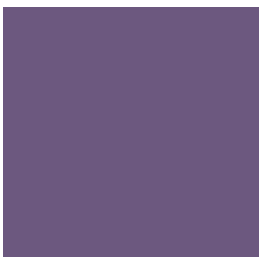


# NEWANGLIA

Local Enterprise Partnership  
for Norfolk and Suffolk

## TOWARDS A GROWTH PLAN

July 2013



[www.newanglia.co.uk](http://www.newanglia.co.uk)

CONSULTATION DRAFT

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*“The New Anglia Local Enterprise Partnership is working to create more private sector jobs and get rid of the barriers that prevent businesses growing. We want to encourage business start-ups, and allow existing businesses to grow and become more competitive. We want to clear the way for businesses to develop and innovate, bringing prosperity and global recognition to our key business sectors.”*

# WELCOME AND INTRODUCTION

DR ANDY WOOD OBE, CHAIRMAN,  
NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP

We are ambitious to transform the economy of Norfolk and Suffolk and to establish New Anglia as a centre of business excellence within the UK and across the global economy.

'Towards a Growth Plan' sets out our vision and strategy and invites you to help shape our Plan and inform the right decision-making as we focus on investment priorities and growth.

This is an important opportunity for businesses, private investors, local authorities, community representatives and leaders, voluntary organisations – and all those who live and work in Norfolk and Suffolk - to work with us to share priorities for the future.

We want to drive business growth, remove barriers to success, boost investment in infrastructure and promote this area to businesses, talented individuals, students and researchers, entrepreneurs and investors.

The Government has just announced £ billions will be available to LEPs across the country, and this includes funds for transport, housing and skills. The funds will be allocated on a competitive basis, so our Growth Plan must stand apart by being imaginative and relevant to the needs of a growing competitive global economy; our ideas and business plans must be innovative and value for money; and we must present to Government a compelling case for investing in the future of the New Anglia economy.

I am grateful for the help, support and commitment given to the LEP from across the public and private sectors, including the Chamber of Commerce network, the Federation of Small Businesses, county, district and borough councils, academia and voluntary organisations – and many others. The LEP will compliment and champion schemes developed by local authorities and other organisations.

Working together, we have proved ourselves to be a formidable team, ambitious for the future of New Anglia and capable of delivering spectacular results for the local economy. I am very excited about the potential here, and invite you to contribute to this consultation and help shape the exciting future that lies ahead.



Dr Andy Wood OBE  
Chairman New Anglia Local Enterprise Partnership

Your views are most welcome - by 23 August 2013, to: [iain.dunnett@newanglia.co.uk](mailto:iain.dunnett@newanglia.co.uk)





# OUR VISION FOR NEW ANGLIA

We have a simple vision for New Anglia in 2025 - more jobs, businesses, and prosperity.

In 2012, there were some 650,000 jobs in New Anglia. By 2025, we will increase this by 65,000 private sector jobs.

In 2012, there were around 36 enterprises per 1,000 people and this was below the national average. By 2025, we will create a further 10,000 enterprises and we will exceed the national average.

In 2012, Gross Value Added per person in New Anglia was £16,700 per person. By 2025, in current prices, we will exceed the national average at £20,000 per person.

These are ambitious targets but we are confident that the public sector, private business, the voluntary sector, and Government can invest together to achieve them.

In 2025, Greater Norwich and Greater Ipswich will be two of the most competitive City Regions in Europe for domestic and foreign investment. The rate of patent registration from companies in the Norwich Research Park and Adastral Park will be comparable to that of Silicon Valley in California. The Enterprise Zone will be at the heart of the East of England Energy Coast, a global centre for energy production, and our rural areas will be vibrant places to do business.

Suffolk and Norfolk will have an international reputation for our home produced food, the quality of our festivals and cultural events, and the beauty and diversity of our coasts and countryside.

School attainments throughout New Anglia will match the best in Europe making it easy to attract skilled and talented professionals to drive our global companies.

Superfast broadband and 6g mobile phone services will be available everywhere in New Anglia. Normal rail journeys between Norwich and London take less than 90 minutes and the A11, A12, the A14 and the A47 are all free from congestion. The Port of Felixstowe is still the busiest container port in the UK due to the investments in both port facilities and the rail lines.

...that is our Vision for New Anglia in 2025. Please work with us to achieve it.

# INTRODUCING THE NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP

The LEP is developing a new, dynamic approach to growing jobs, and removing the barriers to business growth in Suffolk and Norfolk.

One of 39 Local Enterprise Partnerships in the country, New Anglia was established in 2011.

We act as a catalyst, conduit and commissioning body, bringing together the expertise, knowledge, talent and leadership of the private and public sectors to undertake a wide range of activities which will help our businesses grow.

We believe in our economy and have the ambition and drive to take it forward by extending global leadership in key sectors to accelerate growth. New Anglia has identified nine dynamic sectors that offer real and immediate potential for growing jobs and is working to help develop these sectors, which range from tourism to energy.

We provide business support, such as the Bizinfo Portal, and are developing a range of financial business support products, such as the Growing Business Fund and New Anglia Capital. We are also the national pathfinder leading on developing the green economy, working to provide business solutions in the development of low-carbon and environmental goods and services.



# 1

## BUILDING ON OUR STRENGTHS

- 1.1 Our Plan for Growth must reflect a sound understanding of how the UK and the global economies are changing. The most recent (March 2013) forecasts from the Office of Budgetary Responsibility suggest that overall economic growth rates will remain low during 2013. The UK economy will grow by 0.6% during the rest of 2013 and by 1.8% and 2.3% in the next two years<sup>1</sup>.
- 1.2 The 'BRIC' nations (Brazil, Russia, India and China), and other emerging economies, are now key drivers of the global economy – creating new opportunities and competition for UK companies. They are also potential sources of inward investment to the UK. Across the world, the structures of advanced economies are changing. Service industries are growing. Generally, manufacturing employment is declining, but some high value added manufacturing sectors are prospering in Europe and North America.



- 1.3 **KEY FACT: The convergence of digital technologies and dispersed manufacturing and renewable energy production could drive a new era of decentralised economic growth: a "third industrial revolution."**<sup>2</sup>

The OECD and many European governments have endorsed a vision of green economic growth – driven by low carbon energy sectors and reducing resource use across the economy.<sup>3</sup> Our commitment to enabling green economic growth is set out in Chapter 3 and our approach to innovation is in Chapter 3.

### Strengths

- 1.4 In these competitive global markets, New Anglia has many strengths that provide
  - competitive advantage and serve as the foundations for our growth ambitions;
  - concentrations of companies in dynamic sectors within a vibrant economy;
  - excellent road, rail, sea and air connections to domestic and global markets;
  - a skilled resident labour force and commitment to life-long learning; and
  - the quality of life that our communities offer and magnificent natural assets;

### Globally Competitive Companies

- 1.5 New Anglia has a diverse business base, is home to strong international companies, many small and medium sized enterprises (SMEs) and many micro businesses, all with considerable growth potential. The Norwich Research Park is an international centre of excellence for sustainable food production, health and biosciences; the University

<sup>1</sup> Office for Budgetary Responsibility, Economic and fiscal outlook (December 2012)

<sup>2</sup> Rifkin, Jeremy (2011), *Third Industrial Revolution*; European Parliament (2007), *Written Declaration on establishing a green hydrogen economy and a third industrial revolution in Europe*

<sup>3</sup> OECD (2011), *Towards Green Growth*; HM Government (2011), *Enabling the Transition to a Green Economy*



Campus Suffolk is developing complementary emerging specialisms and the securing of our existing assets such as CEFAS and Lotus. The LEP is well positioned to play a leading role in keeping jobs as well as creating them. In 2025, Greater Norwich and Greater Ipswich will be two of the most competitive city regions for domestic and foreign investment in Europe. The level of innovation from companies in the Norwich Research Park and Adastral Park could equal that of Silicon Valley in California. The Enterprise Zone will be the heart of the East of England Energy Coast, a global centre for clean energy production and our rural areas will be vibrant places to do business. These areas of undisputed global leadership will be a focus of attention for the LEP.

