

**ENGLAND'S REGIONAL DEVELOPMENT AGENCIES
RDA CORPORATE PLANS FOR 2005-08
TASKING FRAMEWORK**

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Introduction

- 1.1 Under the Regional Development Agencies Act 1998, England's Regional Development Agencies have the following statutory purposes:
- to further the economic development and the regeneration of its region;
 - to promote business efficiency, investment and competitiveness in its region;
 - to promote employment in its region;
 - to enhance the development and application of skills relevant to employment in its region, and
 - to contribute to the achievement of sustainable development in the UK where it is relevant to its region to do so.
- 1.2 These purposes apply as much in relation to the rural parts of each region as in relation to the non-rural parts.
- 1.3 The London Development Agency (LDA) is a functional body of the Greater London Authority reporting to the Mayor of London. Unlike other RDAs, the powers to direct the LDA are invested in the Mayor not the Secretary of State. The Mayor sets the context for the LDA's work through his Economic Development Strategy (EDS), sets the Agency's targets and approves its Corporate Plan. Because Government provides the LDA's funding, it needs enough information to inform funding decisions and reach a considered view as to how the LDA is performing compared to RDAs elsewhere. It therefore attaches conditions to its funding in an annual grant offer letter. This specifies that the LDA will prepare a Corporate Plan in accordance, so far as practicable, with this guidance, that the Secretary of State will have an opportunity to comment on the draft and will agree the key performance targets in the Corporate Plan. The Mayor and Government also agree a Performance Monitoring and Evaluation Framework for the LDA, based on the national framework, which makes information available to central government as well as the GLA, without cutting across London's devolved governance arrangements.

RDA Corporate Plans

- 2.1 The Framework requires each RDA to show in its Corporate Plan for 2005-08, how, in support of its statutory role and responsibilities, it will address the priorities identified in the Regional Economic Strategy (RES) for the region and contribute to the delivery of the Government's PSA Targets on Regional Economic Performance, Sustainable Development and Productivity/Rural Productivity and through these to the delivery of a range of other PSA Targets, set out at **Annex A**.

- 2.2 The RDAs have been tasked to deliver a number of mandatory outputs, including a number of Core Outputs; details are at **Annex B**. Possible components of the Core Outputs are described in Annex A of the Guidance on Corporate Plans issued by DTI.
- 2.3 The RDAs' strategic role is to mobilise the actions of key regional and sub-regional partners in the public and private sector, and also in the voluntary and community sector, to support the achievement of regional economic development priorities as agreed in the RES for their region; the priority attached to particular sectors will vary from region to region.
- 2.4 As authors of the RES, and through their relationships with local economic agents, RDAs are in a natural position to lead and coordinate discussions with partners and to influence the design and delivery of government policy and programmes through working with Departments. RDAs are increasingly active in non-project activities that do not produce traditional outputs, and so capturing this 'catalytic' and 'influencing' role is essential to full monitoring of RDA performance. As RDAs' SAV is a key part of their contribution to PSA delivery, it will be identified in RDA Corporate Plans and reporting.
- 2.5 The RDAs are also required to deliver efficiency savings, rising 2.5% over each year of the Corporate Plan period, and to set out in their Plans details of how the savings will be achieved in terms of the specific outputs that each RDA will aim to achieve and the arrangements by which progress will be monitored. Setting efficiency targets may entail reducing overheads and administrative costs, with the aim of releasing cash to allow more stretching targets to be set with respect to their existing responsibilities or to fund new activities in the future without the need for additional funding.
- 2.6 Under this Framework the RDAs are required to prepare their Corporate Plans for 2005-08, taking into consideration guidance issued separately by the Department of Trade and Industry, and submit these to DTI by mid-January 2005.

Contacts

- 3.1 The DTI official generally responsible for co-ordinating the circulation of draft Corporate Plans is Rags Poduval, 1st floor, 1 Victoria Street, 020 7215 3901, r.poduval@dti.gsi.gov.uk.

