marriott Ellis	Member	203,836		Grants
	Madeline Ann Russell	Member			
Suffolk Agricultural Association	The Earl of Iveagh Arthur Edward Rory Guinness	Council Member	3,000		Services
Suffolk County Council	Bryony Rudkin	Member	5,701,059		Grants
			500	1,366,431	Services
Thames Gateway South Essex Partnership	Stephen Castle	Deputy Chairman	3,723,740		Grants
The Forum Trust Ltd	Richard Marriott Ellis	Director	440,000		Grants
The National Trust	Shona Johnstone	Member	59,326		Grants
	Madeline Ann Russell	Member	9,000		Services
University Campus Suffolk	Bryony Rudkin	Foundation Board Member	1,419,229		Grants
University of Hertfordshire	Robert James Timothy Wilson	Vice-Chancellor and Chief Executive	298,412		Grants
			3,330		Services
YTKO	Beverly Jane Hurley	Chief Executive Officer	243,103		Grants

### 29: Losses and special payments

In accordance with the provisions of the Accounts Direction, the Agency must summarise all losses and special payments made during the year. These are set out in the table below:

	Losses under £1,000	Special payments under £25,000
Number of instances	1	1

## **Appendix: Code of Best Practice**

### **Introduction**

1. This document sets out a Code of Best Practice for board members of the East of England Development Agency (EEDA).

### **Board Constitution and Membership**

2. The EEDA Board shall consist of not less than eight and no more than 15 members appointed by the Secretary of State. A quorum of the Board shall be 50% (half) of Board Members plus one.
3. Before appointing a person to be a member of EEDA, the Secretary of State shall consult: -
  - (a) such persons as appear to him to represent local authorities whose areas fall to any extent within the Agency's area;
  - (b) such persons as appear to him to represent employers in the Agency's area;
  - (c) such persons as appear to him to represent employees in the Agency's area;
  - (d) such persons as appear to him to represent the interests of those who live, work or carry on business in rural parts of the Agency's area;
  - (e) such other persons as he considers appropriate.

### **Public Service Values**

4. The Board of EEDA will at all times:-
  - observe the highest standards of propriety, impartiality, integrity and objectivity in relation to stewardship of public funds and management of EEDA's affairs;
  - in accordance with government policy on openness, comply fully with the principles of "Service First - The New Charter Programme", EEDA's Code of Access and the Code of Practice on Access to Government Information;
  - be accountable to Parliament and users of services for EEDA's activities, its stewardship of public funds and the extent to which key performance targets and objectives have been met;
  - maximise value for money through ensuring that services are delivered in the most efficient, effective and economical way, within available resources, and with independent validation of performance achieved wherever practicable.

### **Relationship with central government**

5. The nominated Minister of the sponsoring department is answerable to Parliament for the policies and performance of EEDA, including its use of resources and the policy framework within which it operates. As and when directed EEDA will also be responsive to requests for information from and attendance at House of Commons Select Committees.

### **Role of the chair**

6. Communications between the board of EEDA and the Minister will normally be through the Chair, except where the Board has agreed that an individual member should act on its behalf. Nevertheless, an individual Board Member has the right of access to Ministers on any matter that he or she believes raises important issues relating to his or her duties as a member of the Board. In such cases the agreement of the rest of the Board would normally be sought.
7. The main point of contact between EEDA and the sponsoring department on day-to-day matters will normally be the chief executive or another member of staff who is authorised to act on behalf of EEDA.

8. The Chair will ensure that all members of the board, when taking up office, are fully briefed on the terms of their appointment, and on their duties and responsibilities. They will be given a copy of this Code of Best Practice; the Management Statement and Financial Regulations; the latest Corporate Plan; "The Responsibilities of a NDPB Accounting Officer", the Treasury handbook "Regularity and Propriety", notes describing EEDA's organisational structure and the statutory basis of operation and the rules and procedures of the Board. Each board member will attend an induction course on the duties of Board Members of public bodies and other suitable training related to their new responsibilities.
9. The Chair has particular responsibility for providing effective strategic leadership on matters such as:
  - formulating the board's strategy, in conjunction with the chief executive, for discharging its statutory duties;
  - representing the views of the board to the general public;
  - ensuring the board, in reaching decisions, takes proper account of guidance provided by the nominated Minister of the sponsoring department;
  - encouraging high standards of propriety, promoting efficient and effective use of staff and other resources throughout the organisation; and
  - providing an assessment of performance of individual board members, on request, when they are being considered for re-appointment to the Board or appointment to the Board of some other public body.
10. The chair will ensure that the board meets on a regular basis, which it has agreed should be monthly. The meetings shall be held in all parts of the East of England and the minutes of the meetings shall accurately record decisions taken and, where appropriate, the views of individual board members.