**1.6 KEY FACT: New Anglia is home to the "East of England Energy Zone," an ideal location for energy production with shallow seas, high winds, many communities located off the gas grid encouraging micro generation, and the oil and gas resources of the North Sea.**

The Lowestoft-Great Yarmouth corridor is a centre for servicing of offshore oil and gas, and the design, construction and maintenance of offshore wind farms. Great Yarmouth & Lowestoft Enterprise Zone is attracting investment in renewables and is one of six Centres for Offshore Renewable Engineering (CORE) in the UK. New nuclear capacity at Sizewell C will further strengthen the UK's renewable energy sector. New Anglia has a broad ecosystem of firms around energy technology and supply, both offshore and onshore, and opportunities such as nuclear new build and the growing agri- biomass market will develop this further.

#### **A Vibrant Economy with Growth Potential**

**1.7** The total size of New Anglia's economy was around £26.4bn in 2012; and in 2010 we had around 237,000 jobs in sectors designated as growth sectors – over one third (36.4%) of total employment, a higher proportion than in England as a whole. Moreover, 34% of New Anglia's companies are in sectors with growth potential – a greater proportion than in England as a whole. In 2011 some 5,200 new businesses were formed across New Anglia. Our key growth sectors are explored further in Chapter 2.

#### **Excellent Transport Connections**

**1.8** New Anglia is well connected to the rest of England, Europe, and the world. The Ports of Felixstowe – the busiest container port in the UK – as well as Great Yarmouth, Lowestoft and Ipswich provide first class sea transport facilities. Felixstowe is the UK's main gateway to European and global markets. Kings Lynn has a thriving inshore fishery and Wells is undergoing an energy support boost. Ipswich and other Suffolk towns are around an hour from London by rail, and Norwich under two hours. Trunk roads link New Anglia to the UK motorway network. It is easy to access a wide range of European and long-haul commercial centres via Stansted Airport. Norwich International Airport offers regular connections within the UK, international transfers via the hub at Schiphol and helicopter services supporting offshore energy.

#### **Skilled Resident Workforce**

**1.9** Some 61.6% of our population are of working age; of these over four fifths are economically active (in work or seeking work), much higher than the position nationally. In addition, over one-quarter of the working age population in New Anglia have degree level (NVQ4 and



above) qualifications. Although this is lower than in some other regions and across the country as a whole, and fell back slightly in 2011, this has grown 20% in the last five years. Many of these highly skilled residents, particularly, in Suffolk, commute to jobs outside New Anglia and would welcome the opportunity to work locally if jobs were available.

### **Superb Quality of Life**

- 1.10** Nearly 1.6 million people live in New Anglia, in the historic cities of Norwich and Ipswich, our seaside and market towns, and our smaller towns and villages. Norfolk and Suffolk are both predominantly rural. Our landscapes and beaches, built heritage, cultural centres, nationally important assets, such as the Broads, the UK's only wetland National Park, Areas of Outstanding Natural Beauty, the Brecks, Thetford Forest and "Wild Anglia" attract many to settle and make their lives here – as well as bringing many visitors from across the world.
- 1.11** Housing costs in New Anglia are relatively low. While some areas have more expensive housing than others, average house prices are lower in Suffolk and Norfolk (£154k and £144k respectively) than in neighbouring Essex and Cambridge<sup>4</sup> and much lower than in many parts of South East England. Lower land costs also offer competitive advantages for businesses.

### **Challenges**

- 1.12** These strengths are the foundation for our Plan for Growth. However, to achieve our ambitions we will have to address some key challenges by applying global leadership.

### **Essential Infrastructure Improvements**

- 1.13** Despite its relative proximity to London and strategic location in the UK, investment to increase the capacity of the A14 and A47 and other roads is essential to enable growth. The Norwich Northern Distributor Road is vital to unlock the potential of Greater Norwich. To promote more sustainable travel, rail investment is also needed, notably on the Great Eastern Main Line and West Anglia route to overcome capacity constraints.
- 1.14** Energy and ports and logistics are vital to the future of New Anglia. UK container traffic is likely to grow steadily over the next 15 years and there is scope to expand operations at Felixstowe and for further growth through diversifying the port's bulk-breaking and post-processing capabilities. Meanwhile, Lowestoft and Great Yarmouth are poised for growth driven by the needs of the energy sector. However, Felixstowe's position as the UK's dominant deep-sea container port is under threat, particularly from the new London Gateway in Thurrock, – and capacity constraints on the Felixstowe-Nuneaton rail corridor must be addressed.
- 1.15** New Anglia lacks world class wired and wireless broadband services and mobile phone coverage and this impacts on all businesses. At least £80m must be invested in broadband by 2020 to overcome this, beginning with £55m programmed investment by 2015.
- 1.16** There is also a long term need to ensure that water supply and growth are developed in a sustainable manner, this presents a technical and exportable business opportunity for New

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<sup>4</sup> Land Registry, House Price Index (2012)

Anglia. This is a matter for utility providers, businesses, farmers and the wider community; our climate and topography will present challenges and opportunities, such as the use of natural flood defence systems, creative business building design in high risk flood areas, long term changes to patterns of cropping in dry areas and saline incursion of agricultural land

- 1.17 We address our infrastructure investment priorities in Chapter 6.

### **An Underperforming Economy**

- 1.18 Our overall economic performance, in Gross Value Added (GVA) per capita, at £16.6k per year is below the average across the East (£18.4k) and the UK (£19.7k). Rates of business formation lag the region and the country; 5.3 business formations per 1000 working age population in New Anglia in 2011 compared to 6.7 across the East as a whole.
- 1.19 Fewer residents in the New Anglia area are in managerial, professional and technical occupations (38.16%), than nationally (43.7%).<sup>5</sup> It is essential, therefore that we enable increases in the rate of business start ups and increases in the number of higher value jobs.
- 1.20 Though less expensive than other parts of the Greater South East, housing affordability is a significant challenge in parts of New Anglia. Like most parts of the country, we have seen a decline in new house completions. We need to use all available mechanisms to increase the rate of new building to meet extant needs and support growth.
- 1.21 We outline how we will accelerate business start-ups in Chapter 4 and work is underway with our district and county council partners to identify the principal locations for growth.

### **A Better Skilled Workforce**

- 1.22 On NVQ level 4 qualifications and above, New Anglia still lags behind the region (29.2%) and England (32.9%). A similar pattern is found with Levels 1, 2 and 3 though the gaps are smaller. Historically, the proportion of part-time jobs relative to full-time has been higher in Norfolk and Suffolk than in either the region or nationally, perhaps reflecting the seasonality of much tourism and agricultural employment. Currently youth unemployment in the New Anglia area is estimated at 19%, slightly below the England figure of 19.7% but above the regional average of 17.9%. We therefore need to improve pathways into further and higher education, training, apprenticeships and employment, and raise the aspirations and attainment of young people. We set out our approach to doing this in Chapter 5.



<sup>5</sup> NOMIS, Jan-Dec 2011

## Our role

- 1.23** This Plan sets out our approach to addressing these challenges as a coordinator and catalyst for economic growth across Norfolk and Suffolk. We show how we will support growth in key sectors, improve support for the business community, focus more on skills attainment aligned with the needs of the economy, and help to secure the infrastructure investment needed to unlock growth potential. Our aspiration to build a Green Economy underpins all our actions.