Regional Development Agency Sponsorship & Finance Directorate
Department of Trade & Industry
January 2005

RDAs and Public Service Agreement (PSA) Targets

In taking forward their mission of transforming England's regions through sustainable economic development, the RDAs are required to publish Corporate Plans. In their Plans for 2005-08, the RDAs are required by this Framework to show how, in support of their statutory role and their statutory duty to contribute to sustainable development, each RDA will address the priorities identified in the Regional Economic Strategy (RES) for the region, and contribute to the delivery of the Government's SR04 PSA Targets on Regional Economic Performance, Sustainable Development and Productivity/Rural Productivity, and through these to the delivery of a range of other PSA Targets as described below. The RDAs' contribution to the PSA Targets on Regional Economic Performance and Sustainable Development will also contribute to the Office of the Deputy Prime Minister's overarching aim of Creating Sustainable Communities.

The RDAs' rôle in contributing to the delivery of PSA Targets will vary by region, reflecting the diversity of the regions, and will be limited to areas of activity that fall within the remit of the RDAs and their priorities as set by RESs and, where relevant, national policy frameworks.

Regional Economic Performance, Sustainable Development and Productivity/Rural Productivity

Regional Economic Performance

- Make sustainable improvements in the performance of all English regions by 2008, and over the long term narrow the gap in growth rates between the regions, demonstrating progress by 2006 (Target shared by DTI, ODPM and Treasury)

Sustainable development

- Promote sustainable development across Government and in the UK and internationally, as measured by: the achievement of positive trends in the Government's headline indicators of sustainable development; the UK's progress towards delivering the World Summit on Sustainable Development commitments, notably in the area of sustainable production and consumption, chemicals, biodiversity, oceans, fisheries and agriculture; and global climate change agreements (Defra Target)

The RDAs' contribution to the delivery of this Target will also reflect their contribution, within their remit, to delivering the goals of the Government's energy policy, which are set out in the Energy White Paper.

Productivity/Rural Productivity

- Demonstrate further progress by 2008 on the Government's long-term objective of raising the rate of UK productivity growth over the economic cycle, and narrowing the gap with our major industrial competitors (Target shared by DTI and Treasury).

The RDAs' contribution to the delivery of this Target will also reflect their contribution to the following Target:

- Improve the productivity of the tourism, creative and leisure industries by 2008 (DCMS Target)

The RDAs will also ensure that action on regional productivity supports the following PSA Target:

- Reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2008, demonstrating progress by 2006, and improve the accessibility of services for rural people (Defra Target)

This will entail the identification by each RDA of the areas lagging in its region, taking into account the ongoing work with Defra on this Target.

Improving productivity is also a key factor in achieving the outcomes of the national Sustainable Food and Farming Strategy. RDAs, working with regional partners, will contribute, within their remit, to delivering these outcomes. RDAs will also contribute to securing Defra's target to improve the accessibility of services for people in rural areas and are required to monitor and report on the extent to which access to key services is achieved by their action directly or with others¹; and the extent to which improved access to services is achieved through their influence on partners in the region, which will be reported on a qualitative basis as part of their contribution to Strategic Added Value.

¹ Methodology will be discussed between DEFRA and the RDAs taking into account the Rural Strategy 2004, the work of the Rural Evidence Research Centre and other data and frameworks in defining need.

Other PSA Targets

The RDAs also contribute to the delivery of various other PSA Targets as follows:

Employment

- Over the three years to Spring 2008, and taking account of the economic cycle: demonstrate progress on increasing the employment rate; increase the employment rates of disadvantaged groups (lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications and those living in the Local Authority wards with the poorest initial labour market position); and significantly reduce the difference between the employment rates of the disadvantaged groups and the overall rate (DWP Target; overall employment rate element is shared with Treasury)

Enterprise

- Build an enterprise society in which small firms of all kinds thrive and achieve their potential with an increase in the number of people considering going into business; an improvement in the overall productivity of small firms; and more enterprise in disadvantaged communities (DTI Target)

The RDAs' contribution will include delivery of the DTI's Business Support products for which they have responsibility, and which themselves support the delivery of this Target and others, for example the Science & Innovation PSA Target. In respect of this the RDAs are required to operate the products in line with balanced scorecards agreed with DTI and report management information.

