

Global Leadership in Environmental Technologies & Services (ETS)

A proposal for SEEDA to invest in a coordinated regional action plan

Presented by SEEDA and EnviroBusiness

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CONTENTS

	Page
Executive Summary	3
1 What is this document about?	6
2 Understanding the real scale of the opportunity.	6
3 How big is the global market for ETS?	7
4 Where are the global hotspots?	8
5 What is the South East's competitive position?	9
6 The threat of international competition.	12
7 Options.	13
8 Objectives, strategies, actions.	14
9 Strategic coordination of the action plan	16
10 What investment is proposed and why SEEDA?	21
11 What will SEEDA get in return for its investment?	24
12 Project management.	27
 APPENDICES	
I Options evaluation	29
II EnviroBusiness staff team	30
III Priority action plans	
Action 1: Market research	31
Action 2: International sales campaigns	33
Action 3: Global readiness of SMEs	35
Action 4: Market pull	37
Action 5: International innovation collaborations	39
Action 6: Supply chain development – wind energy, marine renewable	42
IV Year one timetable	45

Executive summary

The RES context

The RES has a transformational action for South East to secure Global Leadership in Environmental Technologies & Services (ETS). In 2007, SEEDA invested in groundbreaking research to understand what this would mean in practice¹.

The opportunity

This research confirmed an unprecedented market opportunity: the global market is forecast to grow from £2,645bn in 2006 to £5,236bn by 2016.

Why is SEEDA's investment needed?

South East England's 3,000 ETS businesses have less than a 0.5% market share with £11.16bn of turnover. Although turnover is expected to grow rapidly in the next ten years, current forecasts suggest this will not be enough to increase market share and South East is at risk of losing share to more competitive regions.

The regional goal

To increase the South East's global market share to 1% by 2016.

That means increasing sales turnover from £11.16bn to £52.36bn in ten years. Such an increase in business performance would make a massive contribution to achieving the RES's global competitiveness targets and have substantial spin-off benefits for the sustainability goals. It would be a truly transformational step.

The role of the public sector in achieving this goal

The research showed that substantial public sector investment in the industry has been one of the critical factors behind the success of the current global leaders. That's because ETS is a very immature and fragmented sector, still dominated by SMEs which don't yet have the market intelligence, resources, organisation, investor relationships, or market access to exploit the global potential on their own.

If the South East is to realise its ambition for global leadership and a 1% market share, public sector intervention is therefore essential and the RES Implementation Plan identified SEEDA as having the lead role for it.

However, in the context of the global ETS market, SEEDA's available resources are tiny and can directly achieve very little. So the challenge for SEEDA is how to use its limited resources to mobilise and build the capacity of the private sector to take advantage of the enormous opportunities on offer.

Proposed approach

SEEDA to invest £2.4m over the next three years in a coordinated regional action plan which will result in at least £60m of measureable new economic value in three years but which, more importantly, will start a 'chain reaction' in the private sector resulting in £9 billion of new sales turnover in the same period.

In order to engage the private sector businesses and investors essential to achieving this 'chain reaction', SEEDA proposes to devolve the coordination of this action plan to EnviroBusiness – the private sector-led consortium formed in 2005 with backing from SEEDA, to provide leadership for the ETS sector in the South East. SEEDA believes EnviroBusiness is the only organisation which can engage the private sector in this plan on the scale that is needed.

¹ *Prioritising Global Markets for Environmental Enterprises in South East England*, A report by Innovas, KMatrix and Hyder Consulting for EnviroBusiness, September 2007.

EnviroBusiness's role will be strategic coordination of the plan and engagement of the private sector, not delivery. All project delivery will be outsourced, by EnviroBusiness, to specialist delivery organisations via open competitive tender.

The regional action plan

There are six actions to mobilise, and build the capacity of, the private sector:

- 1) Gathering cutting edge global market intelligence and sharing it with the private sector and other stakeholders.
- 2) Running highly targeted sales campaigns to those global regions with the greatest potential.
- 3) Providing specialist support for SMEs which are innovative but lack the capacity to compete globally.
- 4) Driving market pull in the public sector and in 2012 organisations to create a strong home market from which to grow global market share.
- 5) Facilitating international innovation collaborations to gain global leadership in the fastest growing markets.
- 6) Using the London Array as a platform to develop globally competitive supply chains in wind energy and marine renewables.

The plan will focus on the technologies and services identified in the research as presenting the greatest opportunities for the South East i.e. All renewable energy technologies especially wind and marine energy; Waste and water infrastructure solutions; Sustainable building technologies; Consultancy and advisory services; Financial services and emissions trading. It will target the 21 countries with the greatest potential – in particular China, India, UAE, USA, EU accession states and Turkey. It will concentrate intensely on those businesses with the potential to grow internationally and contribute to the 'chain reaction' (an estimated 600 businesses or 20% of the ETS base) rather than spread its efforts thinly.

Programme governance and management

A steering group, chaired by SEEDA's Director of Sustainable Prosperity, will provide strategic direction; facilitate cross-SEEDA working; ensure key partners are involved; and review the effectiveness of the investment.

EnviroBusiness will report progress quarterly to SEEDA against agreed milestones.

SEEDA will have the option of terminating its contract with EnviroBusiness at the end of year 1 (Mar 09) or year 2 (Mar 10) if SEEDA is either dissatisfied with the performance of EnviroBusiness or if it needs to reprioritise its resources towards other areas of the Corporate Plan.

All project delivery will be outsourced to specialist delivery organisations via open competitive tender. This process will be managed by EnviroBusiness.

The investment

Activity	Y1	Y2	Y3	Total	% of total
Strategic coordination and programme management.	119	116	129	364	15%
Project 1: Market Intelligence	50	80	80	210	9%
Project 2: International sales	140	245	250	635	26%
Project 3: Global Readiness	20	20	20	60	3%
Project 4: Market Pull	35	60	66	161	7%
Project 5: International Innovation	50	200	250	500	21%
Project 6: Wind energy	70	200	200	470	19%
Total SEEDA investment	484	921	995	2400	100%

Project Deliverables

Measures	Targets			
	Y1	Y2	Y3	Total
Inputs				
Public, private sector and third sector investment (financial and in-kind) which is levered/aligned into the action plan.	£1m	£4m	£6m	£11m
Outputs				
No. of ETS businesses assisted to improve their performance ² .	100	150	350	600
Outcomes				
New value generated for the region as a result of the action plan. (Value = new equity investment, sales turnover, inward investment or investment in R&D).	£10m	£20m	£30m	£60m
Impact				
Total value of sales turnover for all South East ETS companies	£11.16bn	£15bn	£17bn	£20bn

² This is the number of businesses which get involved in the programme: some businesses will get involved in more than one action. If so, they will only be counted ONCE against this overall target.

1 What is this document about?

This paper proposes that:

- a. SEEDA invests £2.4m from 2008-11 in a regional action plan to achieve the RES’s transformational goal of Global Leadership in Environmental Technologies & Services.
- b. SEEDA devolves the strategic coordination, procurement and programme management of this action plan to EnviroBusiness – the region’s sector consortium for Environmental Technologies & Services.

The paper has been developed jointly by SEEDA’s Global Markets Unit and EnviroBusiness and it aligns with the recommendations made to government in November 2007 by the Commission on Environmental Markets and Economic Performance (CEMEP)³. The proposal will be submitted to SEEDA’s board for approval in March 2008.

2 Understanding the real scale of the opportunity

ETS is an emerging and rapidly developing industry so there is as yet no universally accepted definition of the sector, and there is limited current intelligence about its size and growth potential. Indeed the market size figures quoted in the RES are now several years out of date and significantly underestimate the real scale of the opportunity. EnviroBusiness argues, from its experience of working with the industry, that the sector is much broader than policy makers have to date believed. Previous definitions and scoping exercises have tended to encompass only primary producers, excluding the massive opportunities which exist throughout the value chain from initial consultancy through to implementation and after care services. EnviroBusiness has therefore adopted a new definition which more accurately reflects the scope of the global opportunity. This is provided in Fig.1 below.



Fig. 1 Sector definition and scope

³ The Report of the Commission on Environmental Markets and Economic Performance, for BERR, Defra, DIUS, November 2007

As a first step in developing the action plan for Global Leadership, SEEDA invested, through EnviroBusiness, in groundbreaking market research to address the lack of robust intelligence about the global market for ETS and South East's relative competitive position within it⁴.

We are confident that the data from this research is more reliable and actionable than that held by any other UK or EU institution. Sophisticated analytical methods were used to compile economic data and model the evolution of markets around the world. More than 700 technology categories were assessed across all significant national and sub-national/regional economies. All data was cross referenced and minimum confidence levels were applied to ensure only reliable data was included. Uniquely this analysis included not only primary suppliers, but also their related supply chains, thus providing the first complete representation of the sector and its full economic impact.

The final report provides detailed information about:

- **The size of the global market now and its forecast growth to 2016** - by region, by country, by sub-sector. This gives us very specific intelligence about the global 'hotspots' for the next ten years. E.g. we now know the size of the opportunity for waste water infrastructure in New Delhi; and the forecast demand for wind power in Guangdong province of China.
- **The size of the industry in the South East now and its forecast growth to 2016** – by sub-region, by sub-sector. And analysis of where the South East's strengths correlate with the global 'hotspots' e.g. wind power.
- **An analysis of the competition that the South East faces from international regions** – now and in the future. From this analysis the report identifies the common factors which make a region a global leader in ETS.

SEEDA's investment in this research has given the region a unique and invaluable knowledge asset which will enable policy makers, support agencies and businesses to target their resources precisely on those opportunities which will generate maximum impact and competitiveness.

3 How big is the global market for ETS?

- In 2006 the global market for ETS was worth £2,645bn⁵.
- 21 countries accounted for 77% of this market (£2,036bn).
- 38% of current demand is in Asia; 30% in the Americas; and 27% in Europe.
- Within this 'Top 21', demand across all ETS is projected to increase by at least 35% over the next ten years; and demand for some renewable energy technologies is expected to increase by almost 200%. This is illustrated in Fig. 2 on the next page.
- So by 2016 the market for ETS in the Top 21 countries is expected to be worth £5,236bn.

⁴ *Prioritising Global Markets for Environmental Enterprises in South East England*, A report by Innovas, KMatrix and Hyder Consulting, for EnviroBusiness, September 2007.

⁵ That's over five times the figure quoted in the RES. Section 2 explains why there is such a big difference.

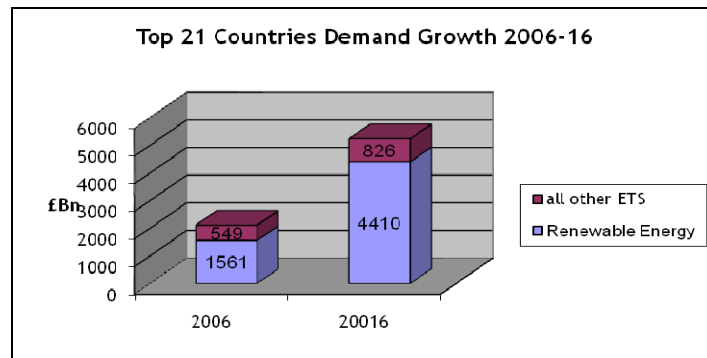


Fig. 2

These are exceptional growth rates by any standard. ETS is undoubtedly the great new business opportunity of our time. As Bill Clinton said recently “advanced economies require a source of good new jobs every 5 to 8 years. Climate change is this decade’s source of new jobs for rich countries”.

The reasons for these growth rates are well known:

- On the demand side, climate change and resource consumption are dominant political themes in developed countries, driving up demand for leading edge solutions. In fast developing countries such as China, India and the EU accession states, there is massive demand for basic infrastructure.
- On the supply side, businesses and investors are grasping the commercial opportunities. Commercial investment in ETS is accelerating throughout the world and since 2002 has been the fastest growing sector of private equity investment in the USA.

4 Where are the ‘global hotspots’?

Our research has identified which global regions and which technologies offer the greatest potential for growth. We call these ‘global hotspots’. In Section 5, we go on to identify where the South East’s strengths correlate with these hotspots.

4.1 The Top 21 countries

77% of the market is in 21 countries: Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Korea, Mexico, Poland, Russia, South Africa, Spain, Taiwan, Turkey, UAE, UK, USA⁶.

The USA and China will account for almost 50% of growth in the next ten years.

Within the Top 21 there are particular global regions which stand out in terms of long term potential e.g.: Delhi (£138bn); California (£74bn); Guangdong Province (£44bn).

4.2 The new energy revolution

There is no doubt that renewable energy technologies offer the biggest opportunities (See Fig. 2 above) because of concerns over the increasing cost, environmental impact, and security of supply, for hydrocarbon fuels:

- The renewable energy sub-sectors with the greatest growth potential are wind, solar and biomass.

⁶ Iran and Argentina also have big growth potential but they are not accessible to UK companies for political reasons, so we did not include them in our ‘global hotspot’ research.

- Materials and technologies that reduce energy use, e.g. sustainable building technologies, are also expected to grow fast.
- There is emerging demand for alternative fuels, alternative means of propulsion, and the direct control and mitigation of greenhouse gas emissions e.g. using carbon capture technology.

4.3 Mainstreaming environmental infrastructure

In fast developing economies such as China and India, the EU accession states and Turkey, there is huge demand for basic environmental infrastructure and for solutions to correct old polluting practices. E.g. more than 40% of Turkey's urban centres need basic waste water treatment and waste management infrastructure. The demand is not just for the physical infrastructure, but also for the high value consulting services which help countries identify what they need, how to implement it and how to integrate the various processes and technologies available to get maximum impact.