## Our Achievements to Date

- 1.24**
- LEP board formally established May 2011.
  - Priorities established around areas of maximum opportunity - energy and tourism, business support and green economy.
  - Successfully bid for and established the Enterprise Zone and Centre for Offshore Renewable Engineering. First businesses to move into Enterprise Zone are Seajacks, Nexus, Virgin Flightstore. Secured award of over £2m from Local Infrastructure Fund.
  - Successfully bid for and established £18m of Growing Places Fund to support capital investment for projects across Norfolk and Suffolk.
  - Lobbied for and established Green Economy Pathfinder project –making New Anglia national lead on Transition to a Green Economy with a Manifesto launched in Westminster.
  - Rural Growth Network allocated £1m of Growing Places funding to deliver jobs and growth in every rural district.
  - £200,000 pledged to support dynamic tourism initiatives in Norfolk and Suffolk.
  - Development of a plan to support the growth of our nine key sectors with many successful initiatives, such as the EDGE agricultural apprenticeships.
  - Development of a Business Portal achieved with close working between business and local authority partners.
  - Successful initial bid for £3m from Regional Growth Fund to establish Growing Business Fund, followed by a further successful bid for £9 million to roll the fund out across the whole of Norfolk and Suffolk.
  - Development of City Deals for Norwich and Ipswich. Only LEP with two Wave 2 City Deals.
  - LEP commissioned by UK and European governments to produce a European Investment Strategy in partnership with the county councils. A notional allocation of £80m made to New Anglia.
  - This Growth Plan will influence the UK governments Central Single Pot from 2015 – bidding for this is expected to start in 2014.

# 2

## GROWING KEY SECTORS

- 2.1 In Norfolk and Suffolk we have strong concentrations of companies underpinning the UK's globally competitive position in key growth sectors of the nation's economy. We see the importance of removing the barriers to the growth of these companies and businesses generally across New Anglia. Our Plan for Growth sets out how we will do this with a dynamic economic landscape and global leadership
- 2.2 We have identified the following nine sectors as having significant growth potential. Those in the left column have high growth potential and are priority sectors; those in the right column have great potential to develop and grow.

| Priority Sectors                                | Other growth sectors                   |
|---|--|
| Energy  | Advanced Manufacturing                 |
| Tourism   | Digital & Cultural Creative Industries |
| Information and Communications Technology (ICT) | Food, Drink & Agriculture              |
| Life Sciences & Biotechnology                   | Financial Services                     |
|   | Ports & Logistics                      |

- 2.3 These sectors account for 37% of total employment in Norfolk and Suffolk and 36% of the area's business base, equating to over 236,916 jobs and 19,988 businesses. These are therefore the focus of our high-level Sector Growth Strategy<sup>6</sup>, developed in partnership with businesses across New Anglia. Private sector-led Sector Groups – some well established and others being developed – will refine and drive our sectors work including the activities outlined below.
- 2.4 These nine growth sectors are at the heart of New Anglia's capacity to create wealth and it is the role of the LEP to enable the growth of these sectors, individually and together. In selecting the nine growth sectors we have taken account of the prospects for growth in global markets, the skills of New Anglia's existing labour force, the strengths of our research institutions, the depth of our supply chains, and our infrastructure assets. (We know that retail, construction, and the public sector are also significant sources of employment.)
- 2.5 Most growth sectors in Norfolk and Suffolk have suffered during the downturn. Between 2008 and 2010, 8,545 jobs were lost across all growth sectors, which were more badly affected than the economy as a whole. Almost 1,500 businesses were lost during this time, more severe than the regional and national averages. Impact on output was significant, falling from £15.2bn to £11.8bn GVA, with a particularly dramatic fall in Finance and Insurance from £6bn to £3.1bn. For some sectors, it could take up to five years for employment to return to pre-downturn levels. New regional employment forecasts are being prepared in 2013; these will provide a more accurate picture of the scope for

<sup>6</sup> New Anglia – Local Enterprise Partnership for Norfolk and Suffolk: Sector Growth Strategy, February 2013

employment growth across the identified sectors. This Growth Plan seeks to support both private sector jobs and those in the public sector.

## Priority Sectors

### Energy

- 2.6 By comparison with other UK regions New Anglia offers the broadest mix of resources and growth for energy production and distribution – wind, gas, oil, nuclear and other renewables represent an opportunity for “All Energy Anglia”

The energy sector is worth £994m GVA to the New Anglia economy, with some 1,700 companies employing some 7,700 people. The sector generates some £128k of GVA per person employed; this is relatively high.



**KEY FACT: 18,850 people are employed in the energy sector within the East of England Energy Zone.**

The ports and logistics and engineering sectors are also dependent on the energy sector. The energy industry is witnessing rapid technological and market growth in renewable and low carbon sectors along with significant investments in offshore wind and civil nuclear power generation.



**KEY FACT: New nuclear construction at Sizewell C by EDF will represent a huge investment in the area with a development larger than the Olympic Park in London.**

- 2.7 For example, the Bacton Terminal processes around half the UK's natural gas and offers potential to act as a European hub for the storage of gas and captured carbon (CCS). The potential development of Sizewell C by EDF Energy will create thousands of jobs and will put New Anglia at the heart of nuclear development in the UK. The Enterprise Zone in Lowestoft and Great Yarmouth is one of six 'Centres for Offshore Renewable Engineering' (CORE) in the UK. The East of England Energy Group (EEEGR) is a strong industry group. OrbisEnergy (an incubator and regional centre excellence for offshore energy), and the Beacon Innovation Centre (offshore engineering) are valuable assets.
- 2.8 New Anglia's energy sector companies are operating in a wide range of global markets. These include: offshore, marine, and subsea engineering, drilling technology and decommissioning capabilities; energy related products and services; and air, land and sea logistics operations. Companies are also exploring 'early stage' subsectors such as carbon capture storage, biomass energy, fuel cell technology and biofuels. Sita UK are building the Suffolk Energy from Waste Plant, the only one currently located in the East of England. This site has created 250 construction jobs, will provide 45 permanent jobs, and district heating from the plant will lead to £30million of horticultural development.
- 2.9 Despite its strong competitive position, the energy industry and the LEP need to address three key challenges.
- First, much of the sector's labour force is due to retire; actions are required to develop a new generation. For example, EEEGR's Energy Production Innovation Skills Centre (EPIS) Project aims to be a centre of excellence for energy training.
  - Second, barriers to supply chain development must be overcome including securing improvements to transport infrastructure. The EDF/Suffolk Chamber supply chain collaboration project is a sound start.

- Finally, there is an ongoing need to provide a steady supply of serviced land and premises to accommodate growth.

#### **2.10 To grow the energy sector we are:**

- supporting on-going development of the sector by backing CORE status, the Enterprise Zone, the offshore wind supply chain, the investment at Sizewell and development from the southern North Sea gas fields;
- supporting the East of England Energy Group in developing further understanding of engineering and manufacturing capabilities, assets and resources to help maintain a robust supply chain, and promote diversification;
- supporting skills development to meet employer labour demands;
- lobbying for procurement processes to ensure local companies (especially SMEs) are aware of emerging opportunities;
- lobbying nationally for a clear, definitive and unambiguous energy policy.

### **Tourism**

#### **2.11 KEY FACT: Investing in the promotion of tourism in Norfolk and Suffolk as iconic destinations raises their profile as great places to live, work, invest and visit.**

Yet efforts to do this face significant challenges. Currently, we promote too many brands, in a fragmented manner, and this makes it more difficult to communicate a consistent message to target markets. Over-crowding in locations such as Aldeburgh and Southwold during the summer season may deter some visitors.

