

**Business & Enterprise North East
Corporate delivery plan 2010-2011
FINAL (V3)**

Service excellence, efficiency, new opportunities

Contents

Section	Page
Executive summary	3-6
1.0 Purpose	7
2.0 Corporate aims and objectives	8
3.0 Performance	9
4.0 The market	10-15
5.0 Environmental factors	16-17
6.0 Corporate strategy	18-20
7.0 Business unit delivery plans	21
8.0 Marketing	22-29
9.0 Operations	30
10.0 People	30-34
11.0 Information	35-39
12.0 Corporate services	40-45
13.0 Monitoring and control	46
14.0 Budget	46-49

Executive Summary

Performance

2009-2010 will see the trend of performance improvement demonstrated by BE-NE over the last two years sustained and enhanced. Following a 5.5% increase in penetration for 2008/09, we are on track to exceed the 2009/10 target and anticipate a strong set of operational results across all contracts. With over one third of the North East business population now using our services, the culture of using a more comprehensive and integrated business support network is rapidly taking root. The strong operational performance is underpinned by an equally stable set of financial results.

The impact of our services has been impressive and transparent with an independent evaluation establishing that for over £1 of public funding we receive, £4.63 additional GVA is generated.

We have also driven efficiency into the business support network with independently verified statistics showing a cost saving of £2.3 million achieved for the regional Business Link service and our back office costs reducing from 25% to 15% of our total costs.

During 2009/10, in addition to maintaining a strong market presence, we have also achieved the following key highlights:

- Launching the Compete North East service under the Business Link brand
- Additional investment and hands-on support to address the economic downturn
- Securing the new UKTI contract and enhancing the international trade service with wider support
- Mobilising a series of Solutions for Business products
- Enhancing the NEEIC portfolio with a wider group of funders
- Launching new local authority programmes in Stockton, Middlesbrough and Newcastle
- Driving business support simplification into the North East market
- Absorption and 'operationalisation' of the North East Employer Coalition

The market

The long-term consequences of the recent recession have yet to be fully realised. The latest insight reveals a business population growing until the mid-point of the recession with over 63,000 businesses trading in the North East. However, business formation according to the new classification dipped from 2007 to 2008 by 1.15%.

The GVA value created by the total customer base increased by £250 million in 2008, which was behind the UK average of 3.5% and reveals £7.9 billion regional GVA to achieve 90% of the UK average. The recent improvement in GVA productivity for the region has also stalled and is 23% below the national average at approximately £16,000 per head in the North East. Export performance continues to be strong in terms of a balance of trade for the region, but the number of exporters in the North East is still 25% below the UK average and will be critical in maximising the opportunities from the upturn. As such enhancing the international trade offer in the region through UKTI services will be a priority for BE-NE in the next twelve months.

Customers recently have been continuing to need working capital to ensure they sustain the economic difficulties and when in business shown a need for strategic planning and generating orders. These areas are strong for pre-start customers too, but their demand for new product development and new markets is low.

Environment

The legacy of the recession for start-up rates and economic value underlines the need for our services to continue to support businesses in tackling the consequences of the recession, as well as helping the North East business community prepare for the upturn.

The Business Support Simplification programme is now embedded within all parts of BE-NE, and we continue to manage relationships and deliver services to support simplifying business support within the region.

With the emergence of the Durham and Northumberland unitary authorities within the region we continue to play an active role in integrating our business support offer within both of the counties' plans. This is complementary to our wider strategic engagement which shows us actively contributing towards Local Area Agreements, Multi-Area Agreements and Local Development Frameworks etc. and the development of Integrated Business Support Plans with local authorities throughout the region.

Emerging technology, such as the proliferation of social media and other web based technology has also been a key driver for our internal processes and future plans for service development, a drive which means we are leading technological change within the business support industry to become a 21st century service.

Future strategy

Our plans for 2009/10 continue to be focused on helping more businesses start, succeed and grow within the region and are underpinned by the three themes which will drive forward the organisation - these are: service excellence, efficiency and innovation.

Service Excellence

- A passion for putting the customer first has been demonstrated with:
- Exploring the “hybridisation” of the Business Link advisers
- Rapidly responding with an investment and workshops package targeted to the Corus closure
- Provision of customer insight information through specific services and data analysis
- Implementation of customer focus groups for NEESPR, International Trade and BE-NE

Efficiency

Having reduced back office costs over the last 3 years from 25% to 15% of total costs, we continue to drive efficiency throughout the business. This has been demonstrated in:

- The absorption of a £429,000 budget reduction in the skills brokerage budget
- Leveraging £70,000 efficiency savings via the NEEIC re-structure
- The development of an in-house contact centre to reduce the costs of customer engagement and impact verification

Innovation

Working creatively and innovatively to improve services and streamlining process is a critical imperative for us in our plans for 2009/10 as we seek to both drive efficiency and improve customer service. We continue to be a market leader in this area with examples for the next year being:

- The extension of the Compete North East supplier sourcing service into adjacent markets
- Launch of the on-line Understanding Finance workshops service
- The addition of the loans range to the NEEIC portfolio
- Rapid response services to the Corus and its supply chain
- The integration of a new finance system
- Streamlining the provision of International Trade services and development of new additional support
- Providing flexible access to NEEIC for partners
- Developing customer-facing interface for the NEESPR

Building on a sustained trend of performance improvement, 2010-2011 will see a further improvement in results whilst an incisive efficiency drive ensures costs are kept to a minimum and value to a maximum. We will continue to improve the quality of our customers' experience and drive impact this achieve, and as we do so stay absolutely focused on helping more businesses in our region start, succeed and grow.

1. Our purpose

1.1 Mission

Business and Enterprise North East's mission is:

“To help more businesses start, succeed and grow”

1.2 Vision

We are a company with high expectations and our aspirations are:

“To be the best and biggest independent specialist in enterprise, business support and economic development in the UK”

2. Aims and objectives

2.1 Aims

- Increasing the number of new businesses and enabling them to become more sustainable.
- Increasing the size, productivity, performance and competitiveness of the region's business stock.
- Improving the skills base of businesses in the region.
- Enabling the region's business community tackle the challenges presented by the economic downturn.
- Position the region's businesses to be in the best position for the economic upturn.

2.2 Corporate objectives

BE-NE is focusing on achieving the following key strategic targets which represent the combined impact of its resources.

Performance measure	2010-2011 target
Overall Penetration	32,500
Overall Customer Satisfaction (Overall)	90%
Overall Customer Satisfaction (IDB)	90%
Overall Customer satisfaction (Skills)	90%
Overall Customer satisfaction (NEEIC)	90%
Customer Satisfaction (Very Satisfied)	60%
Pre-starts supported	15,800
No. Of Engagements	5,939
No. of action Plans	5,000
No. of Skills Intensive Assists	2,446
No. of Primary Diagnostics	13,500
No. of In Depth Diagnostics (inc of all)	15,313
NTF1 (O1a) - Jobs Created ²	5,010
NTF1 (O1b) Jobs Safeguarded ²	990
R14 Jobs Created ¹	366
R18 Jobs Safeguarded ¹	1,187
NTF 2 - Employment support	1,480
NTF3 (i) - Businesses Created	4,500
NTF3 (iii) Businesses Created & Surviving 12 mths	3,300
NTF3 (iv) Businesses Created & Surviving 24 mths	1,850
NTF4 - Businesses Supported (inc NTF4M)	20,699
NTF4 M - environmental bus support	1,000
NTF6 - Skills	1,900
UKTI Passport Total	80
UKTI Significant Assistance	375
UKTI Gateway to Global Growth	120
UKTI OMIS (£)	368,000
RSF Redundancy	2,686
RSF - Skills Growth Unique Learners	4,911
O08 SMEs Assisted (Under 12m)	447
O09 SMEs Assisted (Over 12m)	1,408
R23's (Businesses Created)	136
Value of investment	£28M
NTF5 - Leverage	£27.7m
GVA (lag indicator)	15%

Performance

Highlight the recent past, current and year end projected performance.