5 What is the South East's competitive position?

5.1 An established business base

- South East England has almost 3,000 businesses operating in the ETS sector⁷. However, 90% of them are SMEs and the industry doesn't have the degree of coherence and coordination found in established industries: trade associations are still small, fragmented and under-resourced; and there are few international trade fairs or trade journals providing SMEs with global market intelligence and access.
- These companies' combined sales turnover in ETS in 2006 was £11.16 Billion⁸. A big number but still only 0.5% of the global market represented by the top 21 countries. South East and London are the biggest exporting regions in the UK and are already trading with those countries where demand will grow most strongly.
- Based on current trends, turnover is expected to continue to grow significantly in the next 10 years to just under £21bn. See Fig. 3 below. However, because the global market is also growing rapidly, this growth would merely mean that the South East maintained its current market share of 0.5%. And even that cannot be taken for granted given the competition from other global regions.

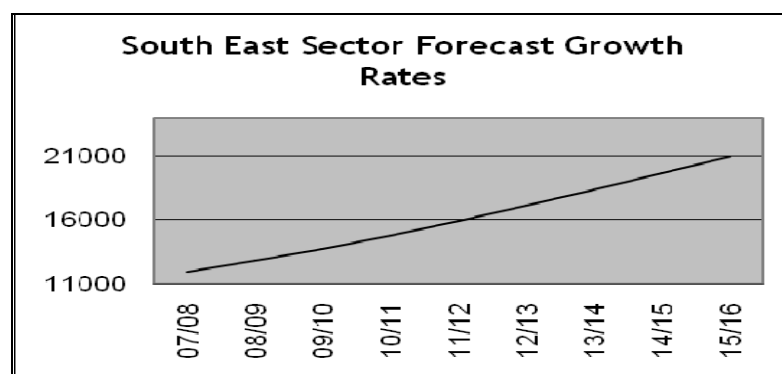


Fig.3 Forecast South East growth rates 2007-16

⁷ This includes companies wholly associated with ETS and those for whom it constitutes a significant proportion of their business activity.

⁸ Again these figures are much higher than those presented in the RES for the reasons given in Section 2.

5.2 A presence in all sub-regions

There are ETS businesses in all parts of the region but the greatest concentration, in terms of numbers and value, is in the Oxon, Bucks & Berks sub-region. See Fig.4.

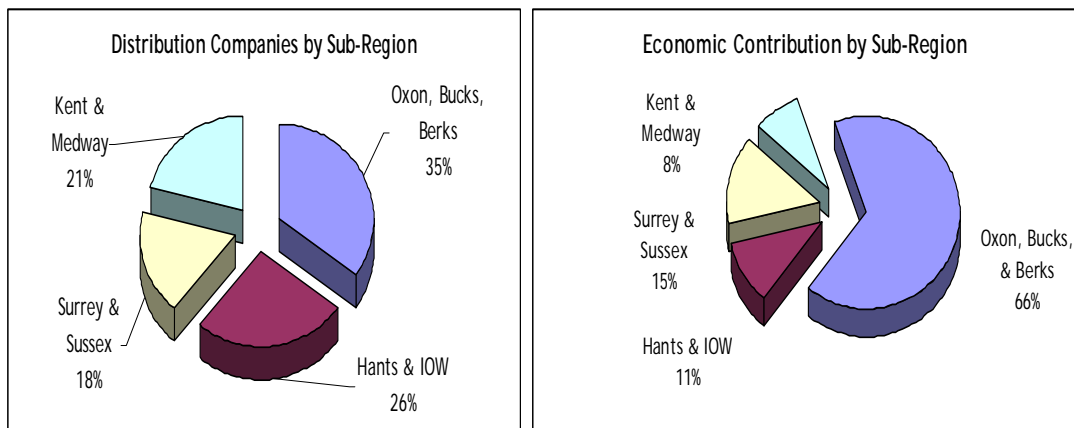


Fig.4. Sub-regional analysis - 2006

5.2.1 Oxon, Bucks & Berks – circa 1050 companies, £7.4bn turnover

This sub-region has an above average number of large companies. This accounts for its strengths in wind energy, alternative fuels and sustainable construction technologies. It also has many high value consultancy businesses and specialist investors associated with the commercialisation of emerging intellectual property (including that coming from Oxford and Reading Universities and other research organisations). The concentration of corporate businesses, utility and infrastructure companies in the Thames valley represents a major potential market for environmental technologies and services as well as important potential partners for the collaborative development and commercialisation of new technologies and service based solutions.

5.2.2 Hampshire & the Isle of Wight – circa 780 companies, £1.2bn turnover

More than 95% of companies in this sub-region are small. Of these, 50% are in the waste water treatment, wind energy, waste management and recycling sub-sectors. But 50% of the value generated derives from sustainable building technologies and alternative fuels. The sub-region's Universities offer capabilities in related marine and engineering disciplines. Project Integra (a collaborative local authority waste management project) is a national exemplar for other sub-regions - creating demand for more sustainable waste management technologies on an industrial scale and generating feedstock for regional recycling enterprises.

5.2.3 Sussex & Surrey – circa 540 companies, £1.7bn turnover

Five sectors account for 71% of companies: waste management; recycling; energy management; sustainable building technologies; and waste water treatment - with the last two accounting for 64% of the economic value. The Universities of Surrey, Sussex and Brighton offer relevant capabilities in technical research and policy development.

5.2.4 Kent & Medway –circa 630 companies, £0.9bn turnover

Kent is dominated by small and relatively low value enterprises. 96% of companies are small with 60% operating in waste management and recycling, waste water treatment and sustainable building technologies – the latter providing 41% of the economic value. If the public sector takes a lead in setting high environmental standards, regeneration in the Thames Gateway and Ashford could create large scale demand for ETS providing the opportunity to drive Kent's businesses up the value chain and to attract higher value inward investors. The London Array offers a major opportunity to create a wind energy service sector in Kent capable of serving the global market.

5.3 Strengths in sub-sectors which correlate with the global hotspots

South East's strengths match the global hotspots, identified in Section 4, in six areas:

- Sustainable building technologies.
- Renewable energy generation.
- Consulting and advisory services.
- Waste management and recycling.
- Water supply & waste treatment.
- Environmental monitoring.

5.4 Proximity to the London investment market

London is emerging as the global centre for commercial investment in ETS. There are now many specialist investment funds and businesses transacting in environmental risk products and units of trade e.g. carbon trading for the EU Emissions Trading Scheme and the Kyoto Clean Development Mechanism.

5.5 Strong knowledge base with leading universities and research organisations.

London and the South East are home to world-class research teams for ETS e.g. Imperial College, Oxford, Southampton and Reading Universities.

5.6 Home market opportunities from which to build a global position

London and the South East have three major new market opportunities right on their doorstep. These are not just big business opportunities in their own right. More importantly they could be platforms from which to demonstrate the region's innovation capabilities globally. They are:

The London Array offshore wind farm – the largest project of its kind in Europe. This offers the opportunity to bring together the regions' specialist wind energy and engineering companies to create a globally competitive service sector capable not only of winning contracts for the London Array, but also other major global contracts for offshore wind energy and other emerging marine energy technologies.

London 2012 - the first carbon-neutral games, will also offer opportunities to showcase London and South East businesses' innovation capabilities to a global audience.

The Thames Gateway – the biggest regeneration project in Western Europe. If the public sector sets the highest environmental standards for this project, it will create significant new demand for innovative solutions, create confidence in new technologies and provide a platform for London and South East companies to demonstrate their capabilities internationally.

5.7 EnviroBusiness – the sector consortium for ETS.

Three years ago SEEDA had the foresight to create a sector consortium for ETS in spite of a widespread perception amongst stakeholders at the time that the sector was not sufficiently important in its own right to warrant this focus. EnviroBusiness has been fully operational for only two years but has already begun to marshal the fragmented South East ETS business base into a more coherent industry capable of working together to improve its competitive position globally: it has recruited over 500 business members and engaged 150 of them in collaborative projects, international trade activities and innovation programmes. Although there is much more to do, the region's investment in EnviroBusiness has given it a competitive edge over regions where the industry is still highly fragmented.

6 The threat of international competition

6.1 Market share

Our research shows that the threat from other global regions is intense and growing:

- We may have an established base of good companies in the region but our share of the market in the top 21 countries is only 0.5%.
- Environmental industry capabilities have emerged in most industrially developed nations. Those countries setting high domestic environmental standards (such as Germany) and consistently supporting new technology development and implementation in domestic markets (such as Japan) have created internationally competitive businesses winning a bigger share of the global market than the UK.
- Fast emerging economies, notably China and India, are rapidly developing indigenous capability and plan to increase global market share by meeting domestic demand and providing low cost hardware solutions to the world. The Chinese government has said it will invest \$266bn to meet its target for 15% renewable sources by 2020. It aims to stimulate growth in the Chinese renewable sector by technology transfer and investment from international sources.

6.2 The critical success factors for global leadership

Becoming a global leader doesn't happen by chance. Our research identified seven critical success factors common to the current leading global regions:

1. A strong political will.
2. Long term environmental policies supported by enforced legislation.
3. Strong long term incentive programmes that reward the purchase and use of renewable energies.
4. High levels of investment in R&D.
5. Close links between academia and industry.
6. Strong public sector procurement policies to stimulate the market.
7. Focused support from business support organisations.

How well do we think South East performs against these factors? There are some positive stories to tell against all areas but the key question is how well are we doing against the international competition? Our research indicates that we have some way to go to catch up with the best. Clearly some of the factors require national intervention and they have been addressed by the report from the Commission for Environmental Markets and Economic Performance. But the region does have the chance to significantly affect the region's performance on factors 4-7. So that's what this proposal concentrates on.

7 Options

We have evaluated four options which SEEDA could now take to achieve global leadership of ETS. These are explained below. The forecasts costs and outputs from each option, and the detailed assumptions, are set out in Appendix I.

1. **Do nothing** and let the market determine the region's future competitive position. This might be tempting given the enormous growth rates forecast in our research. But it would be a high risk option as our research has shown that public sector support is a critical success factor in becoming a leading global region in ETS. The UK - let alone the South East - cannot afford to be complacent in the face of intensifying global competition. Furthermore this option fails to recognise that the sector is highly fragmented and dominated by SMEs. In our view, inaction risks loss of market share and a drift of skilled people, investors and intellectual property to better supported regions. **NOT RECOMMENDED.**
2. **Invest £115k a year for 3 years in action plans led by each of the seven Sector Consortia.** This option recognises that the global ETS market offers opportunities for businesses across all priority sectors e.g. aerospace - reducing the impact of flights; marine – wave energy; digital content – integrated transport; built environment – sustainable building technologies. SEEDA to give a contract to each of the Consortia and ask them to use this investment to support their members to win global ETS contracts. This option is likely to produce sub-optimal returns as it fragments SEEDA's resources across seven accountable bodies and makes insufficient use of EnviroBusiness's specialist understanding of the sector. And it fails to respond to our international competitors who have recognised that the scale of the global growth in ETS has produced a new industry sector in its own right which needs its own leadership and focused business support. **NOT RECOMMENDED.**
3. **Invest £800k a year for 3 years in one ETS regional action plan coordinated by SEEDA.** Use this funding to catalyse action and leverage resources from all relevant public, private and third sector partners. Whilst a coordinated regional action plan is an attractive option, the model of SEEDA leadership is out of step with the Sub-National Review and the SEEDA Corporate Plan which are driving a more strategic role for SEEDA with this kind of coordination being outsourced to arm's length bodies. Furthermore, a SEEDA-led project may struggle to achieve the same level of private sector co-investment as a private sector-led project.
4. **Invest £800k a year for 3 years in one ETS regional action plan coordinated by EnviroBusiness.** Use this funding to catalyse action and leverage resources from all relevant public, private and third sector partners. This option builds on SEEDA's substantial investment in EnviroBusiness over the past three years and recognises its specialist market knowledge and unique capacity to engage substantial numbers of businesses in regional programmes. We believe this is the only option which recognises the critical success factors for global leadership and the intensity of the competitive threat. **THIS IS OUR RECOMMENDED OPTION.**

The rest of this paper sets out the recommended option in detail.

8 Objective, strategies and actions

8.1 Objective

Current projections suggest that South East businesses' sales turnover will almost double to £21bn by 2016. But because the global market is growing at an equally rapid rate, this will merely mean that the region holds its current market share of the top 21 countries at under 0.5%. That's not the performance of an aspiring global leader. We believe the region should set its sights higher and aim to:

Increase SE businesses' share of the ETS global market to 1% by 2016.

Whilst 1% might not sound a lot, it will mean increasing the sales turnover of South East ETS businesses from £11.16bn in 2006, to £52.36bn by 2016. Such an increase in business performance would make a massive contribution to achieving the RES' global competitiveness targets and have substantial spin-off benefits for the sustainability goals. It would be a truly transformational step.

8.2 Strategy

In the context of the global ETS market, SEEDA's available resources are tiny and can directly achieve very little. So the challenge for SEEDA is how to use its limited resources to mobilise and build the capacity of the private sector to take advantage of the enormous opportunities on offer.

We propose that SEEDA invests £2.4m over the next three years in a coordinated regional action plan to leverage £11m of partner resources and start a 'chain reaction' of activity and collaboration in the private sector resulting in £9 billion of new sales turnover in the same period.

In order to engage the private sector businesses and investors essential to achieving this 'chain reaction', SEEDA proposes to devolve the coordination of this action plan to EnviroBusiness – the private sector-led consortium formed in 2005 with backing from SEEDA, to provide leadership for the ETS sector in the South East. SEEDA believes EnviroBusiness is the only organisation which can engage the private sector in this plan on the scale that is needed.

EnviroBusiness's role will be strategic coordination of the plan and engagement of the private sector, not delivery. All project delivery will be outsourced, by EnviroBusiness, to specialist delivery organisations via open competitive tender.

8.3 The regional action plan

This regional action plan has six interdependent actions to mobilise and build the capacity of the private sector: actions 1-3 are concerned with selling our existing products and services into more markets; actions 4-6 are concerned with innovating to achieve a leading global position in targeted sub-sectors. Together these six actions will combine to produce substantial new economic value for the region. (These action plans are detailed in Appendix III).