#### **Corporate responsibilities of board members**

11. Members of the board have corporate responsibility for ensuring that EEDA complies with any statutory or administrative requirements for the use of public funds. Other important responsibilities of board members include:-
  - establishing the overall strategic direction of EEDA within the policy and resources framework agreed with the Minister;
  - formulating a strategy for implementing the Code of Practice on Access to Government Information, including prompt response to public requests for information;
  - ensuring that the board operates sound environmental policies and practices in accordance with government policy and other relevant guidance;
  - ensuring that high standards of corporate governance are observed at all times;
  - overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;
  - ensuring that, in reaching decisions, the board has taken into account any guidance issued by the sponsoring department;
  - ensuring that the board operates within the limits of its statutory authority; within the limits of the Board's delegated authority agreed with the sponsoring department; and in accordance with any other conditions relating to the use of public funds; and
  - ensuring that the Agency is fully committed to equal opportunities, including workforce balance, our relationships with partners and the organisations which the Agency funds.
12. The board of EEDA is established under statute and has corporate responsibility for all actions taken by board members, including any wrongful ones. This means that, if judgement is made against the board, any financial settlement will normally (except for such cases set out in paragraph 13) be met out of EEDA's resources rather than from the personal assets of individual board members.

## **Responsibilities of Individual board members**

13. Individual board members have wider responsibilities as members of the board. These include the duty to comply at all times with this Code of Best Practice (or any agreed modification of it) and with rules relating to the use of public funds; and to act in good faith and in the best interests of EEDA. At all times they will follow the “Seven Principles of Public Life” set out by the Committee on standards in public life (the Nolan Committee). They will not use information gained in the course of their public service for personal gain or for political purposes; nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms, businesses or other organisations. All Board Members will comply with the board's rules on the acceptance of gifts and hospitality.
14. Except for local councillors and Peers in relation to their conduct in the House of Lords, no board member should occupy a paid party political post or hold particularly sensitive or high profile unpaid roles in a political party. Board members are free to engage in political activities, provided that they are conscious of their general public responsibilities and exercise proper discretion, particularly in regard to the work of the board. On matters directly affecting that work, they will not make political speeches or engage in other political activities.
15. Although any legal proceedings initiated by a third party are likely to be brought against the board, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the chair or other individual board members. For example, a board member may be personally liable if he or she makes a fraudulent or negligent statement that results in loss to a third party. A board member who misuses information gained by virtue of his or her position may be liable for breach of confidence under common law or under insider dealing legislation.
16. An individual board member who has acted honestly, reasonably, in good faith and without negligence will not be required to meet out of his or her personal resources any personal civil liability that is incurred in execution or purported execution of his or her board function, except where that Board Member has acted recklessly. Board members who need further advice should consult the board's legal advisers.
17. The arrangements for appointing individual board members make it possible to remove him or her from office if he or she fails to perform the duties required of a Board Member to the standards expected of persons who hold public office.

## **Handling Conflicts of Interest**

18. The chair and other board members will declare any personal or business interests that may conflict with their responsibilities as Board Members. The board has drawn up codes of conduct for board members that ensure that such conflicts are identified at an early stage and that appropriate action can be taken to resolve them. This includes a register of interests of board members that is open for public inspection. The register will list direct or indirect pecuniary interests which members of the public might reasonably think could influence judgement. It will also include non-pecuniary interests of members that relate closely to EEDA's activities and interests of close family members and persons living in the same household as the board member. Indirect pecuniary interests arise from connections with bodies that have a direct pecuniary interest or from being a business partner of, or being employed by, a person with such an interest. Non-pecuniary interests include those arising from membership of clubs and other organisations. Close family members include personal partners, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.
19. EEDA will make the register of interests open to the public. Details of how access can be obtained will be available widely and included in Annual Reports. The register will be published annually. Board members are required to update their entry in the register as changes occur.
20. The rules of conduct for board members include the following:-
  - i. Board members will not participate in the discussion or determination of matters in which they have a direct pecuniary interest. Should a member become aware of a conflict during the course of a meeting, this should be declared at once, for inclusion in the minutes and they should withdraw from the meeting.
  - ii. When an interest is not of a direct pecuniary kind, Board members will consider whether participation in the discussion or determination of a matter would suggest a real danger of bias. This is interpreted in the sense that board members might unfairly regard with favour, or disfavour, the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, board members will assess whether they, a close family member, a person living

in the same household as the board member, or a firm, business or other organisation with which the board member is connected are likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a decision to invite tenders for a contract where a firm with which a board member was connected was significantly better placed than others to win it.

- iii. In instances covered by 20i and 20ii, where board members do not participate in the discussion or determination of a matter, they will normally withdraw from the meeting, even if it is held in public. This is because the continued presence of someone who had declared an interest might be thought likely to influence the judgement of the other board members present.
- iv. Whether or not board members are able, in the light of the considerations above, to participate in the discussion or determination of a matter, they will declare when practicable after a meeting begins if they have an interest, pecuniary or other, in a matter being considered. They will also disclose any interests in it, of which they are aware, on the part of close family members and persons living in the same household as the board member. In addition, board members will consider whether they need to disclose relevant interests of other persons or organisations which members of the public might reasonably think could influence the board member's judgement.