Measure	08/09 Target	08/09 Actual	Variance (%)	Q3 09-10 Target	Q3 09-10 Actual	Variance (%)	Full 09-10 Target	Full 09-10 Forecast
Overall penetration	32,548	34,344	+ 5.5%	24,058	24,838	3.2%	32,500	On target
Businesses created	4,000	4,384	+9.6%	2,954	3,191	8%	4,000	On target
Jobs created	4,800	5,400	+12.5%	3,267	3,660	12%	4,800	On target
Customer satisfaction – IDB	90%	91.5%	+1.5%	90%	90%	0%	90%	90%
Investments made	NA	7,555	NA	NA	4,821	NA	NA	7,500
Value of investments	NA	£19.7m	NA	NA	£17m	NA	NA	£20m

In addition to the contractual performance summarised above an independent evaluation of BE-NE provided a vindication of the large cultural shift engendered by BE-NE's focus on the quality of the services provided to customer, the measurable impact generated and efficiency. The key findings are set out below:

Impact

- BE-NE support contributed £73.2m in terms of turnover and £31.1m of additional GVA during 08-09.
- In terms of intensive support, BE-NE intervention resulted in £7,045 of GVA per business supported.
- Including average persistence effect of five years and applying the appropriate discount factor allows estimation of a net present value of the 2007/08 – 2008/09 period's investment of £135m. The analysis also presents a cost-benefit ration of BE-NE intervention of 4.63. This equates to every £1 of public funding invested in BE-NE, £4.63 of additional GVA is generated.*

**Please note – these figures represents an underestimation of the true impact as BE-NE non-intensive assists are not factored into this assessment.*

Value for Money Analysis

- During 09-10 estimates of value for money show that:
 - For every £1 of public money spent, £2.51 of net additional turnover was generated as a result of BE-NE support.*
 - For every £1 of public money spent, £1.07 of net additional GVA was generated as a result of BE-NE support. *

**Please note – these figures represents an underestimation of the true impact as BE-NE non-intensive assists are not factored into this assessment.*

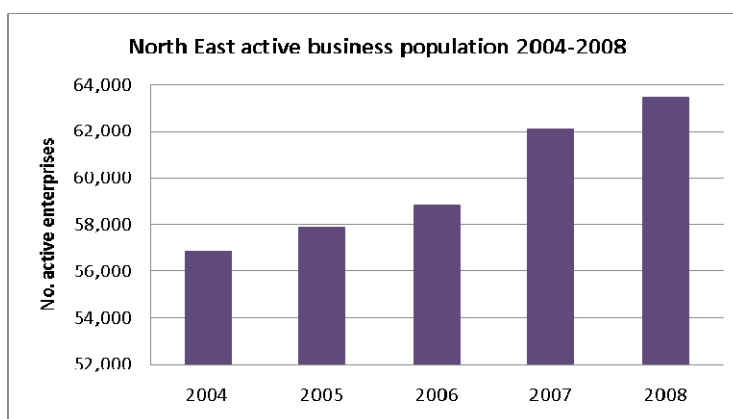
Efficiency and cost savings

- Annual efficiency cost savings for the regional Business Link service post April 2007 continue to be in the region of £2.3m.
- Back office costs have been reduced from 25 per cent to 15 per cent as a percentage of total costs.
- The principal savings flow from a single central management and location.
- Re-deployment of savings into more frontline services

4.0 The market

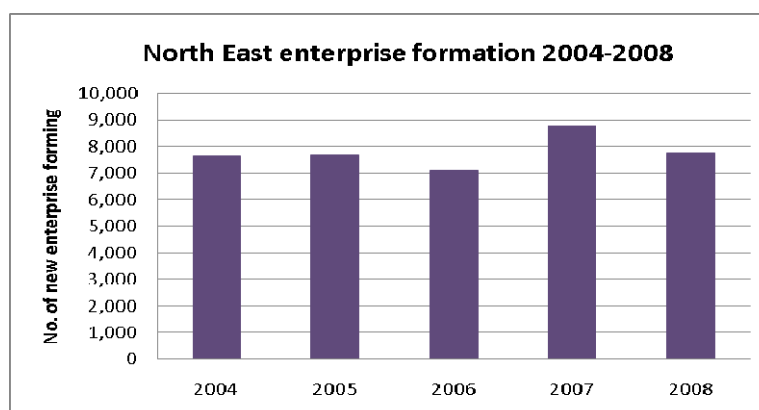
Active enterprises

There has been a recent dramatic increase in the 'active enterprise' stock in the region. The increase was 7.8% from 2006, however the increase in the national average was identical and the change in data recording means the information should be treated with caution.



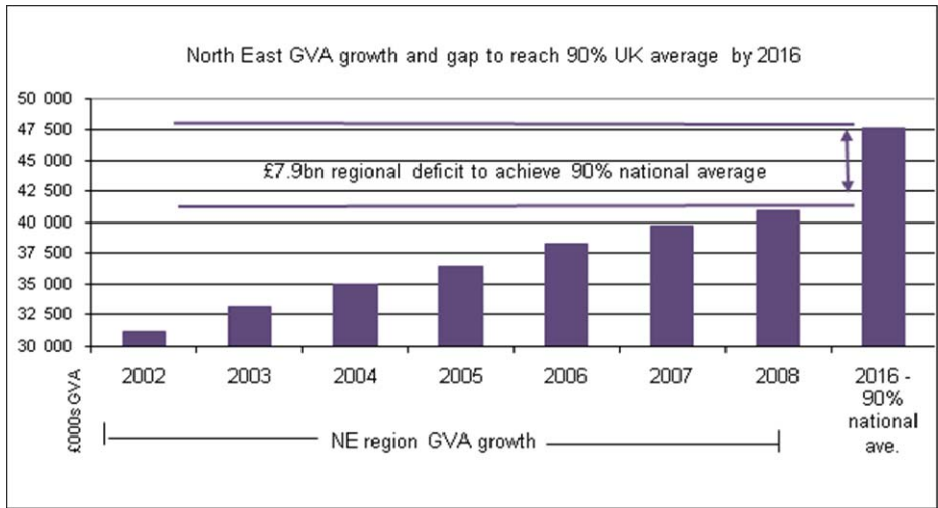
Enterprise formation

Similar caution should be exercised with the formation statistics as the decrease of 1.18% for the North East is identical to the UK, England and GB national averages.



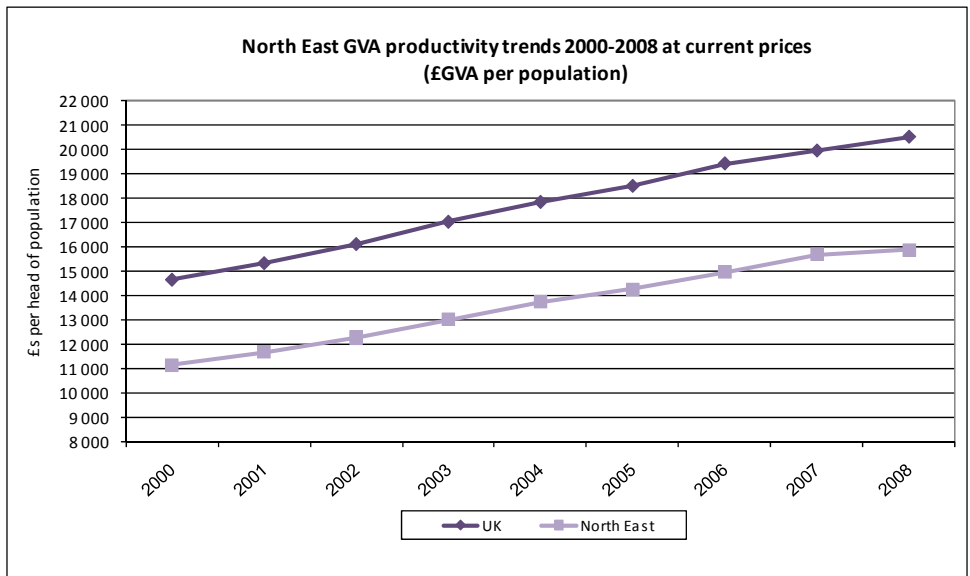
GVA value

This size of the region's economy increase by £250m or 3.2% below the UK average of 3.5%. This lagging indicator does not factor in the recessionary reduction in GVA since Q3 2008, but does highlight a continued wealth gap of £7.9bn.



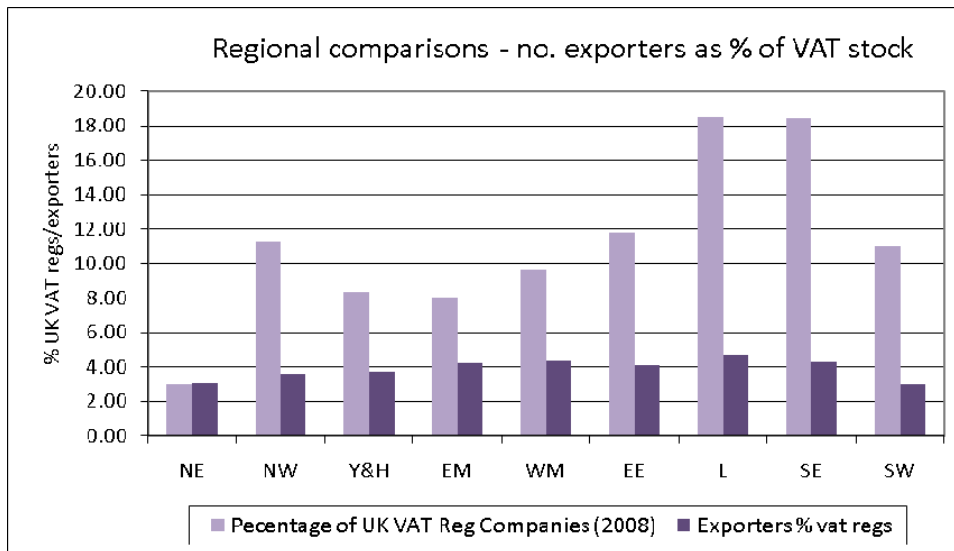
GVA Productivity

This wealth gap is primarily caused by poor relative productivity in the North East; a level some 23% below the UK average.