- 2.12** Investing in promoting tourism also raises the profile of Norfolk and Suffolk as great place to live, work, invest and visit. Yet efforts to do this face significant challenges. Currently, we promote too many brands, in a fragmented manner, and this makes it more difficult to communicate a consistent message to target markets. Over-crowding in locations such as Aldeburgh and Southwold during the summer season may deter some visitors.
- 2.13** Other challenges constrain growth of the sector. It is widely recognised that there is a shortage of management, marketing and customer skills but SMEs who dominate the sector have limited resources to invest in training. Moreover, young people perceive that career opportunities in tourism sector are limited. Finally, there is a need to improve the quantity and quality of accommodation to meet the increasing expectations of visitors.
- 2.14** There is already some joint marketing of the Suffolk and Norfolk tourism brands through the private sector-led initiative Visit East Anglia. Further elements of the growth strategy may include: attracting more 'extended stay' visits to the area; co-ordinating an approach to 'smart promotion' and sustainable tourism; exploiting the synergies with the food, drink, cultural, creative and speciality retail sectors; and evening out the 'seasonality factor'.

#### **2.15 To grow the tourism sector, we are already prioritising some key actions including co-ordinated marketing and advertising (particularly the area's iconic cultural and retail destinations), and simplification of the delivery landscape. In addition we are:**

- supporting sector partners to improve marketing and promotional skills;
- working with the sector and local authorities to bring new visitor attractions to the area, especially those with year round appeal, and make sure opportunities are progressed as quickly as possible; and
- helping to exploit opportunities arising from major events like the Britten Centenary.

## Information and Communications Technology (ICT)

- 2.16** ICT companies bring £1.3bn to the Norfolk and Suffolk economies, with over 1,400 companies employing some 10,300 people with GVA at £131k per head. ICT is an economic sector in its own right and an enabler/driver of other economic activities, particularly the creative and cultural, financial services, energy and health and life sciences sectors.

**KEY FACT:** Most of the jobs are concentrated in Suffolk, at Adastral Park, BT's global centre for innovation and site for the Innovation Martlesham ICT cluster, where forty five businesses have taken up residence.

The growth at the Norwich Research Park involves new start up ICT companies collaborating with others demanding specialist ICT.

- 2.17** We are promoting 'Smart Anglia', to exploit the growth in use of smart phones, cloud computing and broadband and using ICT to create more sustainable communities. The ICT Sector Group is promoting best practices, developing local supply chains and exploiting the potential for innovation by non ICT businesses. It is drawing together businesses, schools, colleges and universities into a cluster to change the way ICT is taught.
- 2.18** There is considerable potential for growth in ICT in New Anglia and achieving this potential means addressing two major challenges. First, companies in most parts of New Anglia do not have access to fast and affordable broadband (this impacts on all businesses and their ability to carry out day-to-day operations but is especially important for the ICT sector). Second, companies need a better skilled workforce.

### 2.19 To grow the ICT sector we are:

- promoting the development of Adastral Park, Innovation Martlesham and other related sites such as UCS to create a centre for innovation, research and inward investment for ICT and related businesses;
- making the case for ongoing investment in superfast broadband for Norfolk and Suffolk;
- working with local authorities and providers to campaign for improvement in ICT education;
- working with key players to develop smart technology markets within the New Anglia area and exploiting the synergies with priority growth sectors; and
- investigating new opportunities for flagship programmes related to future opportunities such as those associated with Technology Innovation Centres, sustainable development and the Smart Anglia initiative to support the green economy.

## Life sciences and biotechnology

- 2.20** Life sciences and biotechnology have emerged as a world-class cluster for New Anglia with distinct research specialisms borne out of leading-edge research facilities and expertise. It is worth £132m per annum to New Anglia and an estimated 3,000<sup>7</sup> people are employed in 40 businesses with a £122k GVA per head.

**KEY FACT:** Norwich Research Park (NRP) is Europe's largest single-site concentration of research, training and educational institutions in Health, Food and Environmental Sciences, employing over 2,400 scientists, 8,500 support staff and having an annual research budget of over £100m<sup>8</sup>.

<sup>7</sup> This is significantly higher than the 1,100 suggested by narrowly defined Sector Industry Codes (SIC).

<sup>8</sup> Norwich Research Park website, November 2012



Biotechnology is beginning to build a strong presence at University Campus Suffolk (UCS, Ipswich) with specialisms in stem cell research and regenerative medicine. The proximity of Cambridge is another major attraction. There are important life science 'hubs' at Newmarket (equine bloodstock cluster), Mildenhall and Haverhill (high value bio manufacturing). Major pharmaceutical companies are located near King's Lynn, Thetford, Haverhill and Mildenhall along with a wide range of companies specialising in advanced medical devices and healthcare products.

- 2.21 A key priority for the sector is the £26m expansion of the Norwich Research Park, with funding secured from the UK Government to build new infrastructure to create up to 5,000 new jobs in life science, health, and biotechnology disciplines over the next 15 years.
- 2.22 There are three key challenges for this sector. First, public funding for research is diminishing and private investors are more risk averse. Second, company growth depends on being able both to train locally and attract and retain talent from elsewhere in the world. Third, the NRP and other centres must establish stronger "enabling infrastructure" (premises, facilities, support services etc.) for commercialisation.

**2.23 To grow the life-sciences sector we are:**

- promoting new opportunities at the expanded NRP including working with partners on the Greater Norwich City Deal;
- supporting the sector to establish a Life Sciences & Biotechnology Sector Group, particularly to accelerate commercialisation through provision of start-up facilities and support services for small businesses;
- promoting Norfolk and Suffolk as a competitive employment location for life-sciences companies, focusing upon NRP as a research centre of excellence, the emerging specialisms at UCS and the proximity of Cambridge; and
- working with the sector to identify opportunities for research funding and establishing an Angel Investor Network.

## Sectors with potential to grow

### Advanced Manufacturing and Engineering

- 2.24 Advanced manufacturing describes companies using a high level of design or scientific skills to produce innovative and technologically complex (high value) products and processes. The sector employs over 24,500 people in more than 1,000 businesses and is worth £1.5bn in GVA to the New Anglia economy. There are significant clusters of activity across New Anglia, particularly focusing on offshore energy, electronics, marine and auto manufacturing, and precision engineering supporting automotive and F1 motor racing.

**KEY FACT: The Hethel Engineering Centre (HEC) is a hub for innovation and technology, fostering links between business and prominent research institutions and developing expertise in areas such as composites, food and automotive technology.**

There are businesses in rural locations including several redundant airfields, near military facilities and along the A11 corridor. Aerospace businesses are concentrated near Norwich airport.

- 2.25** The sector faces three key challenges. First, we need to improve the skills and training offer. Faced with an ageing workforce and a lack of young people taking up training and apprenticeships, some local employers believe that local colleges are not wholly meeting their needs. Second, we need to improve road links with the rest of the UK. Third, we need to increase the supply of high quality sites and premises.
- 2.26** The **New Anglia Advanced Manufacturing and Engineering Group (NAAME)**, sees growth coming from strengthening local networks, innovation and pilot programmes (pre-market trials). Projects could include developing a biofuels centre of excellence, and encouraging the marine sector to strengthen its research and development.

**2.27 To grow the advanced manufacturing sector we are:**

- supporting NAAME, with the Hethel Engineering Centre, in running events, networking opportunities/clubs and encourage participation from businesses in both counties;
- encouraging the development of technology parks and incubation facilities; and
- lobbying on behalf of the sector and aligning national business support programmes.

