

Wednesday 7th May, 2008

Dear ESRC

As Executive Director of Policy & Research at NESTA, I am pleased to write in support of the continued funding for the Centre for Economic Performance. Over the last 5 years the CEP has made important contributions to our understanding of innovation. The work on skills, R&D tax credits and managerial innovation has been particularly stimulating and has been used extensively in the Policy & Research Unit.

Over the past nine months, we have met several times with CEP to help develop their Productivity and Innovation Program. The proposed evaluations of main innovation policies such as SMART, SPUR and the R&D tax credit would be of significant value to NESTA and the UK, especially on their impact on small/new firms. I also welcome the focus on expanding their work on managerial and organisational innovation to the service sector. Finally, having a macro-model that could be used to simulate the medium and long-run effects of proposed innovation policies would really push out the world frontier of policy knowledge and provide a platform for much future work in the area.

Members of NESTA are regular attendees of CEP's innovation workshop which has benefited the training of our employees.

In short, the CEP is an important part of the research infrastructure of the UK and I believe that their program is both exciting and policy-relevant.

Yours sincerely



Richard Halkett

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NESTA