In support of their contribution to this PSA Target, the RDAs are required to report on Business Link performance against targets defined by the Business Link National Performance Management Framework, which currently comprise:

- Penetration
- Customer Satisfaction
- Intensive assistance received & GVA

International trade and foreign direct investment

- By 2008, deliver a measurable improvement in the business performance of UK Trade & Investment's international trade customers, with an emphasis on new to export firms; and maintain the UK as the prime location in the EU for foreign direct investment (Joint target with DTI and FCO)

In support of their contribution to this PSA Target, the RDAs will continue to work with UKTI to increase the numbers of new inward investment successes (of which 75% knowledge driven) into the regions as well as the numbers of successful new exporters and firms assisted into new markets. For inward investment promotion activities, the RDAs will continue to comply with the requirements of the longstanding Committee on Overseas Promotion. This reflects the unique operational arrangement between UK Trade & Investment's Inward Investment Group and the RDAs, as part of the UK-wide inward investment promotion network, both in the UK and overseas.

Neighbourhood renewal

- Tackle social exclusion and deliver neighbourhood renewal, working with Departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010 (ODPM Target)

Science and innovation

- Improve the relative international performance of the UK research base and increase the overall innovation performance of the UK economy, making continued progress to 2008, including through effective knowledge transfer amongst universities, research institutions and business (DTI Target)

Skills

All RDAs will work with Regional Skills Partnerships (RSPs) to make a full regional contribution to the shared DfES, DWP and DTI over-arching aim to "attain greater labour market capacity and higher productivity and business performance, and ensure individuals have the skills they need for employment, progression and personal development", which reflects various Departments' PSA Targets and the CBI, TUC and SBC joint skills statement. The RDA and RSP contribution will be based on regional economic and skills priorities and will include a contribution to the following Target:

- Increase the number of adults with the skills required for employability and progression to higher levels of training through: improving the basic skill levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007; and reducing by at least 40% the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010. Working towards this, one million adults in the workforce to achieve level 2 between 2003 and 2006 (DFES Target)

Also the skill level is a key factor affecting regional productivity and, as such, action to improve skills will make a contribution to meeting the Regional Economic Performance PSA Target, as set out above.

Sustainable Communities

- Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities (ODPM Target)

Sustainable Farming and Food

- Deliver more customer focused, competitive and sustainable farming and food industries and to secure further progress via CAP and WTO negotiations in reducing CAP trade-distorting support (Defra Target)

Voluntary and Community Sector

- Increase voluntary and community sector engagement, especially amongst those at risk of social exclusion (Home Office Target)

Under this target the Government aims to increase the proportion of public services which are delivered by voluntary and community organisations, and to increase the extent to which communities and community groups influence decisions by statutory agencies and contribute to the design of policies and programmes.

As RDAs' actions can contribute, directly and indirectly, to both of these, especially in disadvantaged areas and in relation to regeneration, the RDAs will report on the extent to which their activities contribute to each aspect of the PSA target on a quantitative and qualitative basis as part of their contribution to Strategic Added Value (SAV). The Local Community Sector Taskforce, which includes representatives of the VCS, the RDAs and Government, will recommend to Ministers a measurement framework in this area, including a timescale for implementation which takes full account of systems implications. In addition there is a need for regeneration projects to invest in community organisations to enable communities to influence local regeneration decisions. Furthermore, to minimize the impact of the wind-down of the Single Regeneration Budget on the VCS, the RDAs will continue to work closely with the VCS in a number of areas throughout the 2004 Spending Review period, including by developing regional Compacts with the VCS in each region.

RDA OUTPUTS

Introduction

- 1.1 The attached note of RDA Core Outputs will allow tracking of progress in delivery of key aspects of a project or programme in support of the Regional Economic Strategy (RES) for the region and the Public Service Agreement (PSA) Targets covered by the Tasking Framework. Possible components of the Core Outputs are described in Annex A of the Guidance on Corporate Plans issued by DTI.