**Digital and Cultural Creative Industries**

- 2.28** This extremely diverse sector employs around 11,000 people in nearly 1,400 businesses and is worth over £400m in GVA to the New Anglia economy. Greater Norwich has a concentration of both cultural and digital creative industries, including established businesses in television and media. In Suffolk, there is a cluster of activity at Adastral Park. UCS in Ipswich and Norwich University of the Arts (NUA) both have links with the gaming industry, part of an effort to realise commercial potential from creative and humanities sectors in higher education.
- 2.29** We are home to many organisations of national importance in visual arts, dance, literature, theatre, graphic design and digital content creation. The Norfolk and Norwich Festival and Aldeburgh Festival attract international attention. New Anglia also offers many heritage attractions including, in Norwich, the most complete medieval city in Britain and “page one” of English history at Sutton Hoo in Suffolk.



**KEY FACT: The UNESCO City of Literature, the Sainsbury Centre for the Visual Arts, The National Writing Centre, the Constable Collections, Aldeburgh Music and the NUA: are all at the forefront of art innovation in the East.**

- 2.30** This sector faces the overall challenge of responding to, and driving, the shift from traditional to digital communication channels. For this, like other sectors, it needs access to superfast broadband services and action to address skills shortfalls.
- 2.31** The Norfolk and Suffolk Cultural Board is leading the strategy for the cultural sector. Membership of Digital Creative Industry Group is drawn from NUA, UCS and the private sector. Led by these two groups, the sector is: building a better understanding of the impact of the creative and design industries across New Anglia; developing a cultural tourism strategy and new products to attract visitors; showcasing the capabilities of the graphic design and communications sub-sector; developing incubation facilities in Ipswich and Norwich to support digital business start-ups; and promoting apprenticeships.

### 2.32 To grow the digital and cultural creative industries sector we are:

- facilitating joint working between Sector Groups on cultural/digital creative industries, tourism and ICT;
- encouraging the development of existing clusters around Greater Norwich, Ipswich and Adastral Park;
- continuing to lobby for investment in high-speed Broadband across New Anglia; and
- supporting the development of new cultural offers for New Anglia.

## Food, drink and agriculture



**2.33 KEY FACT: Food, drink and agriculture are the largest employment sectors across Norfolk and Suffolk, accounting for more than 81,000 (1 in 8) jobs in the two counties.**

Agriculture underpins over 7,800 food and drink businesses of all sizes in a sector worth £2.2bn in GVA to the New Anglia economy. The sector benefits from world-class research facilities at the Norwich Research Park, such as the John Innes Centre/Sainsbury Laboratory and Institute of Food Research, and strong education and training provision at the Centre for Contemporary Agriculture and the merged Easton and Otley Colleges. The strong relationship with tourism is an important factor in determining how both sectors will grow in the short term. The sector will also need a supply of highly skilled staff coming in to both research and the wider application of new farm and food technologies in the field.

**2.34** This sector faces four types of challenges. First, the industry is experiencing skills shortages, negative perceptions and over-reliance on migrant labour to meet gaps. Second, businesses need fast broadband services and improvements on key trunk road routes. Third, there are water and energy supply issues and unnecessary regulatory burdens to be resolved. Finally, local supply chains need strengthening by attracting more companies. Priorities are being shaped by the Food, Farming & Rural Economy Board (FFREB).

### 2.35 To grow the food, drink and agriculture sector we are supporting the work of FFREB to:

- develop stronger links with other growth sectors, especially tourism promotion with the area's food and drink specialisms, and co-ordinate joint promotional initiatives;
- set up Norfolk and Suffolk Food Hubs - networks to facilitate indigenous business growth by generating ideas for new markets, developing local supply chains, sharing facilities, and applying environmental technologies;
- promote **New Anglia's strengths as an investment location for food technology research with support from the Government's Agri-Tech Strategy, which builds upon the cutting edge development of food and farming technologies in New Anglia;** and
- lobby for improved infrastructure, notably high speed broadband and key road network improvements.

## Financial Services

- 2.36** Financial Services contribute the largest slice (13.4%) of New Anglia's total GVA, worth £3.1bn, and employing 20,800 people in 800 businesses. The two 'hubs' of activity, in Norwich and Ipswich, are both acknowledged as leading centres in the UK finance and insurance services. There are notable employers in Kings Lynn, Great Yarmouth and Forest Heath district, plus widespread support functions, supply chain companies and niche markets (e.g. marine and farm and crop insurance).
- 2.37** Norfolk and Suffolk are well placed to attract investment in financial service and insurances - capitalising on the quality of life offer, committed and skilled workforce, low cost base (both for land and wages) and proximity to London. But there are key challenges which must be addressed. First, New Anglia's national and international competitiveness is inhibited by deficiencies in superfast broadband, and limited road and rail access into and around the region. Second, with an ageing workforce and the need for financial advisers to gain qualifications, there is a risk of skill shortages. Moreover, young people who might be interested in the industry are attracted to London and Cambridge. Finally, particularly in Ipswich, there is a need to ensure that land is available for potential expansions.

**The Financial Industries Group (FIG)** currently supports the sector in Norfolk and has been instrumental in moving the skills agenda forward, notably through specialist qualifications available through Norwich City College and the £5m National Skills Academy for Financial Services. Work is underway towards the creation of a group to support the Ipswich financial services cluster.

### **2.38 To grow the financial industries sector we are:**

- encouraging the FIG in Norfolk and creating a similar group in Ipswich to deliver promotional strategies to attract inward investment and strengthen local supply chains;
- encouraging the development of new skills and qualifications, particularly around new 'enabling' technologies; and
- making the case for ongoing investment in superfast broadband and other infrastructure improvements.

## Ports and Logistics

- 2.39** The ports and logistics sector comprises road and water freight and transport services, cargo storage and warehousing. Almost 24,000 people are employed in the sector in 1700 businesses and it is currently worth £1.3bn GVA to the New Anglia economy. Felixstowe is currently the UK's largest container port, aspiring to EU hub status. Other ports such as Lowestoft, Great Yarmouth, Ipswich, Kings Lynn and Wells play a variety of roles in national trade and servicing offshore facilities. As gateways for UK trade and travel they generate significant freight activity along road/rail corridors to UK hubs.
- 2.40** Growth in the offshore wind sector will increase logistics and supply chain operations with potential for further development of quayside activities. Development options at Felixstowe could create 1,000-2,000 jobs, by following the European model and extending the ports' hinterland through port-centric logistics, reducing costs and bringing environmental benefits.

**2.41** Yet, the sector faces several key challenges. There is competition from Rotterdam, and the new London Gateway facilities. To remain competitive, it is essential to make ongoing investments in serviced land, premises, and quay head improvements. Key links in the trunk road and rail networks serving some of the ports also need improvement. Port activities may be squeezed by pressure from residential development and other high value uses. In some locations there is concern about the environmental impact of increased freight.

**2.42** The Ports and Freight group (supported by the Haven Gateway Partnership) have identified their priorities as: promoting the "South North Sea" ports' combined strengths; updating and collating economic intelligence and labour market evidence; and promoting employment opportunities, improving the sector's image and enhancing employer-education links.

**2.43 To grow the ports and logistics sector we are:**

- promoting (a) The Enterprise Zone and CORE status; (b) European hub status for Felixstowe; (c) Tourism from cruise/ferry passenger traffic growth (Harwich); and (d) Servicing facilities for Sizewell;
- working with local authorities to ensure the availability of sufficient suitable serviced employment land; and
- lobbying and working with government and agencies to secure sustainable key road/rail corridor enhancements.



