

**The East Midlands Regional Select Committee Inquiry on the East Midlands Development Agency (EMDA) and the Regional Economic Strategy (RES)**

**Supplementary Evidence from the Federation of Small Businesses – East Midlands**

**1. Introduction**

- 1.1 The following paragraphs are presented as supplementary evidence to the evidence that the FSB East Midlands has already provided. As requested we have referenced the question that was asked in the Oral Evidence Session we attended on 22 May 2009.

**2. EMDAs Collection and Use of Data (Q39)**

- 2.1 The FSB appreciates that the East Midlands is a large and diverse region and that the data and statistics that EMDA has to gather and interpret is immense. EMDA has a very broad remit and it is obliged to collect data on a broad range of topics such as the labour market, land use, capital investment, environmental changes and many more. However, whilst the FSB understands the enormity of this task, we feel that EMDA should utilise the expertise and knowledge of its partners more on data collection and analysis.
- 2.2 The FSB and other business support organisations across the East Midlands undertake surveys and research with our members on a quarterly basis. The data we are collecting is therefore current and reliable and EMDA has always been appreciative of the data we have provided. Similarly, there are a range of other social, economic and environmental bodies in the East Midlands who also gather and analyse data within their own sectors on a regular basis.
- 2.3 Despite the raft of up-to-date statistics that already exists amongst partners in the East Midlands however, EMDA has spent considerable time, effort and resource on undertaking large and lengthy research projects to gather evidence and data. This has meant that data has been unnecessarily duplicated at additional expense, and by the time the research projects have concluded the data gathered is out-of-date and its reliability and usefulness has diminished. The economic recession has demonstrated the importance of speedy responses to assist and support businesses and communities. It is fundamental that the right strategies are implemented at the right time to cope with economic shocks, and it is therefore crucial that the data used to inform any strategy is current and accurate. By relying on outdated statistics which are between eighteen months and five years old, EMDA has been 'on the back foot'. The fact that EMDA managed to implement the 'Survive and Thrive' events fairly swiftly is commendable. However, had EMDA utilised the up-to-date statistics of its partners, it could have begun to plan its response when businesses in the East Midlands began to both consistently report a decline in business confidence and an increase in trade difficulties eighteen months ago.

**3 EMDAs Continuance (Q51)**

- 3.1 The FSB has always had a strong and positive relationship with EMDA, and we will continue to support EMDA in its future activities. We are however concerned that national Government policy under the Sub-national Review may result in a weakening of the RDAs relationships with businesses. Businesses are at the very heart of the economy and whilst we welcome EMDAs assurance that they will continue to engage with businesses, we strongly believe that the basis of this engagement should be a statutory responsibility.

- 3.2 The FSB agrees that there is greater benefit for businesses if economic development activities are delivered at a local level, as this is the level that can respond most appropriately to the needs of local businesses. However, the FSB also believes that it is right that there is an organisation that performs a strategic overseeing role of economic development in the region. The strategy must drive delivery but delivery must also inform the strategy, and it is less confusing if these functions are undertaken by separate bodies.

**END**