Export performance

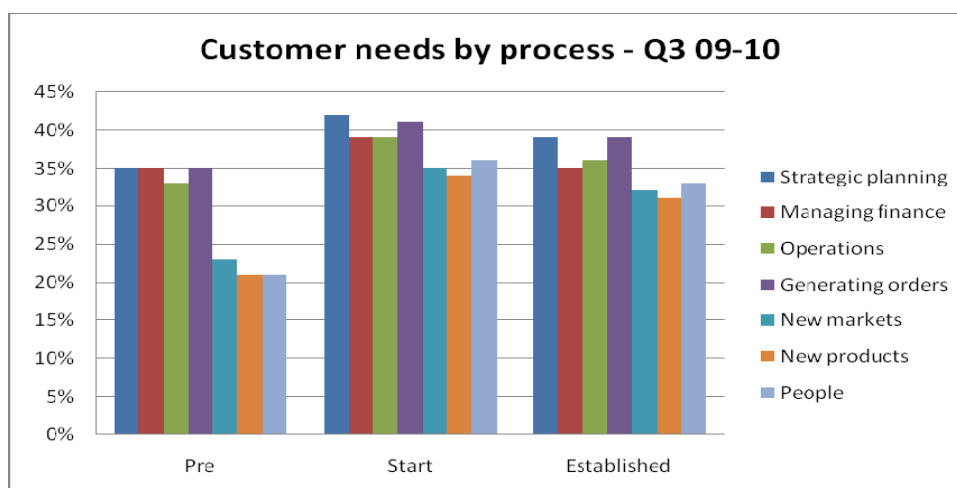
At approximately £9bn, the North East is a net exporter as a region however is heavily reliant on a few sector for their contribution such as process industries and automotive. The international trade culture is however disappointing with only 3% of the business population exporting as illustrated in the chart below. This is 25% below the UK average.



Needs

The chart below shows that there are differences in needs depending on business stage with the most dramatic difference being seen in the new products, new markets and people once a company starts trading. The emphasis of these requirements may change as the economy goes into to the upside of the business cycle and regular business surveys are used to have a contemporary view of changing needs.

Insert results of business survey.



Stakeholders

Stakeholder factors	Implications	Impact on future strategy
National funder requirements <ul style="list-style-type: none"> Building Britain's Future – New Industry, New Jobs (April 2009) 	<ul style="list-style-type: none"> Making sure high growth, high innovation firms get the finance they need More support for exporters, enhancing the role of UKTI and the Export Credit Guarantee Department More support for innovation, maximising economic opportunities from the work of universities Improving skills Understanding importance of economic opportunities – especially move towards low carbon economy Drive for efficiency and cost effective targeting of resources. 	<ul style="list-style-type: none"> Target higher value businesses. Integrate UKTI service with the BE-NE portfolio. Integrate the innovation suite of investment through the NEEIC. Look at low carbon investment criteria. Develop a low carbon offer through BE-NE's entire portfolio.
<ul style="list-style-type: none"> Business Link service review 	<ul style="list-style-type: none"> The implications of the current review of the Business Link service review are anticipated in summer 2010. 	<ul style="list-style-type: none"> To be confirmed in due course.
<ul style="list-style-type: none"> LSC - 'Skills for Growth' Strategy 	<ul style="list-style-type: none"> Ensure skills brokerage meets the productivity needs of employers. Wider and more flexible access to skills training at every level. 'Firstness' principle re-introduced and accreditation re-emphasised. Wider implications for the re-shaping of the skills brokerage function are likely to be confirmed in April 2010. 	<ul style="list-style-type: none"> Hybrid role will provide a holistic service. Close links to Higher Level Skills Board to ensure strategic alignment Use of Service Knowledge Tools to capture wider provision. Maximise impact of RSF for learners and employers.
Regional funders <ul style="list-style-type: none"> ONE's Three Pillars Strategy 	<ul style="list-style-type: none"> Greater emphasis of ONE's Three Pillar strategy with a focus on Process Industries, Health and Energy. 	<ul style="list-style-type: none"> Integration of full portfolio to support health, process industries and energy.
UKTI priorities	<ul style="list-style-type: none"> Food and Drink, Defence, Energy, Chemicals, R&D, Blue Chip are key sector priorities. 	<ul style="list-style-type: none"> Targeting of key export potential services for the UKTI service.

		<ul style="list-style-type: none"> • Use ERDF to enhance the offer to reach new exporters.
Supply chain	<ul style="list-style-type: none"> • 2000 fully registered suppliers currently able to be brokered. • Drive for more transparency in the brokerage process. • Quality of the provision inconsistent. 	<ul style="list-style-type: none"> • More transparent development of NEESPR for supplier and customer.
Intermediary network	<ul style="list-style-type: none"> • Potentially some caution due to election uncertainty. • Some financial intermediaries looking to re-establish links/credibility. • Business support intermediaries looking for systematic relationships due to BSSP. 	<ul style="list-style-type: none"> • Support through relationship management and briefing to ensure open communication.

5.0 Environmental factors

Environmental factors	Consequences	Impact on future strategy
Politics – General election	<ul style="list-style-type: none"> Internal and market uncertainty 	<ul style="list-style-type: none"> Business as usual until future policy confirms post election.
Economic downturn	<ul style="list-style-type: none"> Legacy of recession in continued suppression of business start-up levels. Continued redundancies driving demand for starts with high disposable income. Business failure rates increasing. 	<ul style="list-style-type: none"> Shape pre-start & start-up offer to accommodate. Introduce health checks, resilience funding, mentoring and information campaigns. Respond with skills development prior to redundancies. Ensure self-employment is promoted. Need to re-visit the NEEIC investment criteria regularly to be responsive to the dynamic conditions.
Regional economic change	<ul style="list-style-type: none"> Low Carbon Economic Areas – North East LCEA, led by ONE, will focus on supporting the transformation of automotive industry, providing support for innovation and demonstration, skills training and clustering of manufacturing. New and renewable energy centre (NaREC) - £10million for new wave and tidal energy CPI Wilton – £12 million for ‘demonstrator’ facility for industrial biotechnology 	<ul style="list-style-type: none"> As per the direction from the ‘NINJ’ focus in the Stakeholder section. Sector alignment of adviser as appropriate.
Preparing for the ‘upturn’	<ul style="list-style-type: none"> Need to respond with a portfolio ready to facilitate growth. Risk of recovery/growth over-trading needs to be mitigated. 	<ul style="list-style-type: none"> Look at risk criteria within NEEIC. Shape communications campaigns to emphasize opportunity. Sensitivity training with advisers to identify early warning signs.
Potential future economic shocks	<ul style="list-style-type: none"> Continued support of region’s business resilience in cases of extreme weather events and public health crises. 	<ul style="list-style-type: none"> Economic shock assistance is mobilised via the NEEIC.

Business Support Simplification	<ul style="list-style-type: none"> Ensuring BSSP and 'Solutions for Business' are business as usual. 	<ul style="list-style-type: none"> Business Link teams geared up to fulfil role as the call to action and 'primary access' service. Extending the use of BE-NE referral agreements. Coordination of the Business Link communications campaign in the region. Business Link model accommodating increased demand. Business Link communications coordinated with national campaigns. BE-NE to accommodate products where relevant into brokerage or investment business units.
Shifting architecture of Regional Governance	<ul style="list-style-type: none"> NE Strategy : Leaders Board, Strategic Role of RDA, links to Local Development Frameworks, Sustainable Community Strategies, Local Area Agreements, Multi Area Agreements and possible statutory powers 	<ul style="list-style-type: none"> Full participation with local authorities in developing Integrated Business Support Plans.
Durham and Northumberland Unitary Authorities	<ul style="list-style-type: none"> Re-engineering economic development functions. Re-setting economic objectives. 	<ul style="list-style-type: none"> Continued representation on Northumberland Strategic Partnership transition group. Continue to work closely with Durham County Council and County Durham Economic Partnership to shape business support model.
Technological change	<ul style="list-style-type: none"> Web-based service delivery is growing. On-demand services increasingly expected. Transparency in access and delivery is required. 	

6.0 Corporate strategy

Firstly, the driving force behind BE-NE's corporate strategy for 2010-2011 are three themes; these are:

- Service excellence – focusing on integration, consistency, relationships and knowledge.
- Efficiency – using lean techniques to leverage the optimum productivity.
- Innovation – using creativity and taking calculated risks to use resources to develop new and existing products or explore new markets.

These three themes underpin the corporate strategy for BE-NE, which focuses on delivering value through the core capabilities identified below.

Brokerage

Through the Business Link and skills brokerage services BE-NE will continue to provide an integrated brokerage offer to pre-starts, starts and established businesses. In addition to a universal information offer via the web, telephone and events, there is an in-depth face to face diagnostic and brokerage service which targets those potential entrepreneurs and businesses with a greater socio-economic return.

Penetration of the high return customer base will be a priority, this will be pursued under the existing contract and also optimising the regional efficiencies by delivering more services under contract for other regional partners.