Key Principles

- Output indicators should be used in conjunction with strategic added value to help understand the possible influence of a project, programme or activity on regional outcomes - the indicators should be used as a tool to help drive activities to achieve RES priorities and contribute to the delivery of the PSA Targets covered by the Tasking Framework.
 - Output measures should as far as possible be defined and used consistently between RDAs so that data derived from them can be used for evidence-based policy making. Action is in hand to ensure consistency. Since RDA activities will change over time, and good practice in use of the indicators will evolve, the Core Outputs may need to be reviewed in due course.
 - A significant challenge to be addressed in the short term is to ensure that RDA systems and practices take account of the requirements for managing new responsibilities from the 2004 Spending Review, notably Business Link, and for managing activities for 2005-08 that will be developed through the Corporate Planning process, to December 2004.
 - Since an RDA's project or programme can contribute to numerous PSAs, RDA outputs cannot be meaningfully divided between central government departments or PSAs.
- 1.2 On the basis of the above principles, the Tasking Framework requires RDAs to set out in their Corporate Plans what they will deliver with respect to the Tasking Framework in order to further the RES for their region and to contribute to delivery of the PSA Targets covered by the Framework, setting a specific target for each of the Core Outputs and for the required components of these (as set out in the Tasking Framework), and for any additional outputs added by individual RDAs if they feel that a significant area of their activity could not be meaningfully captured under any of the Core Outputs.

- 1.3 RDAs should set output target ranges (indicating the best and worst case scenarios).
- 1.4 Forecasting during the half year should be encouraged as good working practice rather than dogmatically pursuing a target established at the outset of the three year period.
- 1.5 Progress against the targets that the RDAs set for the Core Outputs will be put in the public domain by DTI every six months.
- 1.6 A task-and-finish group has been set up to agree a new RDA Performance Monitoring Framework by April 2005. This will consider how best to achieve in-year and end-year reporting to RDA Boards and Departments of progress in the delivery of the Corporate Plan, including progress against the targets set for all Core Outputs and their required components and also against the Agency's efficiency targets, while minimizing the burden on the RDAs.
- 1.7 The RDAs and Departments, working through DTI, will establish the definitions of the Core Outputs and the required components of these identified in the table, as well as a common basis for monitoring and reporting on these, under the project management of the Office of Project Appraisal Training and jointly steered by the Performance Management and Appraisal Practitioners Groups. These definitions will be set out in a Technical Note, to be added to the Tasking Framework in due course. The definitions will need to minimize the risk of doublecounting and the burden of data collection. The definitions of the Core Outputs will be reviewed in due course to facilitate continuing improvement of the reporting process.
- 1.8 There are various transitional issues. The differences between the Core Outputs and the Targets embodied in the original target framework are likely to result in a data collection time-lag while the new arrangements bed in with the RDAs and external partners, for example the terms of new funding contracts will have to be amended to cover the collection of outputs under the new definitions. There are also transitional issues in relation to programme management information systems, the treatment of existing, pipeline and new project contracts, changes in project application and appraisal, delivery/monitoring and evaluation guidance and associated forms/checklists etc., and training and guidance for RDA and partner staff. RDA Corporate Plans may flag any transitional data collection issues.
- 1.9 All output indicators should be used to assess how well RDA action is benefiting all the region's residents, though RDAs will wish to identify

priority groups based on the characteristics of the region. In assessing distributional impacts, ie the distribution of the costs or benefits of interventions across different groups in society, RDAs may wish to consider the impact on individuals by income, gender, ethnic group, age, geographical location, or disability (Treasury Green Book Annex 5). Rural proofing requires that all regions, except London, should assess any differential impacts of programmes on rural residents – the action flowing from this assessment will vary for example: if the output applies equally to rural residents and is delivering no special action is required; if the output applies equally to rural residents but monitoring shows that it is not delivering, special action may be needed and/or a different output for rural residents developed.