This approach is summarised in Fig. 5 on the next page.

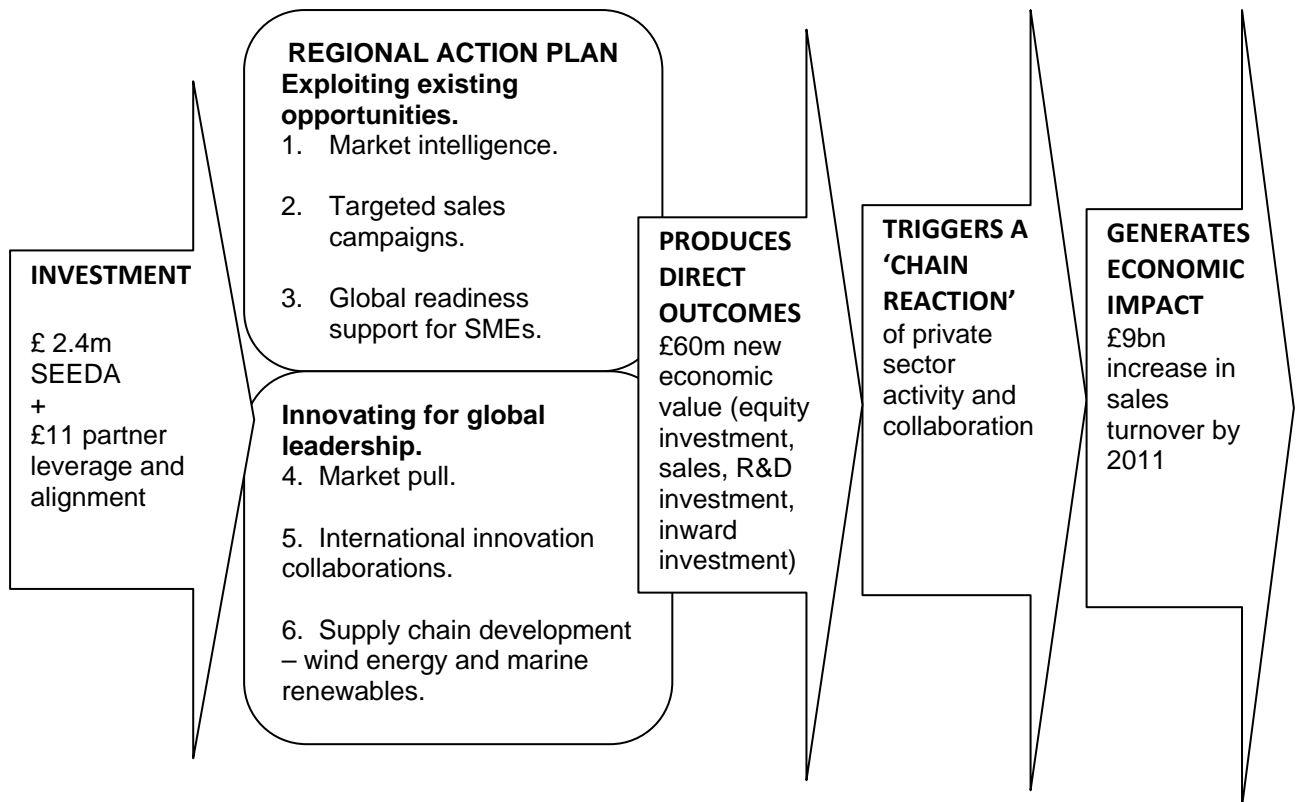


Fig. 5 - A coordinated regional action plan for ETS

- The action plan will focus on the following global hotspots identified in the research.

Global hotspots for South East England	
Technologies and services	Geographic territories
<ul style="list-style-type: none"> ▪ All renewable energy technologies – with a focus on wind and marine energy. ▪ Waste and water infrastructure solutions. 	All Top 21 countries.
<ul style="list-style-type: none"> ▪ Sustainable building technologies. ▪ Consultancy and advisory services. ▪ Financial services and emissions trading. 	China, India, UAE, USA, EU accession states and Turkey.

- The action plan’s resources will be invested in those businesses with the greatest potential to double the region’s global market share. That means businesses which have the ambition, the collaborative ethos and the potential to grow and trade internationally. (NB. Such businesses may be of any size, from any part of the region, or led by people from any part of society). We think circa 20% of the ETS business base is likely to have the necessary potential. So that means working intensively with about 600 companies over the next three years. The business support needs of the other 80% of businesses will continue to be served by Business Link’s information, diagnostic and brokerage services.
- We will work with London and the East of England to facilitate collaboration at the Greater South East level. This will enable us to achieve greater critical mass, global profile and leverage. Building on current work with the London Development

Agency and Thames Gateway Development Corporation, further efforts will be made to adopt a unified approach to the promotion and development of the sector.

8.4 Contributing to Place

Most sub-regional partnerships want to build strong ETS clusters and drive up the sustainability performance of their areas. However, individually they lack the market intelligence and access to make major steps forward on their own.

EnviroBusiness will forge strong links with Sub-regional Partnerships to enable them to extract substantial value from the regional plan to contribute to the achievement of their LAA targets and help create a local 'chain reaction'.

Through the regional plan EnviroBusiness will offer sub-regional partnerships: market intelligence about the make-up and particular characteristics of the sector in their areas; project management and know-how to support local projects; advice on how to build a local cluster by using their relationships to influence public sector procurement; how to use major regeneration projects to drive demand for ETS innovation; specialist support and global market access for individual SMEs and supply chains; and specialist support for potential inward investors – helping them to identify sub-regional partners.

The wind energy developments at the Queensway development in Hastings is an example of how EnviroBusiness, (working with Seaspace) has added value sub-regionally; and discussions are also advanced with PUSH, the Thames Gateway and Kent partnerships regarding the specific opportunities to drive up demand and build ETS clusters in their areas (e.g. through 2012, the London Array, Growth Area investment).

9 Strategic Coordination of the action plan

9.1 The need for strategic coordination

This is one of the RES's transformational actions: many organisations will need to work together and align their resources if we are to offer a coherent, integrated programme to businesses and achieve our transformational goal of doubling market share. These organisations include businesses, industry bodies, investors, universities, the Sector Consortia, business support organisations, UKTI, the Thames Gateway partnership, other RDAs and all parts of SEEDA.

That means there is a big coordination job to be done. Simply contracting out the delivery of the 6 priority actions as discrete projects would not achieve the desired result. The 6 priority actions are interdependent and must be managed as a package if we are to get the full value from the investment and produce an integrated offer which is easy for businesses to understand and access e.g. *Action 2: Strategic International Sales Campaigns* would be substantially less effective without the market intelligence generated by *Action 1*; and *Action 3* must be precede *Action 4* to ensure that there are businesses capable of responding to an increase in demand from the public sector.

In the past, SEEDA might have coordinated the implementation of such an action plan itself. However, this approach is no longer consistent with the future role of the RDAs as set out in the 2007 Review of Sub-National Economic Development and Regeneration (SNR). Furthermore, since the creation of the Sector Consortia in 2005, SEEDA has no specialist sector expertise in-house. So SEEDA needs to devolve this strategic coordination role to an appropriate partner.

9.2 The role of the strategic coordination partner

The role of this strategic coordination partner will be to:

- Produce detailed implementation plans for each action.
- Identify interdependencies between the actions and ensure they are joined up.
- Engage with relevant public, private and third sector partners and persuade them to align their resources behind the 6 actions.
- Forge links with Sub-Regional Partnerships to enable them to extract substantial value from the regional plan to contribute to the achievement of their LAA targets.
- Outsource the delivery of the actions in accordance with public procurement regulations; and manage the contracts with the successful tenderers.
- Identify around 600 ETS businesses which can contribute and benefit from the programmes in the action plan. Get the right companies involved at the right time, in the right actions.
- Synthesise the outputs from *Action 1: Market intelligence* and use the conclusions to shape the implementation of the other actions. Share the market intelligence with partners including SEEDA.
- Monitor the progress of the action plans, track outputs and outcomes, report and meet quarterly with SEEDA. Identify any deviation from the plan and initiate any corrective action required to get it back on track.
- Keep SEEDA and other agencies informed about the skills and infrastructure implications for the region as the sector develops and help them shape their response.
- Communicate the programme's progress and successes to all stakeholders.
- Commission an independent evaluation of the programme at the end of the three years and make recommendations regarding SEEDA's long term investment.

9.3 Why is EnviroBusiness the organisation to coordinate the action plan?

ETS is an immature and fragmented sector, dominated by SMEs, which lacks the coherence and coordination of more established sectors e.g. it hasn't yet got a strong base of primary contractors and trade bodies to drive the sector forward. There are a growing number of national trade associations but these are focused on niche communities at the sub-sector level and so are too small and narrow in their focus to be able to provide leadership across the sector.

SEEDA created EnviroBusiness in 2005 because it recognised this lack of coherent industry leadership. Since then EnviroBusiness has firmly established itself as the strategic leader for ETS in the South East. SEEDA believes it is the right organisation to fulfil the strategic coordination role for this action plan because:

- It is focused exclusively on driving up the performance of the sector in the South East.
- It has built a knowledge base about the global ETS market and legislative drivers which is second to none.

- It is led by businesses, is aligned to the needs of the market and is credible in the eyes of business. It has recruited over 500 business members and delivered several £millions of benefit to its members.
- It has an experienced team of staff – see Appendix II.
- It has formed a powerful network of contacts and won the confidence of stakeholders nationally, cross-regionally, regionally and sub-regionally.
- It has a track record of successful project management for SEEDA. E.g Invest in Recycling, Energise.

9.4 What are the resource implications for EnviroBusiness?

EnviroBusiness currently receives £250k p.a. from SEEDA to fulfil its strategic industry leadership role. From 1 November 2008 this will be cut to £200k p.a. (in line with the other Sector Consortia). This contract funds EnviroBusiness' CEO, Administrator and Network Marketing Manager⁹. All three staff will be engaged in the coordination of this programme in addition to their broader Sector Consortium responsibilities:

CEO – vision, leadership and partner relationships.

Network Marketing Manager – engaging businesses in the projects.

Administrator – administrative support for the team; report production, secretariat for the Steering Group.

However, this resource won't be enough on its own to coordinate the implementation of the Global ETS action plan. So additional funding is needed from this programme to pay for a full-time Programme Manager dedicated to this project. This person would be employed by EnviroBusiness and have responsibility for:

- Producing and controlling the project plan.
- Developing the specification of requirements for the six delivery projects.
- Managing the procurement process for the outsourcing of the project delivery.
- Managing contracts with suppliers
- Monitoring supplier performance.
- Setting up and managing systems for tracking outputs and outcomes.
- Managing the budget.
- Meeting SEEDA's reporting requirements.
- Facilitating links between the six projects to ensure they are being delivered as an integrated package.
- Ensuring that suppliers draw on the wider resources and knowledge of EnviroBusiness where appropriate.

9.5 EnviroBusiness procurement policy

EnviroBusiness will outsource the delivery of this project in a way which is consistent with SEEDA's procurement policy.

9.6 Effective corporate governance

The Board of EnviroBusiness South East Ltd comprises the CEO and 10 non-executive directors who provide a cross section of sector expertise and substantial business experience. The Board will be augmented with new non-executive directors

⁹ EnviroBusiness currently has 3 other staff which are funded by time-limited projects scheduled to be completed in 2008.

on the basis of rotation to ensure it continues to represent the evolving industry, provides new ideas and fresh input.

9.7 Working effectively with partners

Effective partnership working is critical to the success of this plan. Between now and October 2008, EnviroBusiness will seek to develop formal partnership agreements with the organisations listed below. These agreements will define the objectives and roles of the partners as well as the level of partner input and contributions.

Priority Actions	Partners	Status of Engagement	Next Steps
PA1 Global Markets Intelligence	London Development Agency & London Thames Gateway Development Corporation	Have both been engaged since summer 2007, have both agreed to work with EB & have both recently commissioned complementary research the results of which will be available to support this programme.	Assimilate LDA & LTGDC work to support overall programme. Engage EEDA & SWRDA to seek similar collaboration going forward.
	Government & agencies - BERR, DEFRA, Treasury, Environment Agency, WRAP, Carbon Trust, EPSRC	Occasionally undertake relevant research. Ongoing relationships being maintained with relevant contacts. No relevant research is currently known to be planned.	Keep an eye out for any possible research & seek collaboration as necessary.
	Technology Strategy Board	EB already advises the TSB at SEEDA's behest to direct their R&D funding.	Maintain contact with a view to influencing TSB & any research it might undertake.
	UK Forum for Environmental Industries	An inter-RDA forum occasionally undertake sector mapping activity although historically at much lower level of detail. All RDAs committed to undertaking collaborative research as appropriate.	Keep an eye out for any relevant activities & seek collaboration as necessary.
PA 2 Strategic International Sales Campaigns	UKTI SE & SEEDA Global Markets team	Have been working with EB since 2005 and this proposal is a culmination of that work. As well as contributing to the development of the underpinning research agreement has been reached in principle to detailed collaboration going forward.	Subject to details of funded programme, finalise joint targets & working practices for year 1 & onwards.
	Various trade associations eg Environmental Services Association, British Wind Energy Association	EB already works with all the major trade associations to engage businesses and this programme will constitute a continuation of this work.	Implement dissemination arrangements for year 1 action plan to targeted businesses.
	SEEDA International Representatives	Have been briefed by EB in December 07 & agreed to collaboration to gain international access.	Subject to details of funded programme, finalise joint targets & working practices for year 1 & onwards.
	BERR Renewables Trade Promotion Service	Following successful collaboration at Abu Dhabi World Future Energy Summit have agreed to participate with EB in international trade activities	Subject to details of funded programme, finalise joint targets & working practices for year 1 & onwards.
PA 3	Business support	Business Links (Kent), Enterprise	Subject to funding