Investment

The NEEIC will continue to penetrate the region's business community with the existing range of general and themed grant-based services in addition attracting more partners to contract grant provision in the region. There will also be a drive to develop new services in the area of loans building on our emerging strength in this area. The investment available will support companies:

- Access consultancy
- Undertake bespoke training
- Executive talent retention
- Stimulate innovation
- Support rural business

Any extension of the grants and loans provision within NEEIC will be pursued in line with the strict operation of the 'separation test' ensuring the 'NEEIC products' are seen as part of the whole business support solutions portfolio.

Supply chain development

Penetration of the North East business base to exploit the opportunities of the London 2012 Olympic and Paralympic Games will continue. The focus will be to help more businesses secure contract as well as explore the potential to develop new markets in relation to Glasgow Commonwealth Games and Cross Rail.

International Trade

The operation of the UKTI contract for 2010-2013 as well as having a considerable enhancement to the offer means that we are both expanding and penetration the market. This will see more exporters exporting more via the UKTI advice and brokerage specialist services.

Supplier sourcing

BE-NE has demonstrated the potential for NEESPR to be used flexibly in response to a diverse set of requirements. As such NEESPR will continue to underpin the access of services in the following areas:

- General consultancy in the full range of business disciplines
- Pre-start services
- Bespoke training
- Innovation service providers

An investigation of a more electronic marketplace solution will also be undertaken to develop a 21st Century offer. Any such development of NEESPR will be done in close conjunction with ONE.

Information

The information team will focus on adding more value for its internal and external stakeholders by providing insight through more comprehensive service knowledge capture and the provision of customer profile analyses. This will be augmented by the specific and targeted development of a social enterprise framework and active support.

Employment support

The North East Employer Coalition provides BE-NE with the capacity to re-introduce long-term unemployed people into work by placing them in the region's businesses. The continued emphasis will be on driving demand and use of the service with more of the region's companies.

Each of the action plans for the above strategies are contained in the next section.

7.0 Business unit action plans

Attached are separate action plans for the main business units identified below.

Business unit
Brokerage
International trade
Investment
Supplier sourcing
Employment support
Information
Supply chain development

UKTI plans will need to be signed off by the regional team first and so have not been included.

North East Employer Coalition plans are also being discussed currently.

8. Marketing

8.1 Corporate marketing

8.1.1 Objectives

Business Link
<ul style="list-style-type: none">• 12,500 Pre-starts
<ul style="list-style-type: none">• 4,000 start-ups
<ul style="list-style-type: none">• 16,000 established businesses
<ul style="list-style-type: none">• 5,100 workshops delegates
International trade
<ul style="list-style-type: none">• Measures TBC with UKTI in contract inc.
Investment
<ul style="list-style-type: none">• Total investment – £28m
<ul style="list-style-type: none">• Total leverage - £28m
<ul style="list-style-type: none">• Total number of customers helped - 5,200
Supplier sourcing
<ul style="list-style-type: none">• Implement new registration, and renewal of qualifying requirements
<ul style="list-style-type: none">• Introduce new policies and codes of practice
<ul style="list-style-type: none">• Broader and deepen service provision through NEESPR
<ul style="list-style-type: none">• Implement new NEESPR hosting contract
<ul style="list-style-type: none">• Launch new NEESPR customer interface
Information
<ul style="list-style-type: none">• Completion of first year of KTP programme
<ul style="list-style-type: none">• To implement Service Knowledge Tool developments by end of 2010
<ul style="list-style-type: none">• 12 IPBS in North East agreed and fully implemented
<ul style="list-style-type: none">• All 12 local authorities receive BE-NE intelligence updates
<ul style="list-style-type: none">• Deliver the region's first Social Enterprise Framework by April 2010 and implement from May 2010 onwards.
Supply chain development
<ul style="list-style-type: none">• 668 businesses published on 'CompeteFor' website
<ul style="list-style-type: none">• 250 'CompeteFor' businesses advised
<ul style="list-style-type: none">• 500 businesses touched
<ul style="list-style-type: none">• £48m worth of contracts secured
<ul style="list-style-type: none">• 15 events hosted and attended

8.1.2 Strategy

The following chart summarises the target markets focused on by BE-NE during 2010-2011.

The segments served by BE-NE under its main business unit can be summarised as follows:

SEGMENTATION BASE	CHARACTERISTICS	
INFORMATION		
All businesses	All businesses and potential entrepreneurs	
DIAGNOSTIC AND BROKERAGE		
Life-stage	<ul style="list-style-type: none"> Pre-start/start 	Established
Growth aspiration	<ul style="list-style-type: none"> High growth 	<ul style="list-style-type: none"> Growth Hi-growth
Sector		<ul style="list-style-type: none"> Three pillars – Health, Process Industries and Energy.
Theme	<ul style="list-style-type: none"> Low carbon Innovation Skills 	
Geography	<ul style="list-style-type: none"> Deprived areas Social Enterprise/VCS Rural areas and Land-based industries 	
Demographics	<ul style="list-style-type: none"> Ethnic Minority Business Women into Business 	
Business cycle	<ul style="list-style-type: none"> Entrepreneurs and businesses tackling the recession or looking at the upturn 	
International	<ul style="list-style-type: none"> Those looking to export or extend international trade 	

In addition BE-NE has a series of other internal and external stakeholders, such as BE-NE Board & staff, channel/intermediaries, partners, funders, suppliers, politicians and the media etc.

Detailed profiling and targeting of the new industrial sectors and growth potential businesses will be done via our partner relationships identified in section 8.2.2.

8.2 Programmes

8.2.1 Communications

8.2.1.1 Communications objectives

Measure	Objectives
Internal	

Understanding of BE-NE's vision and mission	85%
Understand business objectives	60%
Understanding of the service portfolio	60%
Understand BE-NE values	85%
Partners	
Awareness of BE-NE	80% (refined following perception research)
Understanding of BE-NE and it's portfolio	65% (refined following perception research)
Positive attitude towards BE-NE	50% (refined following perception research)
Funders	
Awareness of BE-NE	(refined following perception research)
Understanding of BE-NE and it's portfolio	
Positive attitude towards BE-NE	
Intermediaries	
Awareness of BE-NE	(refined following perception research)
Understanding of BE-NE and it's portfolio	
Positive attitude towards BE-NE	
Suppliers	
Awareness of BE-NE	(refined following perception research)
Understanding of BE-NE and it's portfolio	
Positive attitude towards BE-NE	

8.2.1.2 Communications programme

External

Action	Completion date
Commission Perception Research Survey	Feb 10
Commission MP perception/info needs survey	Mar 10
Produce Corporate Brand Guidelines	April 10
Produce Corporate Prospectus	Q1 10
Produce Hardcopy newsletter	Q2 10
Produce revamped stakeholder e-newsletter	Q1 10
Augment corporate website	Q1-2 10
Produce Corporate DVD/Video	Q1 10
Work with HR on employer brand comms strategy	Q1 10
Produce new staff / potential staff BENE induction materials with HR	Q2 10
Work with Business Improvement Team to establish supplier, partner focus groups	Q2 10
Produce Corporate Hospitality framework	Mar 10
Produce suite of corporate presentation / marketing materials	Q1-2 10
Produce BE-NE journey map for partners	Q1 10
Produce corporate staff handbook	Q2 10

Internal

Action	Completion date
Roll-out internal branded templates	April 10
Work with HR to incorporate brand messages in to sales training	To be agreed
Produce BE-NE journey map for internal staff	Q1 10
Produce corporate internal staff handbook	To be agreed
Produce Be-Inspired newsletter	On-going
Issue Corporate Briefings	On-going
Intranet to include business unit service and dept requirements	April 10
Intranet phase two of intranet development plan - sharepoint 2010	Sept 10
Work with HR on internal staff part of employer brand strategy	To be agreed
Produce new staff BENE induction materials with HR	To be agreed
Work with Business Improvement Team to establish internal staff focus groups	On-going
Work with HR for Investors in People communications accreditation	On-going
On-going internal communications tool development / monitor and feedback	April/On-going
Staff Conference	Mar 11
Implement communications actions from staff survey action plan	April/on-going

8.2.2 Relationship management

Relationship management objectives

Measure	Objective for 2010-2011
% new business referral	Aspiration of 20% (revised followed 3 months data capture)
Key account managed contacts	132 per quarter
Light touch stakeholder contact	90 p.a.
Light touch supplier contact	210 p.a.
Key suppliers contacted	600 p.a.
'Company profile and referral guide' issued	Minimum 132
Supplier breakfasts	24 p.a. reaching 400 suppliers

Relationship management strategy

Through Relationship Management with Channels we will look to encourage customers to utilise both Business Link and Business and Enterprise North East additional services.

The definition of a channel within BE-NE is the various routes to which new and established businesses reach the Business Link and/or BE-NE services. This includes all organisations which have access to new and established companies looking for business support services.