# 3

## THE GREEN ECONOMY

- 3.1 New Anglia businesses offer world leading expertise in the transition to a green economy with low carbon energy production and resource efficiency becoming a business norm. We are an exceptionally attractive location for further investment in these economic activities.

*“A green economy is not a sub-set of the economy at large – our whole economy needs to be green. A green economy will maximise value and growth across the whole economy, while managing natural assets sustainably.”<sup>9</sup>*

- 3.2 The Organisation for Economic Development and Cooperation (OECD) provides a clear definition of green growth and this is guiding our plans:

*“Green growth means fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. To do this it must catalyse investment and innovation which will underpin sustained growth and give rise to new economic opportunities.”*

- 3.3 This means our goal of promoting economic growth goes hand in hand with the priorities we give to environmental sustainability and social progress; we see no conflict. This has been a driving principle for the New Anglia LEP from the outset. In October 2011 we created a Green Economy Pathfinder board to lead this initiative – a true cross-sectoral collaboration.



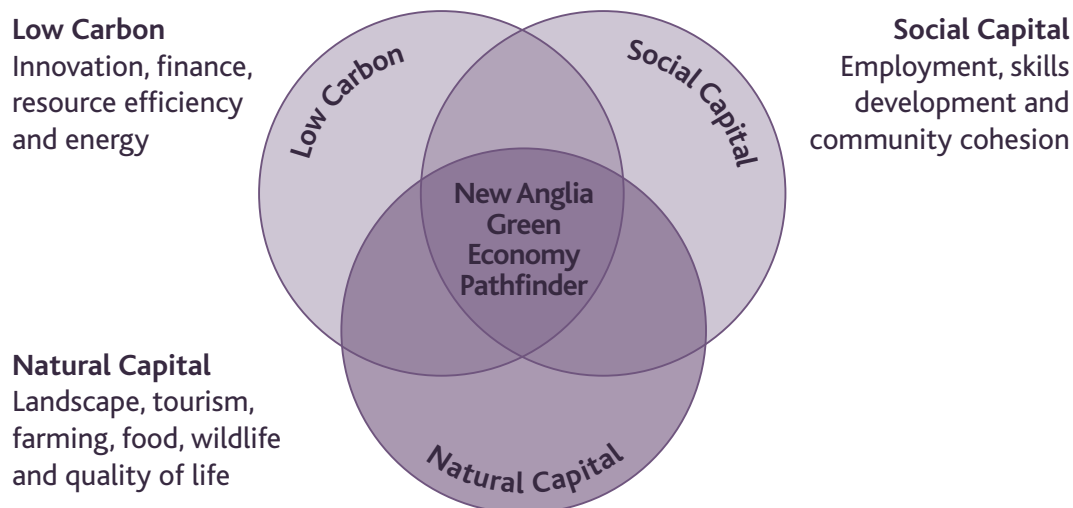
**KEY FACT:** Our Green Economy Pathfinder Manifesto 2012-15 refines our ambition, focusing on low carbon, natural capital and social capital with an overall ambition to achieve sustainable, low-carbon growth, skills development and employment in Norfolk and Suffolk, and contribute to better positioning of the UK in the competitive global marketplace.



<sup>9</sup> HM Government's Transition to a Green Economy Paper



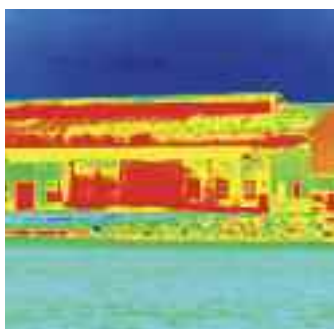
Figure 1: Growing a Green Economy



- 3.4 In focusing on building a green economy, we are harnessing New Anglia's strengths in driving the global shift to low carbon energy. The joining up of clean technology, life sciences and ICT offers a unique combination in New Anglia, and is epitomised by the work of the UEA Adapt Team. Through the universities, research centres, science parks, agricultural and forestry technology we are offering world-class innovation and exportable skills, a veritable "Open Air Lab" of innovative solutions. The region's well-established 'all energy' base, embraces oil, gas and nuclear, and is turning to onshore and offshore renewables. We are harnessing our natural capital in different ways; an abundance of farmland supports many food and drink producers of repute, such as, the East of England Co-operative, exemplifies a strong social capital movement in the region and is promoting its "locally sourced" brand; Tourism is a major sector, in many ways thanks to a beautiful, abundant and diverse bank of natural assets - this "Wild Anglia" encompasses iconic landscapes, biodiversity, green space and outdoor recreation which form a quality environment benefitting employees and many businesses with a desirable location to live and work. Defra have piloted the use of a Local Economic Development and Environment Tool Kit in New Anglia and this will be utilised in assessing appropriate growth locations, a "growth ready" approach in Wild Anglia, particularly useful for the siting of renewable energy locations.

### Leading the Way: Our Green Economy

- 3.5 In the first instance, we are focusing on those businesses that deliver low carbon environmental goods and services (LCEGS). The global market for LCEGS is currently estimated to be worth £3.3 trillion. The UK is the world's 6th largest low carbon economy – worth over £122bn and forecast to grow by over 5% pa to 2015; New Anglia is well placed to capture a large share. In broad terms New Anglia intends to secure a quarter of all growth in this sector nationally by 2015 and a quarter of all jobs nationally by 2017. This sets the context for the five objectives of our Pathfinder Manifesto.<sup>10</sup>



<sup>10</sup> [http://www.newanglia.co.uk/Assets/Files/Content/2012-06-08%20New\\_Anglia\\_Manifesto\\_art\\_lo-res.pdf](http://www.newanglia.co.uk/Assets/Files/Content/2012-06-08%20New_Anglia_Manifesto_art_lo-res.pdf)



## Building a Green Economy: Five Objectives

### (i) Norfolk and Suffolk Leading the Green Economy

- Delivering a 60% reduction in emissions by 2025 (on 2004 baseline) by creating more sustainable buildings, investing in micro-generation and the offshore renewables industry, the development of five new green economy hub and spoke networks in leading sectors such as agricultural, smart ICT and low carbon technologies and creating a local transport body to invest in low carbon transport;
- Using Growing Places Fund and working with partners to strengthen the green economy when making investment decisions; and
- Championing action that links valuing natural capital and economic growth.

### (ii) Maximise funding and investment opportunities

- Working with Government and partners to optimise access to European and Central Government funding and private investment in growth of the green economy, including ERDF, Regional Growth Funds and Green Investment Bank support; and enabling full adoption of the green economy commitments as a central pillar of political, fiscal and operational decision making
- Establishing the University of East Anglia (UEA)'s Green Business Fund, worth £5m.

### (iii) Enable innovative, entrepreneurial and radical solutions to business challenges and opportunities

- Ensure that developing a framework for skills needed across the green economy is central to skills strategies in Norfolk and Suffolk;
- Developing low carbon business zones to attract incoming and incubator businesses, supporting energy supply chain and market development;
- Working with partners to establish enlarged wild spaces with clear economic returns particularly to rural areas, and close LEP/Local Nature Partnership working;
- And an economic response to climate change which strengthens the areas resilience and provides exportable technical expertise.

### (iv) Drive cost, resources and energy efficiency

- Working with partners to develop better understanding of Business Resource Efficiency (BRE);
- Adopting low-carbon/sustainability principles and weighting in all procurement policies by end 2013.

### (v) Communicate effectively and to promote New Anglia's leading role in the green economy nationally and on an international basis.



**KEY FACT:** We will raise awareness of the green economy with all businesses, promote the brand proposition of 'New Anglia Leading the Green Economy' and establish this as part of an wider economic offer from New Anglia.