Global Readiness	organisations	Hubs, Innovation Advisory Service, UKTI SE, Manufacturing Advisory Service, Investor Development, Waste & Resources Action Programme, Carbon Trust were invited to a briefing with EB in December 2007 at which the rationale, evidence base and proposed actions for this programme were presented. All 16 representatives bought into these plans and it was agreed that, subject to finalisation of the plan and confirmation of SEEDA funding, detailed collaboration arrangements would be confirmed in early 2008.	approval finalise practicalities of working arrangements (see detailed appendices)
PA 4 UK Market Pull	Partnership for Urban South Hampshire (including Business Link Wessex)	Detailed discussions have commenced to introduce ETS to procurement programmes in USH & agreement has been reached for EnviroBusiness to provide detailed input & to coordinate with regional level activity.	Deliver PUSH initiative & replicate with other sub-regional partnerships
	London Organising Committee for the Olympic Games	In principle agreement secured with Head of Sustainability to collaborate for introduction of sustainable technologies at 2012 facilities	Finalise practicalities of working arrangements (see detailed appendices)
	Seaspace	EB has been working in collaboration since Spring 2007 & this is a model for other SEEDA led regeneration & property development initiatives	Extend model to other SEEDA led initiatives
	Various private sector companies & public sector organisations	In principle involvement has been secured from WRAP, BAA, Dover Port, Slough Estates, Seaspace, Crawley Borough Council, Southampton Uni and others in SE & Greater South East.	Plan & initiate new activities.
	SEEDA Sustainable Development Team	EB already works extensively with the SD team & the new programme will build on current activities funded by that team.	Ensure ongoing fit with SD team activities.
PA 5 International Innovation Programme	Higher Education Institutions & research organisations	EB already works closely with HEIs across the SE & GSE to commercialise new ETS & this programme will constitute an extension of this work. To test Southampton and Imperial College have been consulted in detail & have agreed to collaborate.	Finalise collaborative arrangements with all relevant HEIs.
	SE Relay Centre	SEEDA project manager consulted & agreement secured to work in partnership to ensure additionality & to rule out duplication. This will involve leveraging SERC as a delivery mechanism for ETS opportunities identified by us and helping EnviroBusiness members to benefit from SERC services.	Develop detailed working practices for year 1.
	Institute for	Agreement reached with Ed	Ongoing coordination to

	Sustainability (Thames Gateway)	Metcalfe & Jim Lynch that the ETS programme is highly complementary & provides a forerunner to the planned IFS for Thames Gateway. Agreement also reached with LTGDC who are developing another IFS campus & EB is working with them to ensure fit	ensure the programme feeds opportunities & know how into IFS
	London Development Agency & London Thames Gateway Development Corporation	Have been briefed & EB is now working in collaboration to deliver innovation support to the ETS sector	Continue LDA/LTGDC collaboration & engage SWRDA/EEDA
	TSB, Energy Technology Institute & SE Science & Technology Advisory Committee	Are involved in directing public funding to science & technology innovation support & will be engaged at an operational level to influence their support to the ETS sector.	Ongoing engagement
	Commercial investors	28 commercial investors with specific interest in ETS have been engaged & collaboration agreed from whom private sector funding will be leveraged.	Develop working practices subject to programme funding.
PA 6 Supply Chain for Wind & Marine Renewable Energy	London Array Consortium	Have all been consulted & agreed to work in coordination with EnviroBusiness as the lead.	Develop detailed supply chain delivery plan in Spring 2008 & appoint Project Director (subject to funding)
	Marine South East		
	Kent partners – Kent County Council, Invest In Kent, Thanet District Council, & SEEDA area team		
	British Wind Energy Association	Having been consulted & have agreed to participate in the programme.	Jointly promote opportunities from Spring 2008
	SEEDA stakeholders	Including directors for Kent, Innovation & Property/Regeneration agreed to EnviroBusiness acting as coordinator for this PA	Work in collaboration to deliver SEEDA & sub-regional agenda
	BERR Renewables Trade Promotion Service	Have agreed to participate in jointly targeting international opportunities.	Work jointly to engage with international opportunities going forward

10 What investment is proposed and why SEEDA?

10.1 Programme costs

It is proposed that SEEDA invests £2.4m this programme between April 2008 and March 2011. This investment would be provided as a grant to EnviroBusiness and spent as detailed in the table below:

- 85% of this grant would be spent on delivery costs (outsourced to third parties via competitive tender).

- 15% of this grant would be spent on strategic coordination and programme management (EnviroBusiness).

	Y1	Y2	Y3	Total
Project delivery costs (outsourced)				
Project 1: Market Intelligence	50	80	80	210
Project 2: International sales	140	245	250	635
Project 3: Global Readiness	20	20	20	60
Project 4: Market Pull	35	60	65	160
Project 5: International Innovation	50	200	250	500
Project 6: Wind energy	70	200	200	470
Sub-total: project delivery costs	365	805	865	2035
Strategic coordination costs (EnviroBusiness)				
Project Manager recruitment	5	0	0	5
Project Manager salary	50	51	52	153
NI, Pension,	11	11	11	34
Programme Mgr IT /telephone	3	1	1	5
Database development	5	2	2	9
Meetings and travel	5	5	5	15
Evaluation	0	5	10	15
Legal costs (contracts)	10	2	2	14
Tender adverts	5	0	0	5
Programme promotion	15	15	20	50
Contribution to EB overheads	10	10	10	30
Contingency	10	10	10	30
Sub-total:EnviroBusiness costs	129	112	123	365
GRAND TOTAL	484	921	994	2400
% Outsourced	75%	87%	87%	85%
% EnviroBusiness	25%	13%	13%	15%

This budget assumes that SEEDA, in line with its policy for all Sector Consortia, will provide EnviroBusiness with a new three year partnership grant from 1 November 2008 of £200k per annum (until Mar 2011), in addition to the grant provided through this proposal.

10.2 Why is public investment needed in this programme?

- The Commission on Environmental Markets and Economic Performance (CEMEP) articulates in detail the nature and extent of market failure in the area of environmental innovation. It argues that: *“Environmental innovation is subject to two distinct market failures: pollution represents an under- or zero-priced negative externality, and new technology generates positive externalities which are sometimes difficult to value. Hence environmental innovation is doubly*

underprovided by markets. The need for environmental and innovation policies to address these market failure is accepted.”¹⁰

- CEMEP goes on to say: *“Support is needed because policy measures alone are not enough to create the conditions for business investment in environmental innovation on the scale needed and may not in practice be sufficient, or quick enough to create competitive advantage for UK businesses...Government Departments and agencies should address through their science and innovation strategies their role in promoting environmental innovation.”*
- This view is consistent with that also articulated by the government’s Environmental Innovations Advisory Group and the Public Sector Sustainable Procurement Taskforce.
- This is an immature and fragmented sector, dominated by SMEs which don’t have the market intelligence, resources or market access to exploit the global potential on their own. Most of the trade associations are dependent on SMEs for membership and income so they are underfunded and unable to provide the sorts of support services (such as trade fairs, journals, exhibitions etc) which might be available in more established sectors. The EU commission has accepted the concept of public support for SMEs on the grounds that *“their development may be limited by market imperfections [and] their limited resources may also restrict their access to information, notably regarding new technology and potential markets. Having regard to those considerations, the purpose of the aid exempted by this Regulation should be to facilitate the development of the economic activities of small and medium-sized enterprises”¹¹*. The support proposed in the regional action plan is consistent with this rationale and will specifically address some of the key issues raised. The activities will not constitute state aid. This is the justification for all Government support to SMEs.
- Although our market research forecasts substantial growth in the sector, it also shows that South East will at best merely maintain its current global market share of ETS. Public sector investment is essential to enable the region to increase that share and reach a position of global leadership. Our research shows that substantial public sector investment in the industry is a critical success factor for a global leader. The consequences of inaction are a drift of high value businesses, entrepreneurs and intellectual property developed in the SE to other locations with more attractive support regimes and active procurement of environmental technologies where business prospects are better.

10.3 Why is SEEDA the right public funder?

SEEDA is the right agency to provide this investment because:

- The RES Implementation Plan has allocated SEEDA the lead role for coordinating this transformational action.
- There are no other public sector agencies whose objectives enable them to provide this level of funding for regional coordination and catalytic activity. Other agencies will be able to contribute resources to the delivery of specific programmes within the action plan which align with their objectives but funding a regional coordination role does not fall within their remit.

¹⁰ CEMEP report, pp22-23

¹¹ From EU Regulation No 70/2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises.

- If SEEDA didn't provide the funding for a coordinated plan, then there would be considerably less collaboration and alignment amongst SEEDA's partners resulting in a fragmented and inefficient offer to businesses.

10.4 Forward strategy

This proposal seeks funding for the first three years of the action plan (2008-11). However, we believe that some level of SEEDA support for coordination will continue to be needed until 2016 – although we envisage that support reducing gradually each year as the capacity of the private sector to support ETS businesses will get stronger as the industry grows. The table below is an indication of the long term level of support expected from SEEDA.

	2012	2013	2014	2015	2016
Indicative SEEDA investment £'000	750	500	350	250	250

11 What will SEEDA get in return for its investment?

11.1 Strategic added value

By 2011, SEEDA's investment will have produced the following evidence of strategic added value:

Strategic leadership & catalyst: EnviroBusiness will have shared with partners and stakeholders detailed market intelligence about the size and nature of the global ETS market and what South East needs to do to achieve the RES's vision of global leadership. It will have engaged these partners in the delivery of a coordinated regional action plan designed to catalyse substantial private sector activity.

Leverage: EnviroBusiness will have used SEEDA's grant to leverage £11m of resources of the key ETS sector businesses, partners and stakeholders into the action plan.

Strategic influence: The market intelligence which EnviroBusiness gathers will have enabled the region to contribute to developing national policy on exploiting environmental markets (including the implementation of the CEMEP recommendations) and to the work of the Technology Strategy Board in supporting investment in RD&D

Cross-regional activity: EnviroBusiness will have facilitated cross regional working with London and the East of England and a number of Greater South East projects will have been implemented for mutual benefit.

11.2 Quantifiable returns

EnviroBusiness will be accountable for achieving the following input and output targets with SEEDA's £2.4m investment.

Measures	Targets			
	Y1	Y2	Y3	Total
Inputs				
The amount of public, private sector and third sector investment (financial and in-kind) which is levered into/aligned with the ETS action plan.	£1m	£4m	£6m	£11m
Outputs				
No. of ETS businesses assisted to improve their performance ¹² .	100	150	350	600

We forecast that SEEDA's investment plus the leverage/alignment it gets from partners (i.e. £13.4m in total) will produce the following outcomes for the region. The total outcomes will be tracked by EnviroBusiness but it will only be contractually accountable for achieving the proportion attributable to the £2.4m SEEDA grant under its direct control (i.e. 18% of the total).

Outcome measure	Targets			
	Y1	Y2	Y3	Total
New value generated for the region as a result of the action plan. (Value = new equity investment, sales turnover, inward investment or investment in R&D).	£10m	£20m	£30m	£60m

The tables above only capture the outcomes and impacts we estimate will occur during the period of SEEDA's initial investment i.e. 2008-11. However, the region will continue to benefit from SEEDA's investment after 2011 as there can be a considerable gap in time between beneficiary companies receiving support and actually winning new business as a result.

11.3 How the individual actions contribute to the output and outcome targets

The table below provides an indication of how the individual actions will contribute to the achievement of the targets. However, as detailed in Appendix IV, there are considerable interdependencies between these actions and so removing one action would impact on the ability of the others to realise their potential contribution.

Action	2008-11		
	Leverage £m	No. of businesses	Value generated £m
Market intelligence	Enabling project. No direct returns.		
Int. Sales campaigns	1.5	250	15
Global Readiness	1.5	300	None directly.
Market pull	1	325	10
Int. Innovation	5	50	20
Wind energy	2	100	15
Total	11	1025	60

The table above shows the number of businesses which are expected to benefit from each of the actions. Some businesses will benefit from more than one. When

¹² This is the number of businesses which get involved in the programme. We expect some businesses will get involved in more than one action. If so, they will only be counted ONCE against this overall target.

EnviroBusiness reports to SEEDA against the overall target it will only count a business ONCE irrespective of how many actions that business has participated in. That is why the overall target on the previous page (of 600) is less than the total figure shown above.

11.4 Measuring the impact of the 'chain reaction'.

In the context of our 10 year goal, these target outcomes are small. They are in effect what we believe we will be able to directly measure and attribute to SEEDA's £2.4m investment.

However, we have designed SEEDA's investment to create a 'chain reaction' in the private sector which we forecast will contribute to taking the total turnover for South East businesses from £11.16bn in 2006 to £20bn by 2011.

Impact measure	Targets			
	Base 2006)	Y1	Y2	Y3
Total value of sales turnover for all South East ETS companies £bn.	£11.16bn	£15bn	£17bn	£20bn

In activities which are designed to create a 'chain reaction' only the initial players in that chain are likely to recognise and report a benefit from SEEDA's investment. However, many other businesses will access the programme in different ways and go on to generate new businesses without reporting it to EnviroBusiness E.g. EnviroBusiness might share its market intelligence with businesses about opportunities in Guangdong Province through a networking event. Some of these may also want to participate in an international trade visit to Guangdong organised by UKTI and EnviroBusiness (and so they are likely to report their successes). But it is expected that many other businesses will act on the intelligence or form relationships with other businesses they meet at the event independently of EnviroBusiness (and so are unlikely to report their successes).

A recent survey of the Energise Knowledge Network, facilitated by EnviroBusiness, demonstrated this 'chain reaction' in practice. EnviroBusiness had provided intensive support to 6 collaborations from this network to help raise funding for innovation projects but the survey identified that since the network was formed, 21 bids for innovation funding had been developed by the whole membership with 19 of those being successful! EnviroBusiness's added value had been to put the right people together in the same room and share market intelligence with them. The members did the rest.