- Partners - those organisations with which we have a strategic fit, often a shared agenda and with whom we would choose to work alongside (and/or they with us) either for strategic, business or political reasons. Invariably, these will be those organisation in receipt of public funds (LAs, Universities, Colleges, MAS, NEPIC, GONE but on occasions could be private sector (probably less frequent, but more likely to be specific projects where we are working in partnership with so not as board as a main partner
- Stakeholders - those organisations who have investment/monies placed with us to deliver and with whom we are dependent upon and accountable to (ONE, LSC, UKTI). This will be expanded as and when NEEIC activity increases (most immediate opportunities Middlesbrough and Newcastle LAs, Be Enterprising), although these are likely to be less significant than main stakeholders
- Intermediaries - those organisations either public or private (who indeed maybe on some occasions be partners or even funded themselves by mutual stakeholders) who have a customer base with whom we wish to engage with and will seek to do so through the specific intermediary (Banks, Accountants, Enterprise Agencies being the most obvious examples)
- Suppliers - those organisations in the main private sector but can be public sector that delivers chargeable/commercial services direct to customers. However, on occasions these might also be free services that are otherwise funded. The vast majority of these will be SME's and potential customers themselves. Again, a Supplier could also be an intermediary or partner.

Intermediary/stakeholders	Example business support organisations
Financial intermediaries	Banks, accountants
Local Authority	12 local authorities in the North East region, Tees Valley Unlimited, County Durham Economic Partnership etc.
Membership organizations	IOD, CBI, North East Chamber of Commerce, Federation of Small Businesses, Institute of Export, Women into the Network etc.
Sector Groups	NDI, NEPIC, NOF Energy, RENEW, NAREC, Digital City, Codeworks Connect, Service Network, Engineering Employers Federation, Sector Skills Councils, Food from Britain, Cenamps, CPI, CELS, Arts Council North East etc.
Other Government Departments	HMRC, Environment Agency, GONE, JCP etc.

- Await sector strategy information from ONE, and realign relationship management responsibility
- Await Sector Skills Councils revision, and realign relationship management responsibility
- Ongoing refreshment of key account contacts, on CRM and Business and Enterprise North East Update database. Exercise to validate correct contact information will be required, date to be determined and conducted by Business Development Executive

The table below identifies the approach to managing the marketing and supply channels.

Channels	Relationship Managers	BDE	EXEC	BE-NE updates	Events
Suppliers	Supplier Seminars and discretion	Supplier Seminar and discretion	Discretion	Yes	Supplier Seminars, Stakeholder Events
Intermediaries	132 Key Accounts	Outside Key Accounts	Discretion	Yes	Supplier Seminars, Stakeholder Events

In addition to the relationship management and general communications tactics summarised above there will be a series of Memoranda of Understanding and/or Statements of Intent which agree the general shared aims, but also covert that into specific joint action such as:

- Service development
- Communications
- Referral targets
- Operating protocols etc.

To deliver the operating protocols element, 'Company Profile and Referral Guide' are used to specifically confirm mutual responsibilities and response times upon service access and delivery.

Relationship management programme

Action	Completion date
132 key account meetings per quarter	Ongoing
Stakeholder events	Annual or sixth monthly

Introduce new 'Company profile and referral guide'	1 April 2010
Proactive referral generation and ongoing data analysis, monitoring and control	Ongoing
Involvement of BL operational staff at appropriate channel meetings.	Ongoing
Seek and explore new relationships with region to generate additional referrals	Ongoing
Update to stakeholders via BE-NE ezine (3000 readers)	Monthly
Supplier breakfast, enhance opportunity through key messages and targeted approach	2 per month
Develop consistent referral feedback mechanism for channels and two-way referral	End Sept

8.2.3 New business

8.2.3.1 Objectives

Measure	Objective for 2010-2011
Integrated Management Process	Embed in 2010-2011
Innovation strategy	Embed in 2010-2011
Developing SME Expertise	Launch in 2010-2011
Global routes	Launch in 2010-2011
Virtual Export Manager	Launch in 2010-2011
Virtual Centre for Export	Launch in 2010-2011
Inward investment Fund	Launch in 2010-2011
Knowledge Transfer Partnership	Launch in 2010-2011

8.2.3.2 Strategy

Innovation

New business will help fulfil the company growth plans through the facilitation of new initiatives aimed at responding to and anticipating market needs and driving economies of scale. The innovation strategy will provide a platform for all staff to express ideas that they may have for new products or services. We will also facilitate the development of new initiatives via desk based research to identify market opportunities, liaison with internal departments (primarily Relationship Managers, Information and Compete North East), liaison with current funders to help develop new ideas and networking with potential new funders in existing and new market places to help identify opportunities.

Integrated Management Process

All new business initiatives will be assessed by the New Business department and if appropriate, they will be progressed via the Integrated Management Process (IMP). The ultimate aim of the IMP process is to provide an integrated delivery plan developed by all delivery managers which ensures that capacity capability and additional resource are taken into account to ensure the delivery of sustainable growth. A priority matrix will also be developed to ensure the assessment of ideas and the progression of projects is done in the most resource efficient way.

8.2.3.3 Programmes

Action	Completion date
IMP Process implemented	April 2010
Innovation Process implemented	April 2010
Introduction of Virtual Centre for Export	Q4 2010-2011
Introduction of global routes	Q1 2010-2011
Introduction of Virtual Export Manager	Q1 2010-2011
Introduction of Knowledge Transfer Partnership	Q1 2010-2011
Introduction of Be Enterprising	Q1 2010-2011
Introduction of Developing SME expertise	Q1 2010-2011
Introduction of Inward Investment fund management	Q1 2010-2011
Introduction of Area Tourism Partnerships	Q1 2010-2011
Introduction of Codeworks ASIP	Q1 2010-2011

9.0 Operations

The operations objectives and strategy and programmes are specific to the business units identified section in plans are identified in section 7.

Underpinning each of the plans are three critical themes, which from an operations perspective are vital to providing customers a service they are delighted with whilst providing the maximum return on investment for strategic funders. These themes are:

- Working smarter – using experience and innovation to deliver more with less.
- Restructure to drive effectiveness – reconfigure the operations structure to provide a service the customer wants and needs.
- Value and volume balance – resource and specify the levels of service proportionate to the socio-economic return desired by funders.

10.0 People

10.1 Objectives

Measures	Objectives for 2010 - 2011
Gain recognition as an Investor in People organisation	<ul style="list-style-type: none"> • Achieve IIP status by 31 March 2011
Enhance employee engagement & embed values & behaviours	<ul style="list-style-type: none"> • 5% increase in top 10 key employee engagement measures • 10% increase in staff strongly agreeing they demonstrate the values & behaviours in their role • Achieve Best Companies “Ones to Watch” status
Increase awareness of BE-NE’s Employer Brand	<ul style="list-style-type: none"> • 15% of job applicants previously aware of BE-NE as a regional employer
Enhance skills and competence levels of BE-NE leaders and managers	<ul style="list-style-type: none"> • Delivery of Phase 2 of Leadership Development Programme for new and emerging leaders • 90% of leaders and managers holding ILM accreditation
Increase the level of internal managerial appointments	<ul style="list-style-type: none"> • 5% increase in new managerial appointments made from internal talent pool during 2010
Identify, develop and manage workforce talent	<ul style="list-style-type: none"> • Implementation of Talent Management Strategy
Develop BE-NE as a Responsible Business	<ul style="list-style-type: none"> • Implement Corporate Social Responsibility (CSR) Strategy • Establish CSR Management Group • Develop programme of CSR projects

Workforce capability	<ul style="list-style-type: none"> • 100% of eligible customer facing staff have National Occupational Standard • 100% accreditation of Customer Service Team • 100% of employees have a Personal Development Plan (PDP)
Workforce capacity	<ul style="list-style-type: none"> • 8% labour turnover • 5% recruitment gap
Implement 100% e-recruitment process	<ul style="list-style-type: none"> • 100% e-recruitment by 31 March 2011
Reduce cost of recruitment	<ul style="list-style-type: none"> • 15% reduction in recruitment costs by 31 March 2011
Embed Equality & Diversity culture	<ul style="list-style-type: none"> • Achieve accreditation against Equality Standard by 31 March 2011
Embed a wellbeing culture	<ul style="list-style-type: none"> • Achievement of Better Health at Work Gold Award by January 2011
Increase organisational attendance levels	<ul style="list-style-type: none"> • 10% reduction in average days absence per employee • 10% reduction in time lost due to sickness absence
Embed BE-NE's performance culture	<ul style="list-style-type: none"> • 15% staff reaching "exceed" performance assessment rating • 63% staff reaching "achieved" performance assessment rating
Implement pay requirements of Equality Bill	<ul style="list-style-type: none"> • Conduct salary benchmarking exercise • Creation of transparent pay structures
Enhance the quality and efficiency of HR information and advisory support	<ul style="list-style-type: none"> • CHRIS phase 2 implemented by 31 March 2011 • All HR policies in "Plain English" by 31 March 2011 • Introduction of HR Service Knowledge Tool commencing 1 Jan 2011 • 100% production of HR MI in accordance with HR Reporting Framework • 100% HR policies process mapped by 31 March 2011

10.2 Strategy

The People Plan (HR Strategy) will support the achievement and delivery of BE-NE's corporate objectives, with a key strategic priority being the attraction, retention and development of people with the right skills, knowledge and behaviours to operate to their full potential and to drive BE-NE forward to meet its vision of being the best and biggest independent specialist in enterprise, business support and economic development in the UK. A fundamental aspect of the Plan is the development of a performance culture.