RDA CORE OUTPUTS

<p>Core Output</p> <p>(To be capable of disaggregation on a rural/urban basis and by disadvantaged areas)</p>	<p>Outputs may contribute to the following PSA Targets covered by the Tasking Framework</p>
<p>Employment creation</p> <p>No. of jobs created or safeguarded</p>	<p>Employment International Trade & Foreign Direct Investment Neighbourhood Renewal Regional Economic Performance Science & Innovation Skills Sustainable Communities Sustainable Development Sustainable Farming & Food Voluntary/Community Sector (VCS)</p>
<p>Core Output</p> <p>(To be capable of disaggregation on a rural/urban basis and by disadvantaged areas)</p>	<p>Outputs may contribute to the following PSA Targets covered by the Tasking Framework</p>
<p>Employment support</p> <p>No. of people assisted to get a job</p>	<p>Employment International Trade & Foreign Direct Investment Neighbourhood Renewal Productivity/Rural Productivity Regional Economic Development Science & Innovation Skills Sustainable Communities Sustainable Development Voluntary/Community Sector (VCS)</p>

<p>Core Output</p> <p>(To be capable of disaggregation on a rural/urban basis and by disadvantaged areas)</p>	<p>Outputs may contribute to the following PSA Targets covered by the Tasking Framework</p>
<p>Business Creation</p> <p>No. of new businesses created and demonstrating growth after 12 months, and businesses attracted to the region</p>	<p>Employment Enterprise International Trade & Foreign Direct Investment Neighbourhood Renewal Productivity/Rural Productivity Regional Economic Performance Science & Innovation Skills Sustainable Communities Sustainable Development Sustainable Farming & Food Voluntary/Community Sector (VCS)</p>

<p>Core Output (and required component)</p> <p>(To be capable of disaggregation on a rural/urban basis and by disadvantaged areas)</p>	<p>Outputs may contribute to the following PSA Targets covered by the Tasking Framework</p>
<p>Business Support</p> <p>No. of businesses assisted to improve their performance</p> <p>To include:</p> <ul style="list-style-type: none"> - no. of businesses within the region assisted to engage in new collaborations with the UK knowledge base (knowledge base/business collaboration). 	<p>Employment Energy Enterprise International Trade & Foreign Direct Investment Neighbourhood Renewal Productivity/ Rural Productivity Regional Economic Performance Science & Innovation Skills Sustainable Development Sustainable Farming & Food Voluntary/Community Sector (VCS)</p>

<p>Core Output (and required component) (To be capable of disaggregation on a rural/urban basis and by disadvantaged areas)</p>	<p>Outputs may contribute to the following PSA Targets covered by the Tasking Framework</p>
<p>Regeneration</p> <p>Public and private regeneration infrastructure investment levered (£m/% private)</p> <p>To include:</p> <ul style="list-style-type: none"> - Such investment in reclaiming and redeveloping brownfield landⁱ. 	<p>Employment Energy Enterprise International Trade & Foreign Direct Investment Neighbourhood Renewal Productivity/Rural Productivity Regional Economic Performance Science & Innovation Sustainable Communities Sustainable Development Sustainable Farming & Food Voluntary/Community Sector (VCS)</p>

<p>Core Output (and required components) (To be capable of disaggregation on a rural/urban basis and by disadvantaged areas)</p>	<p>Outputs may contribute to the following PSA Targets covered by the Tasking Framework</p>
<p>Skills</p> <p>No. of people assisted in their skills development as a result of RDA programmes</p> <p>To include:</p> <ul style="list-style-type: none"> - no. of adults gaining basic skills as part of the Skills for Life Strategy that count towards the Skills PSA Target; - no. of adults in the workforce who lack a full Level 2 or equivalent qualification who are supported in achieving at least a full Level 2 qualification or equivalent. 	<p>Employment Energy Enterprise International Trade & Foreign Direct Investment Neighbourhood Renewal Productivity/Rural Productivity Regional Economic Performance Science & Innovation Skills Sustainable Communities Sustainable Development Sustainable Farming & Food Voluntary/Community Sector (VCS)</p>

ⁱ As set out in the Sustainable Communities Plan [2003], the Government will, through the RDAs and English partnerships, remediate brownfield land at a rate of over 1,400 hectares per annum for economic, commercial, residential and leisure use.