11.5 Spin-off benefits for other RES targets

RES Target	ETS Plan Contribution
TA - Science & Technology Campuses – Thames Gateway Institute for Sustainability	The plan will contribute to this TA by helping to identify areas for innovation in sustainable technologies, provide a link to existing innovation activities in SE & LDA area, engagement with innovation agencies/funders, develop expertise in forming industry lead innovation partnerships and most importantly provide engagement with businesses undertaking or potentially undertaking innovation activities in this subject area.
1. Global businesses.	Will increase the number of businesses working internationally. Will also increase inward investment. Both by providing targeted support to UK & international businesses (all Priority Actions)
2. Knowledge Transfer	Will increase innovation through Priority Actions 5 & 6 and by providing 'feeder' activities to the IFS. Also intend to leverage SEEDA Knowledge Networks, SE Relay Centre and LDA activities.
3. Innovation & Creativity	Will contribute by supporting product development to meet defined global

	market opportunities (Priority Action 2, 5 & 6). Will leverage existing sector consortia activity.
7. Competition and business regulation	Will increase SME tendering for work with SE public sector organisations by creating new demand through new sub-regional initiatives to procure ETS (Priority Action 4). Will leverage LDA, Thames Gateway and 2012.
9. Sustainable built environment	Will seek to bring about investment in major new environmental infrastructure e.g waste facilities, power stations etc by creating demand (action 4) and leveraging foreign inward investment (action 2) and sector consortia activity (again building on current). Also to improve environmental standards of physical development eg Seaspaces through action 4 by introducing ETS to building projects (PUSH etc)
11. Climate change	Actions 4 & 6 contribute directly by integrating ETS into SE infrastructure thereby reducing its environmental impact. This will also be leveraged by working with LDA and Thames Gateway. Builds on existing activity eg Seaspaces.
12. Sustainable consumption and production	As for 11 but specifically by action 4 as this is 'sustainable public procurement'.

12 Project management

12.1 Timetable

We are assuming a start date for this programme of **1 April 2008** with delivery of the individual projects commencing in September 2008:

Mar 08	SEEDA approves the plan EnviroBusiness places the advert for the Programme Manager
Apr 08	Interview and appoint the Programme Manager. EnviroBusiness team to start work on preparing the project specifications and engaging partners.
June 08	Programme Manager takes up their post. Programme Manager completes the project specifications.
Jul 08	Invitations to tender published for the 6 projects.
Aug 08	Appoint suppliers.
Sep 08	Suppliers start work.

A detailed timetable for year one is provided in Appendix IV.

12.2 Steering Group

A steering group will be formed in April 2008 to provide strategic direction for the programme; to help ensure that all key partners are involved and working in a joined up way; and to make links to other RES actions. Members will include:

- SEEDA - Executive Director, Sustainability (Chair).
- EnviroBusiness - CEO
- EnviroBusiness - Programme Manager
- SEEDA – Executive Director, Development and Infrastructure.
- SEEDA - Director, Global Markets.
- SEEDA - Head of Science and Technology.
- SEEDA – Area Director, Kent.
- UKTI - Regional Director South East.
- Business Link Kent – CEO.

The steering group will meet three times a year.

12.3 Contract monitoring

SEEDA Global Markets Unit will be responsible for contracting with EnviroBusiness. It will require EnviroBusiness to submit a quarterly report to SEEDA setting out the progress against the action plan milestones, budgets and targets, and providing evidence of strategic added value.

The EnviroBusiness CEO and Programme Manager will meet quarterly with the SEEDA contract manager to review the report, identify issues and agree any corrective action required.

12.4 Contract break clauses

SEEDA will have the option of terminating the contract or changing the level of investment at the end of year 1 (Mar 09) and at the end of year 2 (Mar 10). This option will be invoked if SEEDA is either dissatisfied with the performance of EnviroBusiness OR if it needs to change the level of investment in this programme in response to a corporate plan requirement.

12.5 Evaluation

EnviroBusiness will commission an independent evaluation of the action plan at the end of 2010. This will be used to inform SEEDA's commitment to the plan beyond 2011.

12.6 Risks

Risks	L	I	Mitigation
EnviroBusiness (EB) doesn't have the capacity to scale up quickly enough.	L	M	Build in a capacity building period from Apr-Sep 08 to recruit the programme manager, engage partners, implement any necessary process and systems improvements etc.
Partners don't engage in the action plan.	L	H	Ensure all potential partners have been approached and contributed their input prior to the completion of the plan. SEEDA to send clear message to partners that funding for ETS support will only come through the action plan.
Businesses don't engage in the programmes.	L	H	Build on EB's growing network and use the research to target the right businesses. Offer some quick win programmes initially to demonstrate the value.
Commercial risk i.e. the South East's businesses aren't good enough to compete.	L	M	Focus on areas of strength & target markets where demand matches these strengths. Work with the top 20% of companies – resist any pressure to dilute resources across the whole sector. Look at targeting inward investors to address gaps in SE capability. Ensure Business Link is equipped to provide IDB to the 80%.
Public sector doesn't take on board the public procurement 'market pull' elements of the action plan.	H	H	Use the CEMEP report and subsequent government response to engage senior public sector people. Persuade SEEDA that it should lead by example and adopt the highest environmental standards in its procurement and in projects which it funds.

Appendix I: Options evaluation

The forecasts				
2008-11	Option 1 Do nothing	Option 2 ETS supported at same level as other priority sectors.	Option 3 Regional action plan coordinated by SEEDA	Option 4 Regional action plan coordinated by EB
Investment £m				
SEEDA.	£0m	£0.6m	£2.4m	£2.4m
Forecast return				
The value of investment (cash and in kind) levered into programmes to achieve global leadership in ETS.	0	£3m	£5m	£11m
No. of businesses assisted as a result of SEEDA's investment.	0	300	600	600
New value created for ETS businesses as a result of SEEDA and partners' combined investment in the regional action plan £m	0	£10m	£40m	£60m

The assumptions				
2008-11	Option 1	Option 2	Option 3	Option 4
Investment £m				
SEEDA.	N/A	£200kp.a. as per standard consortia contract	£800k/year	£800k/year
Forecast return				
The value of investment (cash and in kind) levered into programmes to achieve global leadership in ETS (from public and private sector).	N/A	5:1 leverage as per standard Sector Consortia contract.	Public sector leverage only. Private sector not attracted to SEEDA-led model.	Leverage target has been built bottom up, project by project.
No. of businesses assisted as a result of SEEDA's investment.	N/A	Same as the target for a standard consortia investment of £200k p.a.	20% of the business base of 3,000 will be targeted.	20% of the business base of 3,000 will be targeted.
New value created for ETS businesses as a result of the action plan £m	N/A	Same as the target for a standard consortia investment of £200k p.a.	£40m	4.5:1 return on combined SEEDA+partner investment (i.e. £13.4m). Target built bottom up project by project.

Appendix II

EnviroBusiness staff team	
Team member & Role	Qualifications, skills and experience
Tom Fourcade, CEO	Formerly Market Development Programme Manager and State Aid Manager, WRAP; and various commercial and strategic roles at Valpak Ltd: <ul style="list-style-type: none"> ▪ Qualified environmental scientist & chartered waste manager. ▪ Market development & commercialisation of environmental industry. ▪ Development of market based solutions to environmental targets. ▪ Management of public/private partnerships & joint working. ▪ Interpretation of legislative & regulatory drivers on ETS industry. ▪ Leadership, financial, operational, project & people management.
Roy Williamson, Projects & Partnerships Manager	Formerly science, technology and innovation consultant (clients included DTI, SEEDA) and strategic technologist for Alstom PLC: <ul style="list-style-type: none"> ▪ Qualified engineer & strategic technologist for renewable energy. ▪ R&D partnerships & collaborative bid development with HEIs. ▪ Technology commercialisation & business support. ▪ South East waste management & renewable energy. ▪ Programme development & project management.
Henry Le Fleming, Environmental Enterprise Mgr.	Formerly International Trade Adviser (ETS) for UKTI and various environmental, management consultancy and investment banking roles: <ul style="list-style-type: none"> ▪ Qualified environmental technologist. ▪ International markets & sales for ETS. ▪ Intensive business support for international markets. ▪ Supply chain building & market research. ▪ Programme development & project management.
David Porter Environmental Enterprise Manager	Formerly Director, Set Squared (technology commercialisation incubation programme, University of Surrey) and various investment banking roles: <ul style="list-style-type: none"> ▪ Qualified mathematician & economic modeller. ▪ Formation of collaborative partnerships for innovation. ▪ Commercial investment in new technologies & services. ▪ Programme development & project management. ▪ HEI & business partnership working.
Pete Brassier Network Marketing Manager	Formerly Director of on-line marketing agency and various marketing roles: <ul style="list-style-type: none"> ▪ Marketing and communications professional.
Madeleine Escobido Business Administrator	Former administration, IT consultancy & international conservation roles. <ul style="list-style-type: none"> ▪ Environmental conservation experience in Africa & far East ▪ Chemistry Graduate

Appendix III:

**Global Leadership in Environmental Technologies & Services (ETS)
The regional action plan**

Priority action 1: Global Markets Intelligence	
Rationale and approach	Up to date, reliable and in-depth market information and intelligence is essential to the success of this plan as it will enable us to target the region's resources where we can get the highest returns. The research we commissioned to inform this proposal has been recognised as the best available to UK policy makers. We intend to build on this strong foundation and generate actionable market information, data and intelligence for the industry on an ongoing basis. We will use this to shape the region's programmes and to track our progress towards achieving our objective of doubling market share.
Key Objectives	<ul style="list-style-type: none"> ▪ Maintain knowledge of global market opportunities for international trade and inward investment relative to the SE industry and its competitive position. ▪ Generate operational intelligence for specific market. ▪ Monitor the overall performance of the SE sector. ▪ Provide an actionable information resource for the industry and stakeholders.
Dependencies	<p>The research will be coordinated with other relevant research undertaken by Government, UK Trade & Industry and others to avoid duplication and to ensure the outputs are as accurate and recent as possible.</p> <p>The output of this action will inform and set the direction for all other actions to be undertaken under this programme – there is no other comparable research being undertaken - as such it is critical to the success of the whole programme.</p>
Implementation	<p>Strategic Coordination: EnviroBusiness The role of EnviroBusiness will be to ensure the research provides the results necessary to serve the needs of industry and to provide the market information, data and intelligence necessary to deliver the various actions within this overall programme. It will therefore be necessary to:</p> <ul style="list-style-type: none"> ▪ Accurately specify the outputs required having knowledge of the needs of industry and the overall programme. ▪ Select by competitive tender suitably qualified market research contractors. ▪ Ensure their work builds on the latest publicly available information & adds value. ▪ Analyse & synthesise the results such that they are publishable in a form appropriate for all ultimate users. ▪ Liaise with other parties with similar research interests to avoid duplication. <p>Delivery: third parties Research tasks to be sub-contracted to specialist suppliers to include:</p> <ul style="list-style-type: none"> ▪ Economic & market specific data gathering. ▪ In target territory information & intelligence gathering. ▪ Synthesis of findings & reporting to EnviroBusiness. <p>The suppliers to be selected via competitive tender might include:</p> <ul style="list-style-type: none"> ▪ Economic & market research consultants. ▪ Environmental consultants. ▪ Target territory specialists. ▪ Industry sub-sector/specialists.

Indicative 3 year cost	£k	Y1	Y2	Y3	Total
	Outsourced delivery	50	80	80	240
Potential Leverage	<ul style="list-style-type: none"> Financial contributions to the research from other RDAs (especially LDA, EEDA & LTGDC) and other stakeholders e.g. UKT&I at a national level. 				
How the action contributes to the target outputs and outcomes.	<p>The output of this action will inform and set the direction for all other actions in this programme. It will not deliver outputs itself but enable other actions to maximise their contribution to the target outputs & outcomes.</p>				
Relevance to Place	<p>Economic market research tasks will include continued tracking of the sub-regional distribution and contribution of ETS businesses and sharing this knowledge with sub-regional partners to inform their policies and plans.</p>				
Milestones					
2008-9		2009-10		2010-11	
<ul style="list-style-type: none"> 2007 global market research updated & published Research into target sales territories initiated. Methodology for SE sector monitoring developed & impact assessment baseline set Cooperation & contributions from other stakeholders undertaking research confirmed 		<ul style="list-style-type: none"> 2008-09 global markets research updated & published Research into target territories intensified Impact in 2008-09 against baseline assessed 		<ul style="list-style-type: none"> 2009-10 global markets research updated & published Research into target territories intensified Impact in 2009-10 against baseline assessed 	