This plan will be achieved through our implementation of 'best in class' people initiatives, policies and processes which will ensure that BE-NE's business objectives are delivered and

will be underpinned by the business improvements standards such as the Investors in People (IIP) Standard and EFQM Standard.

We will deliver the People Plan through implementing a HR Business Partner model, which is aligned to the Company's structure. As outlined in our HR Customer Charter, the HR Services Team and People Development Team will work closely with managers to provide a business and customer focused service, offering pragmatic people solutions through information, advice and support to our people.

The underlying principle of our People Plan is that we maximise our people capacity as a key competitive advantage in everything that we do.

Core Principles

Our People Plan is underpinned by the following core principles:

- Being recognised as an Employer of Choice and 'Talent Magnet'
- Projecting our corporate values in everything that we do
- Managers at all levels lead by example
- Embedding a culture which recognises and respects our diversity and focuses on performance
- Releasing potential and developing talent
- A commitment to learning and development
- Rewarding and recognising exceptional performance and achievements
- Supporting individuals' worklife balance
- A commitment to health, safety and wellbeing
- Engaging with our people and valuing their viewpoints
- Being a responsible employer

10.3 Programmes

Action	Completion date
Employee Engagement	
Implement Employee Engagement Strategy	1 Apr 10 - 31 Mar 11
Completion of 2009 Staff Survey Action Plans	31 May 2010

Undertake 2009 Staff Survey Action Plan Review	31 May 2010
Conduct 2010 Staff Survey	31 Oct 2010
Implement BE-NE People Pledge	30 Sep 2010
Conduct employer branding survey	30 Sep 2010
Undertake review of Staff Forum Group	30 Sep 2010
Undertake review of Health, Safety & Wellbeing Group	30 Sep 2010
Achieve Best Companies "One to Watch" status	31 March 2011
Performance Management & Measurement	
Implement Phase 2 of PDR Review process	1 Apr – 30 Sep 2010
Review all performance management processes	1 Apr – 30 Sep 2010
Amend all job descriptions & person specifications	1 Apr – 30 Jul 2010
Develop Assessment & Development Centre framework & methodology	1 Apr – 30 Sep 2010
Establish departmental HR KPIs	1 Apr – 30 Jun 2010
Review performance measurement processes & tools	1 Apr – 30 Sep 2010
People Development	
Phase 2 Be-Ne-fit Programme Leadership Development	31 Dec 2010
Implement Company Career Development plan	30 Sep 2010
Appoint new managers from internal talent pool	1 Apr 2010 – 31 Mar 2011
Complete Corporate Skills Analysis	30 Sept 2010
Achieve Investor in People status	30 Sep 2010
Achieve Customer First Accreditation	31 Mar 2011
Embed Management Academy	1 Apr 2010 – 31 Mar 2011
Implement Talent Management Strategy	30 Jun 2010
Implement E- Learning Strategy	30 Jun 2010
Implement Induction and On boarding programme- formalise work shadowing	31 Dec 2010
Update Corporate Training Plan/Calendar following PDR exercise	31 July 2010
Implement National Occupational Standards Programme	30 Apr 2010
Develop Year 2 Management Academy modules	30 Apr 2010
Implement Customer Service accreditation programme	30 Jun 2010
Review CPD requirements	30 Sep 2010
Implement Essential skills programme	30 Apr 2010
Corporate Social Responsibility	
Implement CSR Strategy	1 Oct 2010 – 31 Mar 2011
Establish CSR Management Group	1 Jun – 30 Sep 2010
Develop programme of CSR projects	1 Jun – 30 Sep 2010
Implement people section of Environmental Strategy	1 Apr 2010 – 31 Mar 2011
Recruitment & People Resourcing	
Develop HR Workforce plans	2010-2011
Develop new key recruitment partnerships	1 Apr – 30 Sep 2010
Implement cHRIS e-recruitment module	1 Apr – 30 June 2010
Revise recruitment & selection process & procedure	1 Apr – 30 Jun 2010
Develop new recruitment talent pools	1 Jul 2010– 31 Mar 2011
Develop & implement Phase 2 of BE-NE recruitment website	1 Sep 2010 – 31 Mar 2011
Equality & Diversity	
Develop & implement Equality & Diversity Strategy	1 Apr – 31 Jul 2010

Diversity proof all HR & organisational policies, processes and procedures	1 Jun – 30 Nov 2010
Achieve Equality Standard accreditation	2010-2011
Achieve Two Ticks Symbol accreditation	2010-2011
Health, Safety & Wellbeing	
Implement Wellbeing Strategy	1 Apr – 30 Jun 2010
Implement wellbeing programmes	2010-2011
Implement personal safety policy & arrangements	1 Apr – 30 Jun 2010
Implement roadwise programme	1 Apr – 31 Dec 2010
Achieve Better Health at Work Award	1 Apr – 31 Dec 2010
Conduct stress audit & implement action plans	1 Jul 2010 – 31 Mar 2011
Pilot mental health first aiders programme	1 Jun – 31 Dec 2010
Develop key occupational health partnership	1 Apr – 31 July 2010
Review attendance management policy	1 Apr – 30 May 2010
Reward & Recognition	
Benchmark all salaries	1 Apr – 31 Dec 2010
Develop transparent pay structure	1 Jan – 31 Mar 2011
Service Excellence & Continuous Improvement	
Implement HR Customer Charter	1 Apr – 31 May 2010
Plain English all HR policies, processes, and documentation	1 Apr 2010 – 31 Mar 2011
Develop HR policy & process guides	1 Apr 2010 – 31 Mar 2011
Develop HR Service Knowledge Tool	Commence 1 Jan 2011
Process map all HR processes	1 Apr 2010 – 31 Mar 11
Establish HR reporting framework	1 Apr – 30 Sep 2010
Identify external HR benchmarks	1 Apr – 30 Sep 2010
Develop implementation plan for cHRIS Phase 2	1 Apr – 30 Jun 2010
Develop HR Team Business Continuity Plan	1 Apr – 30 Jun 2010
Implement Pandemic Flu Policy	1 Apr – 31 May 2010
Implement Bad Weather Policy	1 Apr – 31 May 2010

11.0 Information

11.1 Information

11.1.1 Objectives

Measures	Objective for 2010-2011
Working with our partners and stakeholders	To develop strong relationships are with strategic partners across the North East and beyond.
Assessing our Impact	To fully understand the value and impact of the services we offer
Transforming Information	To develop a deeper level of customer insight, by creating linkages between the intelligence from the CRM system and the business improvement plan.
Internal business support knowledge	To implement Service Knowledge Tool developments by end of 2010. ONE will have access to the SKT from Q1 2010/11.
New products and services test bed.	To develop evidenced based model for product testing by the end of December 2010.
Informing Local Authorities	All 12 local authorities receive updates.
News Research Information Service	Launch the new service by end of March 2011.
Research programme formulation.	Introduction of research programme.
Data quality	To implement a programme of data quality improvements.
Impact measurement	Completion of first year of KTP programme.
Local authority plan support.	12 IPBS in North East agreed and fully implemented.
Engagement with Social Enterprise customers	Increase profile amongst the market and up-take of mainstream and specialist products
Lead the region's social enterprise strategy	Deliver the region's first Social Enterprise Framework by April 2010 and implement from May 2010 onwards.
Networking with public and third sector organisations outside of the North East.	Networks developed in four further regions by end of December 2010.
Reduce the environmental impact of the Information Directorate	To reduce the environmental impact of the Information Directorate, including carbon dioxide emissions and waste generation by 10% by the end of December 2010. Detailed targets to be included in team work plan.

11.1.2 Strategy

The Information Team will continue to develop the Service knowledge Tool as one-stop shop for business support, including NEEIC Q&As. This development will be shaped by feedback from internal users, and will be steered by the Information Champions Network. This will

also include sourcing information from a range of different sources including newsletters, and disseminating to the relevant audiences.

The team will seek to develop a Research Information Service Direct which will deliver tailored information updates to all staff. This will cover sector analysis and key themes.

The policy calendar weekly updates contain briefing notes of recently produced national and regional policy documents. This process includes the identification of forthcoming policy decisions at the earliest opportunity and communicating these to all staff via the policy calendar. A key part of this will also be looking to identify best practice of business support and communicating the learning from this.

The Information Team will continue to work with strategic partners, especially local authorities, across the region to help ensure that business support activity is coordinated, meeting the principles of Business Support Simplification. The Integrated Plans for Business Support will continue to be developed and implemented helping to reduce duplication and to encourage joined up working.