# 4

## SUPPORTING BUSINESSES

- 4.1 Growing the New Anglia economy depends upon the prosperity and growth of our businesses. We must ensure that all existing businesses, and potential entrepreneurs, have access to the right kind of advice and support to help them grow sustainably, to be more resilient and to be smart about seizing opportunities to expand their national and international markets.
- 4.2 We are focusing our efforts on small and medium sized enterprises (SMEs) as these make up most of New Anglia's businesses. Three quarters of New Anglia's businesses employ four people or less (just below the England average) and a fifth of businesses employ between 5 and 20 people (slightly above the England average).
- 4.3 As the New Anglia LEP, partners have already made a start to improve the support which is available. Our £3m Growing Business Fund, formally launched in early 2013, aims to accelerate the expansion of SMEs whose growth is being held back by a lack of finance; this leverages in £12m of private investment and will support the creation of 250 jobs.



**KEY FACT: The development of New Anglia Capital will provide a positive alternative financing mechanism for business.**

We have launched a Business Information Portal<sup>11</sup> to help entrepreneurs and small businesses access the help and information they need to set up and grow their enterprises. New Anglia is one of a small number of LEPs participating in a Government Pathfinder Project to Support Medium-sized Businesses to improve their profile and help them to increase exports, access finance and improve links to the green economy and business schools. Through the provision of business sites in the form of Enterprise Zones we are providing businesses with rate relief benefit.

- 4.4 Existing support is a patchwork of national and local provision with a variety of public and private sector partners. It is essential that our offer should be coherent, comprehensive and simple to access. The sections below provide an overview of current activity nationally and locally.

4.5 To develop a truly coherent business support framework and help partners to define their place within it, during 2013/14 **we will work with partners to:**

- 'map' existing provision, to get a complete picture of provision across public, private and not-for-profit sectors and at local and national levels;
- identify any gaps in provision, consider with partners how those may be addressed and commission activity as appropriate;
- improve the co-ordination and connectivity between providers across sectors, streamlining and enhancing provision where this would be most effective.

<sup>11</sup> [www.bizinfoportal.co.uk](http://www.bizinfoportal.co.uk)

- 4.6 A central component of this will be the development of “growth hubs” as part of the **Greater Norwich and Greater Ipswich City Deals**, to boost economic growth and improve coordination between local and national tiers of business support by: facilitating a ‘single conversation’ with local businesses that raises awareness of available support; amplifying the reach of national schemes (such as the Manufacturing Advisory Service and Growth Accelerator); and providing tailored support (informed by the work outlined above) to companies not targeted by existing national schemes. These will be connected with the LEP’s “Rural Growth Network” now being developed to stimulate business growth in rural areas.

**Business support: key elements**

- 4.7 We have identified seven elements of business support as priorities for Norfolk and Suffolk, illustrated below. Increasing inward investment (particularly from overseas), involves a different set of actors and relationships from other elements, and so is covered separately in Chapter 6. Enabling better access to finance is the core challenge embedded in each element of business support as well as being a central in its own right. The last section of this chapter describes work we propose with partners to improve access to finance for businesses in Suffolk and Norfolk.

**Figure 2: Elements of Business Support**



**Access to finance**

- 4.8 Ensuring businesses at all stages of development have appropriate access to finance is crucial to growing our economy and creating new jobs.
- 4.9 The requirement of banks to rebuild their balance sheets following the credit crisis of 2008 means that bank finance is now harder to access, is often more expensive and requires greater levels of security. Added to this business confidence remains fragile, with many businesses running low on cash reserves. Many of those with cash are reluctant to invest in new business opportunities – reducing demand for credit.
- 4.10 Our aim is to create a complete finance pipeline ranging from proof of concept funding and initial seed investment through expansion finance for our larger companies. This pipeline will complement the finance provided by mainstream banks.

#### 4.11 Areas of focus include:

- **Proof of concept** – working with bodies such as the Technology Strategy Board and research institutes such as the British Biological Sciences Research Council to provide proof of concept capital funding for innovation businesses based in Norfolk and Suffolk, with particular focus on the Norwich Research Park and Innovation Martlesham.
- **Start-up loans** – working with local enterprise agencies and other intermediaries to promote loans and other finance which is specifically tailored for start-up businesses.
- **Angel funding** – creating an angel funding network for Norfolk and Suffolk, New Anglia Capital to provide locally based investors the opportunities to invest in local businesses.
- **Expansion finance** – providing additional expansion capital through initiatives such as the LEP £3m Growing Business Fund to lever in an additional £12m of bank lending and a bid has been submitted to the Regional Growth Fund Round 4 to further significantly expand the scheme.
- **Low carbon finance** – using the University of East Anglia operated Low Carbon Investment Fund to invest in low carbon businesses as part of the Green Economy pathfinder initiative.
- **Agri-tech finance** – working with the University of East Anglia to develop a fund focused on agri-tech innovation, as part of the Government’s agri-tech strategy.
- **Business Bank and Green Investment Banks** – working with the Government’s newly established finance to ensure businesses in Norfolk and Suffolk have access to the funding streams being developed through the Business Bank.

4.12 We will work with our private and university partners across New Anglia, and Government bodies, to build a complete finance pipeline.

#### Encouraging Innovation

- 4.13 Innovation is integral to achieving high growth in businesses and we have some key organisations providing specialist innovation support in priority sectors. It is essential, however, to recognise that efforts to enable a growing company to innovate are different from the remaining elements of a “generic business support offer.” Much specialist innovation support is also provided by national bodies such as the Technology Strategy Board, which has no local presence.
- 4.14 We wish to make it easier for businesses to access innovation support through our locally based innovation centres - the Hethel Engineering Centre, OrbisEnergy, Innovation Martlesham at Adastral Park and the Norwich Research Park Innovation Centre along with Adapt and In Crops.
- 4.15 Thus, for example, the Hethel Engineering Centre provides support to high performance engineering and manufacturing companies through the Hethel Innovation Ltd (HIL) initiative, a £7m programme (including £3.1m ERDF funding and significant private sector support / investment) that includes incubating hi-tech start-ups and establishing 20 ‘Pilot Innovation Programmes’. Similarly, the Norwich Research Park (NRP) Innovation Centre will help support commercial spin-outs by providing start up support for new and existing food, health, plant and environmental science-based businesses, assisted by £26m BBSRC funding.

<sup>12</sup> Population aged 16-64

<sup>13</sup> Business Births, Deaths and Survival rates, ONS: 1 year survival based on 2010 formations, 5 year survival based on 2006.

- 4.16** We will also work with the Technology Strategy Board and other national innovation partners to highlight the potential of the New Anglia area for their support and to make it easier for local businesses to access national support.

**4.17 We will work with partners:**

- to strengthen local innovation support initiatives; and
  - to strengthen the relationship with national bodies such as the TSB
  - to ensure these are well targeted to reinforce the nine growth sectors.
- This may lead to the establishment of the New Anglia Innovation Network.