Priority action 2: Strategic International Sales Campaigns																		
Rationale and approach	<p>Our market research has shown us where South East ETS business' strengths match the global hotspots. This priority action will act on this intelligence by helping SE businesses with existing ETS capability to access high growth international markets and increase their sales of these technologies and services. Initially we will intensively target the three countries with the biggest opportunities. Depending on how successful we are, and how much leverage we can obtain with SEEDA's resources, we will extend our activity to other countries as the project progresses.</p> <p>As well as looking to sell UK ETS overseas, we will also be looking for potential overseas partners for UK ETS companies and world class inward investors that could address gaps in our supply chains. This approach will be managed in partnership with the SEEDA International and Sustainable Development.</p> <p>We will do this by working with existing business support providers - particularly UKTI and SEEDA International - to help them make their offer more relevant and targeted. This will including investing in new highly targeted activities e.g. collaborations, trade missions, exhibitions and developing long term relationships with potential buyers.</p>																	
Key Objectives	<ul style="list-style-type: none"> ▪ Identify and target territories with the highest potential for SE industry. ▪ Build relationships with buyers and collaborators in those target territories. ▪ Generate a detailed, actionable picture of demand & emerging opportunities. ▪ Facilitate industry bids for new sales contracts & other commercial opportunities. ▪ Form partnerships between compatible industry players to increase competitive advantage in target territories and to generate inward investment potential for SE ▪ Promote SE businesses in target territories to raise their profile with buyers. ▪ Develop business opportunities for SE businesses by engaging with potential buyers & in territory stakeholders capable of influencing demand. 																	
Dependencies	<ul style="list-style-type: none"> ▪ Accuracy & effective interpretation of market research undertaken under Priority Action 1 is critical to the success of this action. ▪ Agreement of coordinated effort with UKTI, SEEDA International team, international trade promoters. ▪ Ability of SE businesses able and willing to compete effectively in target markets 																	
Indicative 3 Year Cost	<table border="1"> <thead> <tr> <th>£k</th> <th>Item</th> <th>Y1</th> <th>Y2</th> <th>Y3</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Outsourced Delivery</td> <td>Project management, communications, marketing materials, publications, UK events, travel for businesses & buyers, information gathering</td> <td>140</td> <td>245</td> <td>250</td> <td>635</td> </tr> </tbody> </table>						£k	Item	Y1	Y2	Y3	Total	Outsourced Delivery	Project management, communications, marketing materials, publications, UK events, travel for businesses & buyers, information gathering	140	245	250	635
£k	Item	Y1	Y2	Y3	Total													
Outsourced Delivery	Project management, communications, marketing materials, publications, UK events, travel for businesses & buyers, information gathering	140	245	250	635													
Implementation	<p>Delivery through UKTI, international trade promoters, industry associations & specialist service providers for the provision of activities in target territories:</p> <ul style="list-style-type: none"> ▪ Analysis of global markets research to select target territories & identify specific opportunities. ▪ Identification & creation of long term relationships with potential buyers e.g. Head of Procurement for Western Province of Saudi Arabia or equivalent in Shanghai, China and those influencing the emerging demand for ETS in target territories including the academic and research organisations. ▪ Communicating the opportunities to partners e.g. UKT&I to secure their support. ▪ Promoting the opportunities and securing the participation of industry. ▪ Matchmaking between potential business partners to form consortia to bid for new sales contracts or to secure competitive advantage to develop business including formation of international business partnerships as necessary. ▪ Determining inward investment opportunities and driving engagement of global businesses towards SEEDA Inward InvestmentTeam. ▪ Agreeing a coordinated action plan to engage target territories over 2008-11 with International Team SE/UKT&I. 																	

	<ul style="list-style-type: none"> ▪ Fostering a Greater South East approach by working with other RDAs. ▪ Leveraging resources from partners to reinforce overall delivery. ▪ Organisation of UK seminars to promote specific international business opportunities to targeted industry groups. ▪ Production and dissemination of information resources detailing opportunities for industry, SEEDA international representatives and other overseas collaborators. ▪ Organisation of meetings with buyers and market influencers in target territories. ▪ Organisation of delegation visits by potential inward investors to SE to meet potential business partners and inward investment agencies. ▪ Representation/intelligence gathering in target territories. 	
Potential for leverage	<ul style="list-style-type: none"> ▪ ETS businesses. ▪ SEEDA Inward Investment Team. ▪ UK Trade & Investment - South East. ▪ SEEDA International Representatives. ▪ UK Trade & Investment - Environmental Industries Support Unit. ▪ DBERR Renewables - Trade Promotion Services. ▪ LDA & EEDA. 	
How the action contributes to the target outputs and outcomes.	<p>This action will be fundamental in securing new business engagement & sales and increased global market share for the SE sector. A significant amount of leverage will be generated through this action. The indicative contributions to targets are:</p> <ul style="list-style-type: none"> ▪ Leverage - £1.5M ▪ Number of businesses engaged – 250 ▪ New value created - £15M 	
Contributes to RES targets in addition	<p>Global Competitiveness</p> <ul style="list-style-type: none"> ▪ Increasing % of SE businesses operating internationally. ▪ Maximising SE share of foreign direct investment. 	
Relevance to Place	None. This will be a region-wide activity and potentially Greater South East wide.	
Milestones		
2008-9	2009-10	2010-11
<ul style="list-style-type: none"> ▪ Have initiated engagement with target territories & identified potential buyers & market influences. ▪ Have pipeline of new sales opportunities identified & exploitation plans developed & promoted to industry. ▪ Have engaged at least 75 businesses to become involved in new international sales activity. ▪ Have generated leverage in support of this Priority Action worth at least £0.5M. ▪ Have identified Inward Investment potential & initiated contact with potential inward investors. 	<ul style="list-style-type: none"> ▪ Have engaged at least 150 businesses in new international sales activity. ▪ Have facilitated business transactions generating value of at least £5M. ▪ Have generated leverage in support of this Priority Action worth at least £1M. ▪ Have facilitated at least 3 new inward investments. ▪ Have initiated good sectoral interrelations between industry sub-sectors in UK & target territories. 	<ul style="list-style-type: none"> ▪ Have engaged at least 250 businesses in aggregate to become involved in new international sales activity. ▪ Have facilitated business transactions generating value of at least £15M. ▪ Have generated leverage in support of this Priority Action worth at least £1.5M. ▪ Have facilitated at least 9 new inward investments in aggregate. ▪ Have established ongoing sectoral interrelations between industry sub-sectors in UK & target territories resulting in enhanced trade & knowledge transfer.

Priority action 3: SME Global Readiness							
Rationale and approach	<p>Many SMEs with good products and services are constrained in engaging with international commercial opportunities because of their organisational and financial immaturity. They may not recognise their weaknesses and even when they do, many find it difficult to access the support they need. In particular, we need to identify new entrants from non-traditional backgrounds which may have the potential to compete globally if given access to the right support.</p> <p>This priority action will address this issue by building the global readiness of South East's ETS SMEs. We believe that as many as 60% of our target 600 SMEs may need intensive global readiness support. i.e. 360 businesses.</p> <p>We will do this by continuing to work with existing business support providers (particularly UKTI, Business Link, Enterprise Hubs, IAS, MA, SE Relay Centre) to help them make their offer more relevant and targeted and to invest in more specialist support for this sector. We will also work to persuade more SMEs to take advantage of what's on offer and to identify businesses from non-traditional backgrounds.</p> <p>This priority action builds on existing EnviroBusiness activity to coordinate business support for the sector. It also has a strong link with Priority Actions 1 and 4 because in combination these two will strengthen the ability of the sector to engage with new opportunities in the UK and overseas.</p>						
	<p>Key Objectives</p> <ul style="list-style-type: none"> ▪ Promote the offer of this programme through Business Link and ensure Business Link advisors understand which businesses to refer to EnviroBusiness. ▪ Work with regional and extra-regional business support providers to ensure business support is relevant to the needs of the SE ETS sector and is able to identify and engage with businesses from non-traditional backgrounds that might be capable of competing globally. ▪ Optimise the take-up of publicly funded business support by SMEs with global potential but with organisational development needs. 						
	<p>Dependencies</p> <ul style="list-style-type: none"> ▪ Some SMEs will need business support before they are able to operate or compete effectively on an international basis. ▪ The cooperation and buy in of the business support organisations (notably Business Link) will be necessary to achieve the objectives of this Priority Action and to identify the business engagement outputs attributable to it. 						
	<p>Implementation</p> <p>Strategic Coordination: EnviroBusiness</p> <p>EnviroBusiness will use its knowledge of the sector and company specific needs to:</p> <ul style="list-style-type: none"> ▪ Identify relevant providers at regional, Greater South East and national levels. ▪ Interpret the business needs of the sector & companies within it. ▪ Secure high level buy in of business support organisations and agree collaboration, delivery & output reporting arrangements. ▪ Organise workshops to brief & train business support operatives e.g. Business Link advisors. ▪ Refer SMEs to business support organisations as necessary. ▪ Provide industry feedback on business support relevance and delivery to support continual improvement. ▪ Capture data on the demographics of ETS business owners accessing the programme to enable us to better understand if our offer is accessible to people from non-traditional backgrounds. <p>Activities which could be outsourced include:</p> <ul style="list-style-type: none"> ▪ Production of marketing & training materials and web collateral detailing the offer associated with this programme. ▪ Organisation of joint events to promote the programme & relevant business support. 						
Indicative three year spend	£k	Item	Y1	Y2	Y3	Total	
	Outsourced Delivery	Communications, marketing materials, publications, events, training	20	20	20	60	

	Total		20	20	20	60
Potential for leverage	<ul style="list-style-type: none"> ▪ ETS businesses. ▪ Business Links ▪ SE Relay Centre. ▪ Sub-regional providers - Enterprise Hubs, UKTI, FSE, IAS, High Growth Coaching, HEIs, Local Authorities etc ▪ Extra-regional providers - WRAP, Carbon Trust. 					
How the action contributes to the target outputs and outcomes.	<p>The action will help to ensure SMEs are as organisationally robust and prepared to undertake international sales and associated business activities. It will also provide the opportunity to leverage support for the sector from business support organisations.</p> <ul style="list-style-type: none"> ▪ Leverage - £1.5M. ▪ Number of businesses engaged – 300. 					
Relevance to Place	<ul style="list-style-type: none"> ▪ We will run workshops and peer to peer programmes in all sub-regions to help strengthen the ETS business base throughout the region. 					
Contributes to RES targets in addition	<p>Global Competitiveness</p> <ul style="list-style-type: none"> ▪ Increasing % of SE businesses operating internationally. ▪ Maximising SE share of foreign direct investment. 					
Milestones						
2008-9	2009-10		2010-11			
<ul style="list-style-type: none"> ▪ Have developed integrated, specialist offer & communications process for ETS SMEs with sub-regional business support providers. ▪ At least 50 SMEs having received intensive assistance. ▪ Have secured leverage of business support for the sector of at least £250K. 	<ul style="list-style-type: none"> ▪ At least 125 SMEs having received intensive assistance in aggregate. ▪ Have secured integration of relevant national business support providers to the SE programme. ▪ Have secured leverage of business support for the sector of at least £500K. 		<ul style="list-style-type: none"> ▪ At least 300 SMEs having received intensive assistance. ▪ Have secured leverage of business support for the sector of at least £750K. 			

Priority action 4: Stimulating UK Market Pull								
Rationale and approach	<p>There are numerous policy and commercial drivers creating interest in the procurement of ETS. From the point of view of public sector organisations this is to fulfil ever more demanding policy targets to improve sustainability and from the private sector to ensure compliance with environmental legislation and to meet the expectations of customers, supply chain partners and investors ever more concerned about environmental risks. There is however a market failure in the uptake of ETS by potential buyers as the market is immature leading to inertia (particularly in the public sector - as reported in CEMEP and by the Government's Sustainable Procurement Taskforce). This means channels for communication between potential suppliers and buyers are often not available and potential buyers can be hesitant due to ignorance about taking new approaches involving ETS. As a result market potential is slow to be unlocked.</p> <p>This priority action seeks to address this by bringing together suppliers and buyers in a targeted way and facilitating approaches which enable buyers to take on an acceptable level of risk. We would particularly target procurers (private and public) involved in major regional programmes where SEEDA has influence. This could unlock £Ms of new demand for ETS <u>and</u> make an important contribution to achieving the RES sustainability targets. The target procurers are: SEEDA (land and property); LDA/LTGDC/EEDA, local authorities; educational & health care organisations, Thames Gateway developers; Port & Airports Authorities and major private sector employers. The opportunity will also exist, having established SE environmental infrastructure needs, to determine the extent to which indigenous industry is capable of meeting these needs and where gaps exist to seek international companies (through Priority Action 2 Strategic International Sales Campaigns) to engage potential providers and work with SEEDA International Team to bring about appropriate inward investment.</p> <p>The ultimate impact of unlocking major demand in the Greater South East will be to enable the SE sector to grow organically using domestic markets as a platform to generate sufficient commercial strength to engage with international opportunities.</p>							
	Key Objectives	<ul style="list-style-type: none"> ▪ Identify the target procurers & the nature of potential demand. ▪ Engage with the targeted procurers at senior level & secure buy in to action. ▪ Facilitate several high profile demonstrations of ETS procurement in practice to promote the message & stimulate follow on action. ▪ Raise the profile of the sector's businesses with SE procurers. ▪ Engage sustainable procurement promoters (eg WRAP, Carbon Trust, 2012) to leverage investment into SE demonstration & procurement advice for ETS. ▪ Seek opportunities to mainstream ETS in the built environment in particular with land developers and regeneration initiatives such as the Thames Gateway. ▪ Enable SE businesses to win a substantial share of procurement opportunities. ▪ Identify environmental infrastructure needs unlikely to be met by indigenous industry & engage international companies to fulfil these via inward investment. 						
	Dependencies	<ul style="list-style-type: none"> ▪ Cooperation and willingness of buyers to act. ▪ Effectiveness of analysis of procurement potential. ▪ Ability of SE industry to compete (Action 3). 						
Implementation	<p>A third party delivery organisation will be appointed, via competitive tender, to:</p> <ul style="list-style-type: none"> ▪ Secure potential buyer participation & leverage investment. ▪ Persuade buyers to invest in demonstration projects. ▪ Structure & initiate demonstration & new procurement activities. ▪ Promote opportunities to the sector & other potential procurers. ▪ Work closely with SEEDA Sustainable Development team to target required environmental infrastructure. <ul style="list-style-type: none"> ▪ Carry out Technical research into procurement needs for ETS. ▪ Project management of demonstration opportunities. ▪ Training of senior decision makers & procurement officials. ▪ Communications & marketing of case studies. 							
Indicative three year spend	£k	Item	Y1	Y2	Y3	Total		
	Outsourced Delivery	Communications, marketing materials, publications, events, training	35	60	65	160		