Recognising that the intelligence held by BE-NE can be used more effectively to develop understanding of customer needs, the team will seek to analyse the information collected by Business Advisors. This approach will also help us to develop our levels of customer insight. A range of intelligence reports, including the monthly Business Index, analysis via Qlikview, GIS and Business Surveys are currently produced, in addition to the monthly suite of management information circulated to all local authorities.

The annual Customer Profile Analysis will be produced, outlining the characteristics of our customers and the support they receive. This intelligence service will form the basis of the development of 'business bulletins' that will contain BE-NE specific intelligence that has commercial value to partners and stakeholders. The team will also seek to ensure that the intelligence generated by BE-NE can be utilised to inform policy development and acts as a testbed for new product development.

For social enterprise in addition to improving sector engagement there will be the further development of the OTS Social Enterprise programme which provides a specific investment subsidy within the NEEIC for social enterprise and third sector projects.

11.1.3 Programmes

Action	Completion date
Production of briefing notes and consultation response to relevant policy documents	Ongoing
Implement measures to further develop the Service Knowledge Tool	By end of December 2010.
Evidenced based test bed model for new products and services	By the end of December 2010.
To develop and implement a news Research Information service	March 2011.
Information update to Local Authorities	Monthly
To produce and implement a detailed research programme.	Agree programme - end of March 2010. Implementation of programme as per timescales.
Strategic networks with public and third sector organisations outside of the North East	Four further regions by end of December 2010
To support city regions to implement multi-area agreements, and local authorities to develop and implement economic masterplans, economic assessments and local areas agreements across the region.	Q4 2010-2011
All Local Authority Plans for Business Support supported as appropriate.	All Local Authority areas reviewed as appropriate by end of March 2011.
Leading a programme of data quality improvement projects to increase the utility of the CRM and Investment Manager data for intelligence purposes.	Roll out of plan and embedded within Business Improvement Plan by end of April 2010.
Social enterprise portfolio consisting of: <ul style="list-style-type: none"> • 'Built to Achieve' workshops phase 2 • Internal BE-NE staff training and follow-on activities • Regional social enterprise conference • Regional Social Enterprise Framework • Enhanced NEEIC investment offer 	Throughout 2010-2011.
To continue to influence policy development through our networks.	Ongoing.
First year of Knowledge Transfer Partnership implemented.	March 2011.

11.2 Business improvement

11.2.1 Objectives

- To research and identify appropriate alternative mechanisms to obtain customer feedback
- To develop and implement a customer insight program by the end of March 2010

- To influence the content of the any mystery shopping exercise to be conducted by One North East
- To launch the process library providing a central information point for all internal policies, processes and documentation, giving clear and transparent instructions throughout the organisation
- To agree and publish a BE-NE process & document control policy, encompassing change management and quality control procedures
- To develop a database to understand the resource implications of all documented processes and begin to challenge and test process improvements for resource efficiencies
- Consistently achieve a minimum of 60% very satisfied customer satisfaction
- To complete a benchmark exercise against other Business Link operators and service industries
- To complete a detailed analysis of customer satisfaction results to obtain a comprehensive understanding of why our customers are not very satisfied or dissatisfied with our service and identifying trends through the utilisation of the GIS system

11.2.3 Programmes

Action	Completion date
To develop and implement a customer insight program	Strategy to be agreed May 2010 ongoing monitoring and implementation
To research and identify appropriate alternative mechanisms to obtain customer feedback.	April 2010
Development of the BE-NE focus group, including increased representation from customers and alternative mechanisms to provide customer feedback	Membership representative by April 2010 Alternative methods of delivery - May 2010
Influence the content of the next ONE mystery shopping exercise to ensure it begins to measure the total customer journey	Ongoing as necessary
Launch the process library; the central information point for all internal policies, processes and documentation	April 2010
Agree and publish the BE&NE, process & document control policy	May 2010
Development of a process database to improve resource efficiency	Ongoing
Benchmark exercise of BE-NE against Business Link operators and other service industries and include findings in business improvement plan	Ongoing Benchmark to be completed by

	May 2010
Full survey review to be undertaken to ensure the survey provides key information to assist in the delivery of business improvement and in obtaining feedback from customers	Ongoing Review to be completed and implemented by April 2010
Continued research into customer satisfaction results to understand the aspects of our service delivery which requires improvement	Ongoing
Reduce the environmental impact of the Business Improvement Team	To reduce the environmental impact of the Business improvement team, including carbon dioxide emissions and waste generation by 10% by the end of December 2010. Detailed targets to be included in team work plan.

12.0 Corporate services

12.1 Overall

12.1.1 Objectives

Measures	Objective for 2010-2011
Deliver continuous efficiencies.	+0 % -10%.
Improve performance forecasting	Introduce tolerance of year end actuals within 2% of final forecast.
Develop Balanced Scorecard	Introduce and monitor against.
Improve understanding of contract profitability	Introduce new reporting model.
Reduce carbon footprint and utilities spend	10%.
Project Management framework	Introduce and embed.
Risk based internal audit plan in place and approved by Audit Committee.	Development and delivery of risk-based internal audit strategy.
Improve risk management - Enterprise Wide Risk Management	Embedded throughout organisation.
Policies, processes and reporting structure in place to deliver satisfactory outcomes and report to Audit Committee on a regular basis.	Deliver value-added "consultancy" activities, including reporting and investigation of fraud and money laundering.
Consolidation of compliance activities	New structure and responsibilities in place by July 2010
Enhance financial systems	Implement of new system
Enhance procurement systems	Implement of new system
Time-sheeting of the whole of BENE.	New system launched
Cash flow reporting and forecasting.	Cash balance maintained at least £3m and active monitoring , reporting and forecasting of cash in place – April 10.
Claim submission and debt collection.	Claims submitted within 7 days of month end and cash received within 28 days - Sept 2010.

12.1.2 Strategy

The overall strategy for Corporate Services will focus on being:

- **Future Focused** - more forecasting of what is to come and less analysis of what has gone.
- **Efficiency Driven** – delivering more for less and helping the business do the same.
- **Enabling** – providing the business with self service tools to make decisions.
- **Analytical** – moving from the provision of data to valued advice.
- **Cooperative** – working as a single directorate to improve support to the business

The Directorate will concentrate on improving the speed and accuracy of information provision and reporting, ensuring that it is accessible to all those who need to use the information and that the Directorate increasingly focuses on analysis rather than production.

The key shift in both people and systems is to look more towards the future and providing analysis and forecasts of what is likely to happen rather than of what has already been.

Both these elements will require us to work outside of the confines of individual departments, focussing on the organisation as a whole and supporting all managers to ensure the best possible decisions are made.

These changes will require an increased focus on managing risks, controls and Governance Structures to ensure the devolving of decisions takes place in a supportive and controlled environment.

12.2 Business systems

12.2.1 Strategy

The Business Systems strategy for 2010-11 will focus largely on exploiting existing systems to their full potential in order to support the business in delivering on the strategic priorities of Impact, Effectiveness and Investment.

This will be done via the following key themes:

- Business Intelligence – Corporate performance
- Business Intelligence to the desktop
- Further development of the Service Oriented Architecture concept including:
 - Integration of systems via the Enterprise Bus
 - Improved efficiency by process automation using the Enterprise Bus
 - Increased productivity by workflow using the Enterprise Bus and BI Tool
- Improved efficiency and productivity by the introduction of web-based conferencing and meeting tools

The specific projects identified are covered in the Business Systems plan in the following section.

Environmental Strategy 2010-11

The Environmental Strategy for 2010-11 focuses on achieving a 10% reduction in company carbon footprint in line with the 10:10 initiative.

12.2.2 Programmes

Action	Completion date
Complete roll-out of Project Management framework	Q1 2010-11
Implement measures to achieve 10:10 goals	Q1 2010-11
Produce detailed Business Systems Plan for 2010-11	End March 2010
Implement Business Continuity Plan	Q1 2010-11
Procure BI to the desktop version of Qlikview	April 2010
Procure Qlikview for the Web	Q1 2010
Implement Corporate Web Conferencing Tool	Q2 2010
Develop and Implement 10:10 action plan	Q4 2010-11

12.3 Business performance

12.3.1 Strategy

Initial focus for the remainder of this year and April will be in consolidating and training the team. This will include some minor re-structuring during the early part of the year, and ensuring that staff are fulfilling duties relevant to their roles. As part of this process we will be identifying process efficiencies and consequential 'time savings'. Examples could include mobilisation, repeat report runs, or the monitoring of underperformance. We will also seek improvements through centralising 'business performance' i.e. consolidating the services provided through a single route (reporting and contracts).

This development time will then be used to understand the future needs of the business in relation to business performance, and collaborating with other departments identify opportunities to increase effectiveness in other areas of the business i.e. use efficiencies gained in Business Performance to drive improvements elsewhere. Working more closely with Delivery Managers examples might include decreasing managers' time used in monitoring KPI through self-service access to reports, working on return-on-investment for contracts, or early warning system ensuring performance is on-track rather than constant remedial action.

The scope of this development work will then be widened to include a broader perspective of what constitutes performance including both business-wide and department approaches.