### **Delegation**

21. Board Members serve on a part-time basis. To the extent permitted by the originating legislation or other provisions under which the Agency is established, responsibility for day-to-day management matters is delegated so far as is practicable, within a clearly understood framework of strategic control.

A member may not act in relation to any matter delegated to them if they are in any way directly or indirectly interested in that matter.

22. The board will over time issue internal guidance covering those matters delegated to staff and those reserved for decision by the board. The latter will include issues of corporate strategy; key strategic objectives and targets; major decisions involving the use of financial and other resources; and personnel issues including key appointments and standards of conduct. Board sub-committees have been created to address audit, resources and remuneration issues.

### **Strategic Planning and Control**

23. One of the main tasks of the board is oversight of the production of a Corporate Plan. The process of preparing such a document provides an opportunity for agreeing, with the responsible Minister, or officials on his or her behalf, the policy and resources framework within which EEDA will discharge its duties; and for determining its key strategic objectives and targets. Such targets cover areas such as EEDA's financial performance; the efficiency and effectiveness of its operations; and the quality of the services it provides.

### **Openness and Responsiveness**

24. Members of the board are responsible for providing Parliament (including its Select Committees) and the public with as full information as may be requested concerning their policy decisions and actions. They will ensure they can demonstrate that they are using resources to good effect, with probity, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. Board members and their staff will conduct all their dealings with the public in an open and responsible way, and ensure full compliance with the principles of "Service First - The New Charter Programme" and the Code of Practice on Access to Government Information.
25. The board will act consistently with the nature of the Agency's business and the possible need for confidentiality on commercial or other grounds, always subject to the rights of Parliament and the Comptroller and Auditor General to obtain information. The Board has established internal procedures to deal with complaints, including those on failure to provide information.

### **Accountability for Public Funds**

26. Members of the board have a duty to ensure that public funds and assets which have been publicly funded are properly safeguarded; and that, at all times, EEDA conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance on government accounting.
27. Members of the board are responsible for ensuring that EEDA does not exceed its powers or functions, whether defined in statute or otherwise, or through any limitations on its authority to incur expenditure. They are advised on these matters by the chief executive and EEDA's legal advisers.

## **Annual Report and Accounts**

28. As part of its responsibilities for the stewardship of public funds, the board will include a full statement of the use of such resources in its Annual Report and Accounts. Such accounts are prepared in accordance with the accounts direction issued by the responsible Minister and such other guidance as may be issued, from time to time, by the sponsoring department and the Treasury.
29. The Annual Report will provide a full description of the Board's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current members of the Board and senior staff, and provide details of remuneration of Board Members and senior staff within the range of prescribed salary bands.

## **The Role of the chief executive**

30. The chief executive has responsibility, under the board, for the overall organisation, management and staffing of EEDA and for its procedures in financial and other matters, including conduct and discipline. This involves the promotion by leadership and example of the values embodied in the Nolan Committee's "Seven Principles of Public Life". Board members support the chief executive in undertaking this responsibility.
31. The chief executive is designated as the accounting officer for EEDA and is responsible to Parliament and the Accounting Officer of the sponsoring department for the resources under his control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which he is answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in his charge. The Accounting Officer has a responsibility to see that appropriate advice is tendered to the board on all these matters. Satisfactory performance of these responsibilities is fundamental to the role of the chief executive.

## **Audit**

32. EEDA has established an Audit Committee as a sub-committee of the board. The Audit Committee is drawn from members of the board who are not members of the Resources Committee.

## **The Board as Employer**

33. The board will ensure that it complies with all relevant employment legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by public bodies. All staff will be familiar with the Agency's corporate strategy, including its main aims and objectives, and the internal management and control systems that relate to their work. In filling senior staff appointments, the Board will satisfy itself that an adequate field of qualified candidates is considered, and will always consider the merits of full open competition, which will normally be used for recruitment of external candidates.
34. The board will ensure that its members, and EEDA staff, have access to expert advice and suitable training opportunities that they may require in order to exercise their responsibilities effectively.
35. The board will ensure that EEDA's rules for the recruitment and management of employees provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff, and that EEDA adopts rules of conduct for its employees which reflect the public service values set out in paragraph 2 above and management practices which will use resources in the most efficient and economical manner.
36. The board has a responsibility to monitor the performance of the chief executive and senior staff. Where the terms and conditions of employment of the chief executive, and other members of staff, include an entitlement to be considered for performance-related pay, and where board members assess such payments, the Board will ensure that they have access to the information and advice required to make the necessary judgements.
37. The board will adopt the Cabinet Office's (Office of Public Service) code of conduct for its staff. The code covers arrangements enabling members of staff to raise concerns about propriety with a nominated official or board member of EEDA in the first instance and subsequently, if necessary, with a nominated official in the sponsoring department. There are safeguards to prevent conflicts of interests when staff leaves.

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