Potential for leverage	<ul style="list-style-type: none"> ▪ ETS businesses. ▪ SE public sector & major private sector procurers. ▪ SEEDA Area, Property Development & IDM teams. ▪ Housing Associations & private developers. ▪ 2012 partners (ODA, LOCOG, NRG & SE partnership). ▪ Sub-regional public sector & economic partnerships (such as the Partnership for Urban South Hampshire). ▪ South East Centre of Excellence (local authority procurement initiative) ▪ Business in the Community. ▪ Organisations promoting sustainable procurement (WRAP, Carbon Trust). ▪ South East Centre for the Built Environment. ▪ SE Relay Centre. 		
How the action contributes to the target outputs and outcomes.	<p>The creation of substantial new demand for ETS in the SE will provide the opportunity for companies in the SE sector to grow organically and thus become more financially and organisationally robust in preparation for globalisation. This action will therefore complement and serve Priority action 2: Strategic international sales campaigns to assist the SE sector in achieving a greater global market share. Indicative contributions to the targets are:</p> <ul style="list-style-type: none"> ▪ Leverage - £1M ▪ Number of businesses engaged – 325 ▪ New value created - £10M 		
Contributes to RES targets in addition	<p>Global Competitiveness:</p> <ul style="list-style-type: none"> ▪ Maximising SE share of foreign direct investment <p>Smart Growth:</p> <ul style="list-style-type: none"> ▪ Increase the level of SE SMEs tendering for SE contracts ▪ Physical development – deliver high quality sustainable homes & environmental infrastructure. <p>Sustainable Prosperity:</p> <ul style="list-style-type: none"> ▪ Climate change & energy – reduce SE CO2 emissions by creating infrastructure resilient to climate change & exemplar projects for local energy supply. ▪ Sustainable consumption & Production – SEEDA & businesses to adopt exemplary water consumption, regional action plan for sustainable public procurement, sustainability for mixed use developments. 		
Relevance to Place	<p>This is a key opportunity to enhance the ETS supply chain capability & environmental sustainability of all sub-regions.</p>		
	2008-9	2009-10	2010-11
<ul style="list-style-type: none"> ▪ Secure buy-in of at least 5 senior public sector executives & business leaders to adopt ETS in their organisations' procurement. ▪ Have facilitated at least 3 new demonstrations of procurement of ETS. ▪ Generate new procurement value of at least £1M. ▪ Have engaged at least 25 businesses in new opportunities or demonstrations. 	<ul style="list-style-type: none"> ▪ Secure buy-in of at least 20 senior public sector executives & business leaders to adopt ETS in their organisations' procurement. ▪ Have facilitated at least 10 new demonstrations of procurement of ETS in aggregate. ▪ Generated new procurement value of at least £5M. ▪ Started to develop regional critical mass to the adoption of sustainable procurement & take up of ETS. ▪ Have engaged at least 100 businesses in new opportunities or demonstrations. ▪ Generated at least £0.5M leverage 	<ul style="list-style-type: none"> ▪ Secure buy-in of at least 50 senior public sector executives & business leaders to adopt ETS in their organisations' procurement. ▪ Have facilitated at least 30 new demonstrations of procurement of ETS in aggregate. ▪ Generate new procurement value of at least £10M. ▪ Start to develop regional critical mass to the adoption of sustainable procurement & take up of ETS. ▪ Have engaged at least 200 businesses in new opportunities or demonstrations. ▪ Have generated leverage of at least £1M in total. 	

Priority Action 5: International Innovation Programme	
Rationale	<p>The world demand for key environmental technologies is exploding with Governments and industry urgently seeking high impact technological solutions to the threats of climate change. For example Richard Branson is offering a £25M prize for the first commercially viable industrial scale carbon capture technology. Indeed the global market for such ‘paradigm’ technologies can realistically be valued in £billions over coming decades. The UK – and SE in particular - is generating much exciting new environmental technology and the conditions now exist to foster a ‘Google’ of the environmental sector.</p> <p>However according to the Government’s Environmental Innovations Advisory Group there is still too much R&D being undertaken which has no clearly defined end customer with the result that much exciting intellectual property fails to be commercialised. So what can we do to harness the region’s obvious strengths?</p> <p>This Priority Action will address this market failure by bringing together the global markets research (Priority Action 1), links developed in target territories (Priority Action 2) and sector consortia members to target major new technology requirements in defined global end markets. This will be achieved by bringing together high impact collaborations of innovative SMEs, top academics and potential buyers and investors to commercialise ground breaking new technologies. We will seek to overcome the risks associated with technological innovation and speed up the process of commercialisation by involving the right partners and providing high quality and intensive support to drive the process. Our aim is no less than to create world beating technologies – of similar standing to the fuel cells of Ceres Power - that will demonstrate the world leadership of the SE in environmental technology.</p>
	<p>A vision of what might be possible</p>
	<p>Form a collaboration between a young SE company with a novel carbon capture technology with global potential, an Oxford University energy technology research team, a US business with complementary process technology and a similarly compatible research team at MIT. Following the agreement of a joint business objective, the partners would undertake collaborative R&D to develop the whole technology process to a viable demonstration scale using funding leveraged from public & private sources in UK & USA. Simultaneously links would be established with potential customers – for example major energy generators in target international markets – who would then trial the developed technology with a view to procuring it in due course. During the whole process commercial investors will be introduced with a view to funding the commercial growth of the resultant business. EnviroBusiness would identify and bring together all the parties required to exploit the identified opportunity and provide expert intervention using sub-contracted specialists as necessary to ensure overall project progress. In this case to create a commercially viable carbon capture technology business with global potential.</p>
	<p>We will identify a pipeline of major innovation opportunities for the next 10 years - aligned with TSB and SESETAC priorities - and develop international collaborations, led by SE companies, to exploit them. With the help of SEEDA’s International team and leveraging the resources of the new SE Relay Centre where appropriate, we will engage high quality international partners (such as world class universities, research organisations and customers) from target market areas (e.g. US, China). Potential commercial investors will also be introduced at the demonstration stage to optimise the opportunity for ongoing commercial investment to support business growth.</p> <p>This Priority Action leverages existing Sector Consortia activity for its delivery as it will build on the Energise knowledge network created by EnviroBusiness on behalf of SEEDA to commercialise new sustainable energy technologies and its work with corporate businesses to help them trial innovative environmental technologies.</p> <p>This activity (with Priority 4 – Stimulating Market Pull) will provide feeder activities and impetus to those being planned for the proposed Institute for Sustainability, a Greater South East science and technology initiative targeting the Thames Gateway.</p>

	<p>The programme will be highly selective in its choice of opportunities and the support provided will be highly intensive. We will work on a small number of projects in this area to ensure our limited resources are applied to the highest potential opportunities only and to maintain focus (Other opportunities, particularly those in Europe, will be supported through the SE Relay Centre and its Environmental Special Interest Group). We aim to catalyse the creation of a handful of truly global businesses worth hundreds of £millions, providing long term employment and adding major value to the SE economy – truly sustainable prosperity -.the results of which could be of global significance for the SE economy and the environment.</p>																	
Key Objectives	<ul style="list-style-type: none"> • Identify a pipeline of 10 high potential environmental technology opportunities resulting in 3-5 international innovation projects. • Match these to SE companies and knowledge based organisations with a capability to contribute whilst also identifying our key capability gaps. • Identify suitable international partners (companies and knowledge base) ideally in the markets where there is the greatest end user potential. • Facilitate collaborations to drive forward the technology commercialisation and help them raise investment for R&D and demonstration phases. • Facilitate inward investments to address our capability gaps where possible. • Introduce commercial investors & corporate buyers once innovation concepts are proven or demonstrated at a commercially viable level. • Promote successful innovations to potential global buyers & investors. 																	
Dependencies	<ul style="list-style-type: none"> ▪ Accuracy and validity of global markets research to identify key technological opportunities & markets/buyers (Priority Action1). ▪ Ability to secure buy-in of collaborators in UK and internationally. ▪ Ability to engage potential buyers and investors (as part of Priority Action 2. Strategic International Sales Campaigns & Priority Action 4 UK Market Pull). 																	
Implementation	<p>A third party organisation will be appointed, via competitive tender, to deliver this project. This will include:</p> <ul style="list-style-type: none"> ▪ Interpreting global markets research & consulting relevant stakeholders, to determine priority opportunities for international innovation. ▪ Disseminating and promoting these opportunities to SESTAC and TSB with the aim to leverage R,D&D funding. ▪ Promoting these opportunities to potential industry, academic, potential commercial and investor partners to stimulate action. ▪ Facilitating the formation of international innovation partnerships. ▪ Promoting innovation partnerships to inspire commercial take up, commercial investment in participating companies & to promote replication. ▪ Engaging with SE Relay Centre to maximise the use of their resources in this action (particularly with opportunities in Europe). <ul style="list-style-type: none"> ▪ Technical research into defined opportunities to determine exact R,D&D options. ▪ Project management of International Innovation Partnerships. ▪ Protection of intellectual property & creation of partnership agreements. ▪ Co-investment & project management in demonstration activities. ▪ Marketing & promotion of successful R,D&D to potential funders, buyers & business investors. 																	
Indicative three year spend	<table border="1"> <thead> <tr> <th data-bbox="395 1641 587 1675">£k</th> <th data-bbox="587 1641 970 1675">Item</th> <th data-bbox="970 1641 1070 1675">Y1</th> <th data-bbox="1070 1641 1190 1675">Y2</th> <th data-bbox="1190 1641 1310 1675">Y3</th> <th data-bbox="1310 1641 1426 1675">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 1675 587 1865">Outsourced Delivery</td> <td data-bbox="587 1675 970 1865">Project management, event management, travel for collaborators, information gathering & market research, IP legal advice, market research, bid development</td> <td data-bbox="970 1675 1070 1865">50</td> <td data-bbox="1070 1675 1190 1865">200</td> <td data-bbox="1190 1675 1310 1865">250</td> <td data-bbox="1310 1675 1426 1865">500</td> </tr> </tbody> </table>	£k	Item	Y1	Y2	Y3	Total	Outsourced Delivery	Project management, event management, travel for collaborators, information gathering & market research, IP legal advice, market research, bid development	50	200	250	500					
£k	Item	Y1	Y2	Y3	Total													
Outsourced Delivery	Project management, event management, travel for collaborators, information gathering & market research, IP legal advice, market research, bid development	50	200	250	500													
Potential leverage	<ul style="list-style-type: none"> ▪ ETS businesses. ▪ Technology Strategy Board, SESTAC. ▪ UK Energy Technology Institute. ▪ SE Relay Centre. ▪ Greater South East RDAs. ▪ SEEDA International teams. 																	

	<ul style="list-style-type: none"> ▪ SE & international HEIs. ▪ Potential commercial investors. ▪ Corporate businesses. ▪ Institute for Sustainability. 	
How the action contributes to the target outputs and outcomes.	<p>This action aims to provide the world beating technologies and businesses of the future. In doing so it will complement Action 2 – International Sales Programme by generating new internationally focused suppliers thus helping to deliver greater global market share by the SE sector. Indicative contributions to the targets are:</p> <ul style="list-style-type: none"> ▪ Leverage - £5M ▪ Number of businesses engaged – 50 ▪ New value created - £20M <p>NB. By their nature, the majority of the new value created from international innovations will be in the longer term - beyond 2011.</p>	
Contributes to RES targets in addition	<p>Global Competitiveness:</p> <ul style="list-style-type: none"> ▪ Increase the % of SE businesses operating internationally. ▪ Increase the % of SE businesses reporting links with HEIs. ▪ Increase business expenditure on R&D in the SE. ▪ Increase the turnover of SE businesses attributable to new/improved products. <p>Sustainable Prosperity:</p> <ul style="list-style-type: none"> ▪ Support business innovation that adapts to climate change. ▪ Promote business opportunities arising from energy policy. 	
Place	Likely to be managed at Greater South East level to achieve the profile and credibility to attract world class international partners.	
Milestones		
2008-9	2009-10	2010-11
<ul style="list-style-type: none"> ▪ Have identified at least 10 high potential long term opportunities. ▪ Have promoted these to the SE industry & knowledge base engaging at least 50 businesses. ▪ Have identified & initiated contact with relevant international partners. ▪ Have secured buy in sufficient to initiate at least 3 international collaborations. 	<ul style="list-style-type: none"> ▪ Have initiated at least 3 international collaborations with R&D and/or demonstrations confirmed or underway. ▪ Have secured at least £2M leverage. 	<ul style="list-style-type: none"> ▪ Have identified commercial exit options for the existing international collaborations to generate at least £20M value. ▪ Have secured a pipeline for at least another 5 international collaborations to take place. ▪ Have secured at least £5M leverage in aggregate.