This will focus on areas such as using a balanced scorecard approach at a business level, and moving from ‘information’ to ‘analysis’ e.g. possibly linking together business, department, team, and individual performance. A service in addition to ‘monitoring and reporting’ will be essential to drive this forward and will include a greater element of analysis, and forecasting.

Once established our aim is to be able monitor this impact and be able to quantify relationships between the investment made within Business Performance and the increased effectiveness in other areas of the business.

12.3.1 Programme

Action	Completion date
Rolling reforecast of all performance figures (financial, non financial) established.	Quarterly Reforecast in Place June 10.
Formal performance review system.	Monthly and quarterly reviews.
Develop coordinated Balanced Scorecard reporting across the company.	Balanced Scorecard in place for Sept 10.

12.4 Finance and procurement

12.4.1 Strategy

The Finance and Procurement Strategy to achieve this is broken down as follows:

Systems and Information

In Financial year 2010 and 2011, renewal and development of Financial and Procurement systems is an over arching strategy to facilitate delivery of both the departments and the organisations aims and objectives. As a result, this will be a core focus of the department.

Through the introduction of a powerful new finance & requisitioning package, the availability and accuracy of management information will be greatly enhanced supporting the organisation to make informed decisions and delivering improvements in the other areas detailed below.

Policy and Controls

In introducing new systems, the department will review, revise and develop its Policy and Procedures to complement the electronic enhancements and develop the controls in place

for financial compliance, transparency and accuracy. Through this the department aims to demonstrate robust practices which will bring the following benefits:

- Minimising risk
- Evidencing robustness (supporting strong bids for new business)
- Business controls (best practice, efficiency and compliance)
- Supporting audit
- Transparency & accountability
- Accurate and timely information

Value, Efficiency and Sustainability

Business and Enterprise North East's existing drive together with the anticipated tightening of the public purse means the Finance and Procurement department will increase its focus on supporting the business in delivery of value and efficiency improvements. This will be done predominantly through the following routes:

- Automation of tasks reducing complexity, process time and resources
- Facilitation of best practice Procurement with increased emphasis on value/cost
- To be a challenging force and question non value adding activity
- To constantly review and enhance the effectiveness of the team.

12.4.2 Programmes

Action	Completion date
Enterprise Wide Risk Management embedded throughout organisation.	June 10.
Implement contract profitability model.	June 2010
Consolidate data protection, insurance, environmental audit.	July 2010
On-line time sheets full implemented.	June 2010
On-line payslips.	December-2010
On-line expense claims.	December-2010
e-forms – online procurement documentation.	May-2010
Claims process improvements – improving cash flow.	June-2010
Rollout of on-line procurement through Proactis.	April-2010
Dashboard financial reporting for budget owners to aid decision making.	April-2010
Completion of annual statutory accounts.	July-2010
Introduction of project accounting.	April-2010
Reduction in time taken to produce management accounts and other reports to the business.	April/May-2010
Financial systems fully operational.	April 2010.
Procurement systems fully operational.	April 2010.
Complete implementation of Sun Systems Phase 1.	April-2010

Implementation of e-Tendering Solution.	December-2010
Revision and roll-out of Corporate Procurement Policy.	Nov 2010.
Reduction in time taken to file all monthly claims – all claims in by WD15.	June-2010
Revisit travel policy for business trips outside of the region.	June-2010

12.5 Internal audit

12.5.1 Strategy

During the year the Internal Audit team will look to expand its remit to cover all of Risk and Governance, looking increase staffing if required. The key deliverable will be the core audit plan which will provide the basis of giving management assurance over the internal control environment.

In addition work will continue to develop a comprehensive and embedded risk management structure and process, that is used and understood by the whole organisation to ensure decisions are informed by a knowledge and management of risk.

In addition core governance structures will be improved to ensure that there is a visibility and management of the risk of fraud and that reporting and review is enhanced so that the risk is minimised.

The core functions around Audit, Governance and Risk will be brought together in the Internal Audit team with a key focus on delivering the Risk Process, Money Laundering rules, Fraud Reporting, Insurance, Environmental Audit, Data Protection, supporting Business Continuity and developing internal codes on whistle blowing and declarations of interest.

12.5.2 Programme

Action	Completion date
Enterprise Wide Risk Management embedded throughout organisation.	June 10.
Consolidate data protection, insurance, environmental audit.	July 2010

13.0 Monitoring and control

Title	Performance measure	Attendees	Frequency
Business performance	KPIs	Delivery managers. Business performance team.	Monthly
SMG	Risk register KPI actual versus profile Project plan progress	SMG	Monthly
Funder operational review	KPI actual versus profile Project plan progress	ONE, LSC, UKTI	Monthly
Funder quarterly review	Risk register KPI actual versus profile Project plan progress	ONE, LSC, UKTI	Quarterly
BE-NE Business review	Risk register KPI actual versus profile Project plan progress	Exec team	Quarterly
BE-NE Board meeting. Written updates.	Risk register KPI actual versus profile Project plan progress	BE-NE Board plus observers	Bi-monthly. Intervening months.

14.0 Budget

The attached file details the financial projections under the following heading:

- Summary of income and expenditure
- Monthly profile of income and expenditure
- Business unit income and expenditure
- Income and expenditure by project
- Income analysis
- Investments analysis
- Balance sheet and cashflow

The main financial assumptions are set out below.

Profit and Loss account

The surplus for the year is anticipated to be £885k from income of £53,730k, a return of 1.6%.

As a consequence of the increased number of mainly NEEIC related contracts taken on in 2010, the surplus on all of the ONE contracts is now being driven down towards a break even point. We anticipate a surplus on all ONE activity of only £0.1m in 2010-11, with the balance of the surplus relating to LSC work, International Trade and interest earned on deposits.

The key assumptions:

Income

- Additional income compared to 2009/10 is:
 - Corus £1.4m
 - Newcastle City Loans £1.5m
 - Start Up Finance - £3.3m
 - Code Works £0.3m
 - Talent Solutions Fund £0.5m
 - Enhancing International Trade £0.4m
- RSF Contract with the LSC continues at the agreed reduced volumes and ends in December 2010.
- Enhanced Brokerage contract ends in December 2010.
- Integrated Skills Brokerage Contract has reduced by £0.3m
- In addition we are now including a full year impact (grossed up) of UKTI and NEEC.

Efficiencies

- The field team will be reorganised with all Advisors performing a “Hybrid” role equating to an annualised reduction in headcount of 10FTE. The in-year saving through attrition is £191k.
- The NEEIC will be reorganised and deliver in year efficiencies of £79k.
- Environmental Initiatives will deliver savings of £25k.
- Mobile Phone Contract Renegotiation has generated savings of £54k compared to 2009/10.
- Finance & Legal Staffing Savings from implementation of new systems and possible changes to the legal contract will deliver a further £76k.

Costs

- Staff costs will increase by 1.9% - a cost of £301k
- The impact on the accounts of the ending of the rent free period on Spectrum and other building changes is £277k.
- Provision has been made for redundancy costs of £340k.
- Increased depreciation based on capital programme of £171k.
- Increase in Audit & Quality Costs of £90k.

Balance Sheet and Cash

Fixed Assets increase in value by £570k reflecting the investment in on line services detailed below.

Debtors are fairly constant with the improved turnaround time on claims being reflected for the full year.

Creditors decline by £3.3m reflecting the use of £3.1m of advance single programme funding made in 2009/10 by ONE to cover CIPs, KTPs, Innovation Vouchers and Build f £3.1m.

As a consequence cash balances decline over the year by £2.9m mainly due to the use of the advance funding mentioned above. Cash Balances for general use by BE-NE remain constant through out the year between £2.4m and £3.0m.

On the basis of these numbers we feel there is a need to for ONE to advance of £3m of single programme funding on 1st April 2010 to cover the in month fluctuation in cash and any possible delays in ERDF payments. We would ask that agreement of this delivery plan also covers ONE consent to this additional advance funding.

Capital Expenditure

In line with the agreed IDB FAL, Capital Expenditure will focus on provision of services on line through programmes relating to BSSP Online, BENE online and NEESPR developments. Some expenditure will also be required to develop the new contact centre which is designed to reduce external expenditure over time.

All other projects are focussed on infrastructure maintenance and minor enhancements required to keep systems to the required service level.

The programme is detailed overleaf:

BE-NE Capital Programme 2010/11

Description	Total
Computer Equipment	
SharePoint 2010 Server	5
Exchange 2010 Servers	5
Business Continuity Hardware	50
Web conferencing hardware	10
Misc Server Replacements	30
BSSP Online Infrastructure	75
	175
Computer Software	
Business Continuity Software	50
BSSP Online	140
NEEIC Online	100
NEESPR Development	300
Investment Manager 2.0	50
Service Knowledge Tool	75
Integrated Contact Centre	95
Postcode Checker	40
BENE Online	110
Time Recording System	50
Data Encryption Software	40
SharePoint 2010	20
MS Exchange 2010	25
BI to the Desktop	50
Info Team Research tool	25
	1,170
Consulting	
Business Continuity Consulting	35
	35
Total	1,380