Priority Action 6: Supply Chain Development for Wind & Marine Renewable Energy	
Rationale	<p>The world demand for wind energy is growing dramatically. The UK has the largest untapped wind energy resource in Europe and the Government has signalled its wish for more wind energy infrastructure to be created. The largest offshore wind energy project in Europe, the London Array, will proceed in the SE in 2008. In addition demanding EU targets will create substantial ongoing demand for renewable energy solutions throughout Europe for decades to come.</p> <p>Although many top tier wind energy suppliers originate in continental Europe e.g. Siemens, the London Array offers the opportunity for the SE to seek leadership in the provision of supply chain services to the global wind energy sector by building capacity to service the London Array, other European and international wind and marine energy developments. The South East has numerous energy, construction and engineering businesses capable of supplying wind and marine energy infrastructure, engineering and maintenance needs. However they need assistance to understand the scale of the opportunity, how to get engaged, how to build capacity and to find ways to identify and work with other business partners to bid collaboratively for new contract opportunities.</p> <p>The likely onshore base for London Array operations is Ramsgate Port, Kent. There is therefore a key economic development opportunity for Kent and all sub-regional partners are enthusiastic to exploit the potential. It is necessary however to ensure coordination of activity and effort – with particular regard to possible inward investment - and that is the purpose of this Priority Action.</p> <p>The London Array consortium – comprising Shell, Eon and DONG Energy – are keen to build a strong supply chain and have already approached EnviroBusiness to facilitate their engagement with businesses capable of meeting their needs including potentially working with their top tier technology suppliers. Similar approaches could be made to other offshore wind and marine renewables developers with a view to creating demand for SE businesses.</p> <p>This Priority Action would aim to replicate the successful experience of Aberdeen which created a globally renowned offshore oil industry service capability following the North Sea oil boom in the 1970s and 80s.</p>
Key Objectives	<ul style="list-style-type: none"> ▪ Secure inward investment by a top tier wind energy technology supplier. ▪ Set up & facilitate a wind & marine renewable supply chain development programme with the aim to bring about new business investment, consolidation & collaboration to exploit emerging opportunities. ▪ Work with sub-regional partners to optimise inward investment & spin out opportunities across the SE with particular focus on Kent. ▪ Coordinate business consortia to bid for other UK & international opportunities. ▪ Facilitate R,D&D and innovation activities to meet the requirements of the emerging global market for wind & marine renewable energy solutions and to develop new commercially valuable IP.
Dependencies	<ul style="list-style-type: none"> ▪ The selection of Ramsgate Port as the London Array base of operations. ▪ Cooperation of sub-regional partners to deliver a coordinated set of actions. ▪ Market intelligence (Priority Action 1) to identify GSE businesses capable of participating. ▪ Priority Action 2 (International Sales Campaigns) to help UK companies successful in supplying the London Array to exploit this track record overseas. ▪ Priority Action 3 (Global Readiness) to address capability gaps in businesses. ▪ Priority Action 5 (International Innovation) to identify potential international partners.
Implementation	<p>A third party organisation will be appointed, via competitive tender, to host a suitably qualified London Array Project Director to:</p> <ul style="list-style-type: none"> ▪ Manage the overall relationship management with London Array & top tier suppliers. ▪ Maximise the benefits associated with London Array basing their construction

	<p>activity, operations and maintenance at the Port of Ramsgate.</p> <ul style="list-style-type: none"> ▪ Secure leverage & coordination between partners Promotion of London Array, UK & global opportunities to industry ▪ Design & promote the inward investment case for the location of wind energy supply chain businesses with Locate In Kent. ▪ Facilitate consortia bidding for international market opportunities. ▪ Liaise with International Innovation priority action. ▪ Design & facilitate overall supply chain building activities. ▪ Procure 3rd party services. <p>Other work required from the third party supplier will include:</p> <ul style="list-style-type: none"> ▪ Technical evaluation of supply chain requirements & project management of supply chain building activities. ▪ Management of inward investment enquiries. ▪ Communications, marketing & events management. <p>Partnership members will deliver:</p> <ul style="list-style-type: none"> ▪ A Stakeholder Manager will be appointed by Kent local partners to facilitate communication between sub-regional partners & delivery agencies & lead on broader spin off benefits from the Kent perspective. ▪ Business Link will sign post businesses. ▪ Locate In Kent will assist with business location enquiries. 					
Indicative three year spend.	£k	Item	Y1	Y2	Y3	Total
Potential for leverage	<ul style="list-style-type: none"> ▪ ETS businesses. ▪ London Array Consortium. ▪ Locate In Kent, Manufacturing Advisory Service & Business Link Kent. ▪ UKTI, DBERR Renewables Trade Promotion Service & SEEDA International. ▪ Marine South East, British Wind Energy Association, Renewable Energy Association & Engineering Employers Federation. ▪ Energy Technologies Institute. ▪ Kent County, Thanet District & Swale District Councils. 					
How the action contributes to the target outputs and outcomes.	<p>This action will provide expertise and leadership for the SE in a fast growing technology area with great potential to provide employment, economic prosperity and inward investment in a relatively deprived area of the SE whilst creating businesses capable of:</p> <ul style="list-style-type: none"> ▪ Leverage - £2M ▪ Number of businesses engaged – 100 ▪ New value created - £15M <p>NB. These will be long term developments and significant new value will also be created beyond 2011.</p>					
Contributes to RES targets in addition	<p>Global Competitiveness:</p> <ul style="list-style-type: none"> ▪ Maximising SE share of foreign direct investment. ▪ Increasing % of SE businesses operating internationally. ▪ Increasing the % of SE business turnover attributable to new/improved products <p>Smart Growth:</p> <ul style="list-style-type: none"> ▪ Physical development – deliver environmental infrastructure. <p>Sustainable Prosperity:</p> <ul style="list-style-type: none"> ▪ Climate change & energy – reduce SE CO2 emissions in the SE by creating infrastructure resilient to climate change & exemplar projects for local energy 					
Place	<p>Centred initially on Kent and the London Array opportunity but significant opportunities for other areas as the programme rolls out – particularly the coastal sub-regions.</p>					
Milestones						
2008-9		2009-10		2010-11		
<ul style="list-style-type: none"> ▪ Complete supply chain 		<ul style="list-style-type: none"> ▪ London Array focus. 		<ul style="list-style-type: none"> ▪ International focus. 		

<p>modelling, establish supply & innovation opportunities.</p> <ul style="list-style-type: none">▪ Initial business engagement.	<ul style="list-style-type: none">▪ Inward investment and supply chain building in Kent.▪ Evaluate potentials for innovation & R&D.	<ul style="list-style-type: none">▪ Engage with international business opportunities.▪ Establish testing & R&D facilities.
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Appendix IV: Project timetable – Year 1

NB. A number of the activities below (particularly Q1 preparatory/planning work) may be deliverable more quickly depending on speed of recruitment and/or ability to integrate them more quickly into existing sector consortia activities.

	Q1 (Apr-Jun 08)	Q2 (Jul-Sep 08)	Q3 (Oct-Dec 08)	Q4 (Jan-Mar 09)
Overall Coordination	<ul style="list-style-type: none"> ▪ Form steering group and hold first meeting. ▪ Initiate staff recruitment. ▪ Ensure EnviroBusiness accounting and management information systems are fit for purpose. ▪ Undertake overall sectoral survey to identify key needs & optimise means of engagement. ▪ Undertake stakeholder briefing event & issue Q1 stakeholder briefing. ▪ Plan procurement process for outsourced services for generic & specialist requirements. ▪ Programme Manager appointed. 	<ul style="list-style-type: none"> ▪ Steering Group meeting. ▪ Programme Manager to take over responsibility for project management and to produce full project plan. ▪ Undertake stakeholder & industry briefing event. ▪ Issue Q2 stakeholder briefing. ▪ Q1 report to SEEDA. 	<ul style="list-style-type: none"> ▪ Steering Group meeting. ▪ Issue Q3 stakeholder briefing. ▪ Q2 report to SEEDA. 	<ul style="list-style-type: none"> ▪ Steering Group meeting. ▪ Issue Q4 stakeholder briefing. ▪ Q3 report to SEEDA.
Priority Action 1 Global Markets Intelligence	<ul style="list-style-type: none"> ▪ Specify year 1 research requirements for: <ul style="list-style-type: none"> – global markets & specific target territories (based on PA2). – SE industry benchmarking (for all PAs). ▪ Initiate tendering process for subcontractors: <ul style="list-style-type: none"> – markets research. – in-territory intelligence. – SE sector performance. ▪ Establish systems & methodologies for information storage, use by other PAs, dissemination to partners & industry & overall publication. ▪ Identify & engage 3rd party research collaborators & peer review system to QA all shared research. 	<ul style="list-style-type: none"> ▪ Select contractors, initiate & manage research projects. ▪ Coordinate with research collaborators. ▪ Develop library of relevant information sources from industry & academe. 	<ul style="list-style-type: none"> ▪ Ongoing management of research projects. ▪ Disseminate results to other PA functions & partners as necessary. ▪ Determine opportunities for collaborative research in year 2. 	<ul style="list-style-type: none"> ▪ Ongoing management of research projects. ▪ Disseminate results to other PA functions & partners as necessary. ▪ Formulate plans for year 2 research. ▪ Seek peer review of research results. ▪ Publish & disseminate year 1 findings.
Priority Action 2	<ul style="list-style-type: none"> ▪ Finalise partnering arrangements – 	<ul style="list-style-type: none"> ▪ Commence detailed research 	<ul style="list-style-type: none"> ▪ Initiate direct business 	<ul style="list-style-type: none"> ▪ Generate and issue

Strategic International Sales Campaigns	<p>particularly UKT&I (SE & national), SEEDA International Reps, Inward Investment teams - & working practices going forward with regard to business account management, joint activities, communications & output reporting.</p> <ul style="list-style-type: none"> ▪ Finalise initial target markets by country/sub-sector (informing PA 1 research targeting). ▪ 	<p>into target territories using 3rd party contractors to identify detailed opportunities & to identify potential collaborators, buyers & market influencers.</p> <ul style="list-style-type: none"> ▪ Develop offer to business outlining opportunities & explaining how to get involved. ▪ Create account management system to monitor business engagements, partner interactions, task management & outcome monitoring. ▪ Launch UK marketing campaign & undertake promotional event(s) to engage industry & promote business opportunities & support. ▪ Engage potential collaborators in target territories. ▪ Engage potential Greater SE partners e.g. LDA, EEDA. ▪ Undertake at least 1 joint activity with UKTI ▪ Quarterly newsletter to business & partners 	<p>engagements in target territories.</p> <ul style="list-style-type: none"> ▪ Undertake at least 2 joint activities with UKTI. ▪ Develop Greater SE approach ▪ Seek business feedback on activities to date to ensure accurate targeting. ▪ Quarterly newsletter to business & partners. 	<p>case studies of businesses supported.</p> <ul style="list-style-type: none"> ▪ Continue engagement in target territories. ▪ Undertake at least 3 joint activities with UKTI ▪ Quarterly newsletter to business & partners. ▪ Review year 1 with a view to improvements in year 2.
Priority Action 3 SME Global Readiness	<ul style="list-style-type: none"> ▪ Conduct mapping of relevant business support (sub-regional, regional, GSE, national, international). ▪ Initiate working arrangements with key sub/regional business support providers & Business Link to include: <ul style="list-style-type: none"> - ETS programme promotion. - Referrals & business account management. - Results monitoring & recording. ▪ Establish contact with extra-regional business support providers & seek agreement to collaborative working. 	<ul style="list-style-type: none"> ▪ Quarterly newsletter to business support providers. ▪ Initiate working arrangements with national business support providers to include: <ul style="list-style-type: none"> - Referrals & business account management. - Results monitoring & recording. ▪ Manage & monitor referrals. 	<ul style="list-style-type: none"> ▪ Quarterly newsletter to business support providers. ▪ Manage & monitor referrals. ▪ Review collaborative arrangements to ensure effectiveness. 	<ul style="list-style-type: none"> ▪ Quarterly newsletter to business support providers. ▪ Manage & monitor referrals. ▪ Review range of business support collaborators to ensure relevance to business audience.

<p>Priority Action 4</p> <p>Stimulating UK Market Pull</p>	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ Map sub-regional buyer clusters in public sector. ▪ Identify key private sector procurers. ▪ Identify key decision makers & extent of current engagement, drivers & opportunities. ▪ Develop offer & project management proposal ▪ Initiate 1st public & private sector initiatives (PUSH). ▪ Project management of pioneer initiatives. ▪ Undertake event to engage key decision makers. ▪ Widen direct engagement with potential procurers. ▪ Initiate demonstration projects with LOCOG. 	<ul style="list-style-type: none"> ▪ Project management of pioneer initiatives & demonstration projects. ▪ Undertake event to engage procurers & decision makers. ▪ Develop pipeline of new initiatives. ▪ Refresh mapping to update potential. 	<ul style="list-style-type: none"> ▪ Project management of pioneer initiatives & demonstration projects. ▪ Undertake event to engage procurers & decision makers. ▪ Develop pipeline of new initiatives. ▪ Develop case studies of pioneer initiatives.
<p>Priority Action 5</p> <p>International Innovation Programme</p>	<ul style="list-style-type: none"> ▪ Consult SESTAC, academic partners & industry to finalise priority technology areas. ▪ Identify opportunities to leverage resources of SE relay centre. 	<ul style="list-style-type: none"> ▪ Develop offer & project management proposal. ▪ Identify & engage with potential international partners (ensure operational consistency with PA2). ▪ Promote offer to industry to engage participants amongst business & academe/research organisations. ▪ Develop first 3 international innovation partnerships with UK partners ▪ Establish requirement for sub-contracted specialist input on a project by project basis & procure as necessary. ▪ Engage international partners & seek collaboration. ▪ Engage potential funders 	<ul style="list-style-type: none"> ▪ Initiate project management of >3 international innovation partnerships. ▪ Report progress to SESTAC & other partners. 	<ul style="list-style-type: none"> ▪ Initiate project management of >3 international innovation partnerships. ▪ Develop pipeline for future international innovation partnerships. ▪ Review progress to date & feed into year 2 operational planning.

		(public & private) & develop funding bids.		
Priority Action 6 Supply Chain Development for Wind & Marine Renewable Energy	<ul style="list-style-type: none"> ▪ Finalise communication arrangements with Kent partners, respective responsibilities & detailed working practices as necessary NB management of inward investment opportunities. ▪ Undertake launch event with Kent partners to promote business & economic development opportunities associated with London Array & wider marine renewables agenda. ▪ Develop specification for sub-contracted supply chain building activities & initiate procurement process. 	<ul style="list-style-type: none"> ▪ Appoint specialist contractor(s). ▪ Initiate supply chain building activities & form engaged business community: <ul style="list-style-type: none"> - Prime & SME engagement - Parallel inward investment support ▪ Develop agenda for inward investment into wider marine renewables & innovation opportunities (link PA5). 	<ul style="list-style-type: none"> ▪ Assess imminent UK/EU opportunities & disseminate to engaged business community. ▪ Promote potential investment opportunities to commercial investors. ▪ Work with London Array to promote direct procurement opportunities. ▪ Work with inward investment partners to reach out to potential international inward investees. 	<ul style="list-style-type: none"> ▪ Continued supply chain building activities. ▪ Review progress to date & feed into year 2 operational planning.