### **Accelerating Start Ups and Support for Growth**

- 4.18** The creation of new businesses goes hand in hand with providing generic support for the growth of SMEs. New Anglia's annual start up rate of 5.3 new businesses per 1000 of the working age population<sup>12</sup> is below both the national (6.8) and regional (6.7) averages. The picture for business survival is somewhat stronger: a greater proportion of New Anglia businesses survive for one year (88.9%) than in England (86.8%) or the East Region (87.8%) and are still operating after five years (47.6% compared with 44.8% and 45.9% respectively)<sup>13</sup>.
- 4.19** Local authority initiatives to support new business start-ups include: supporting the growth of the Enterprise Hub for young entrepreneurs; and Enterprise Norfolk, offering support to establish new businesses including enterprise awareness events, one-to-one support sessions, enterprise workshops and business surgeries.
- 4.20** A number of local organisations provide support for start-ups and for business growth. These include: enterprise agencies such as Norfolk & Waveney Enterprise Services (NWES), MENTA (the Suffolk Enterprise Agency), Ipswich & Suffolk Small Business Association (ISSBA); the Chambers of Commerce; the Federation of Small Businesses; Prince's Trust; WEETU (the Women's Employment, Enterprise and Training Unit) and Suffolk Business Women's Network; and Norwich 4 New Enterprise Board. These variously supply professional advice, access to personal skills and business training, bursaries and loans, profile-raising opportunities, networking events and managed workspace.
- 4.21** In addition, the UCS School for Social Entrepreneurs provides support for a wide range of social enterprises. The Norfolk Knowledge Innovation Panel (part of Norwich Business School), uses the expertise of retired or semi-retired people to help businesses take their innovations to the next stage, through a mixed package of financial and mentor-based support.

**4.22 With our local authority and private sector partners we are now considering:**

- Boosting levels of support for small businesses including developing stronger partnerships with our enterprise agencies especially NWES and MENTA and joining up with national service providers such as "Start-up Britain", promoting the national Growth Accelerator Programme, and the national mentoring schemes.
- gain a better understanding of start-ups' premises requirements, assess whether gaps exist, and work with the private sector to address these gaps.

## Improving Business Efficiency

- 4.23** Improving the cost, energy and resource efficiency of New Anglia's businesses will improve their profitability, enable greener economic growth, and relieve some of the strain on our infrastructure.
- 4.24** We have established several local initiatives designed to improve business resilience and efficiency. Grants4Growth is a significant programme in Norfolk and Suffolk offering funding to support SMEs to become more environmentally friendly and reduce their carbon footprint. The Norfolk Resilience Forum supports businesses in dealing with the impact of emergencies, providing guidance and advice on handling potential threats and minimising the impact should any occur. The Suffolk Climate Change Partnership (SCCP), offers businesses support to improve resource efficiency and reduce energy usage.
- 4.25** One of the five priority objectives in our Green Economy Pathfinder is to "Drive cost, resources and energy efficiency across all sectors". As in Chapter 2 above, our commitments as part of the Pathfinder are key to our approach to supporting businesses in New Anglia:

### **4.26 We will cooperate with local authorities, central Government (in particular BIS and Defra) and business to:**

- develop a clear route map for the Business Resource Efficiency (BRE) process;
- establish a common BRE vocabulary on the associated business benefits (reduced costs, comparative advantage, business growth and resilience); where possible, we will link this to the national MSB (Mid sized Business) Pathfinder project (with WRAP, the Waste and Resources Action Programme);
- support the rapid roll-out and replication of best practice in BRE and BRE support services, evaluating, communicating and applying key learning for a responsive 'green business services' approach across Norfolk and Suffolk.

## Increasing Exports

- 4.27** UK Trade and Investment (UKTI) is the main provider of exporting support to companies across England. Through a range of services, including participation at selected trade fairs, outward missions and providing bespoke market intelligence, UKTI along with local Chambers of Commerce help companies to understand overseas regulations and business practices and to raise their profile abroad. As part of this, UKTI works with Norfolk and Suffolk County Councils to develop bespoke trade missions to China. For example, currently 52 companies in Suffolk are known to be exporting to China. UKTI is also hoping to sign up 10,000 businesses from the East of England in the next three years as part of a national programme to get 100,000 more companies exporting by 2020.
- 4.28** Many of New Anglia's SMEs are well placed to exploit the growing opportunities overseas to trade their products in a world where quality and lifestyle goods are at a premium. The Chambers of Commerce provide specialist advice and guidance to support businesses seeking to export more. Business fairs, such as those hosted by MENTA and ISSBA also provide an important channel for showcasing export opportunities for a wide range of local firms. We are currently considering how best to enhance support for exporting companies, and those planning to export, in partnership with the Chambers. More generally, we are also considering how best to enhance the service to ensure training and awareness is available for exporting to all the BRIC countries and other emerging economies.



**4.29** We will work with our partners across New Anglia:

- to enhance the profile of our inward investment and export offers to companies operating in our key growth sectors; and
- to increase, significantly, the number of exporting companies.

**Improving Local Procurement**

**4.30** Public sector bodies in New Anglia, in particular the local authorities and NHS, are significant commissioners of goods, services and works. With more service requirements being outsourced by divestment and commissioning, there are opportunities to increase the proportion of public sector spend with New Anglia-based firms whilst still complying with UK and EU procurement regulations and guidelines.

**4.31** The two county councils use a variety of methods to raise awareness of buying opportunities via their websites (including 'Suffolk Sourcing') and promoting opportunities on the national procurement website run by the government portal 'Contracts Finder'. Both councils are committed to working closely with Chambers of Commerce and groups in the voluntary and private sectors to embed good practice in commissioning, procurement and contract management, promote early engagement, simplify processes, and improve access to opportunities throughout the supply chain and in particular to SMEs.

**4.32** Developing local supply chains is crucial. The most advanced of these currently is the energy sector, where local authorities have agreed, through the Norfolk and Suffolk Energy Alliance, a supply chain strategy for the two counties covering all energy.

**4.33 We will work with our partners to:**

- promote best procurement practice across all public sector bodies, including environmentally friendly business practice and the development of local sources of supply, when engaging in joint commissioning activity;
- raise awareness of contracting opportunities to New Anglia companies;
- continue to press for all private, public and third-sector procurement policies and procedures to give at least equal weighting to low-carbon/sustainability criteria. Our aim is for this to be formally adopted into all partners' procurement policies in the first half of the period covered by this plan.





# 5

## BUILDING OUR SKILLED WORKFORCE

- 5.1 New Anglia's workforce is one of our chief assets; building on this with further skills developments will underpin excellence across all sectors, including world-leading expertise in our priority sectors. We also have first class educational and training institutions which are in the process of developing strong links to priority industrial sectors.
- 5.2 Addressing skills needs and shortages is therefore a key priority. Our objective is to secure a competitive training offer for everyone seeking to learn, which aligns well with key growth sectors and satisfies employer demand. We also want to see employers taking ownership of their unique training needs, setting out what should be provided locally and encouraging employees to train on a continuous basis. Our key aims are: strengthening local skills leadership; improving attainment levels; and apprenticeships and tackling youth unemployment. We also want to see our investments in skills contribute towards building a Green Economy. Our approach to each of these four aims is set out below.
- 5.3 The Greater Ipswich and Greater Norwich City Deals offer a tremendous opportunity to accelerate the delivery of our plans. Both City Deal partnerships are working up significant proposals on skills funding and programmes to drive up the skills of the resident workforce to access high value jobs and enable us to realise the commercial potential of innovation and research in our key sectors.

### **Strengthening local skills leadership**

- 5.4 We are establishing a new way to plan our investment in skills through a locally led skills system. Our aim is to ensure that decisions on investment priorities for training provision are taken by those who understand the needs of employers and the needs of learners – now and in the future.
- 5.5 Partners in Norfolk have already taken significant steps down this road with an Employment and Skills Board (ESB) comprising employer led groups, training providers, universities, national funding organisations and JobcentrePlus. The ESB has a number of functions including: the development of a skills strategy taking the national agenda into account; ensuring a better match between the skills offer and employer need; alignment with key growth sectors; and alignment with emerging EU funding opportunities. The ESB seeks to prioritise skills investment into priority sectors by: engaging with individuals who are detached from the jobs market; ensuring that employers participate in articulating their skills needs and expectations, to inform the design of training provision; and ensuring that education and training providers are responsive to employers' needs, particularly in addressing higher level skills gaps. As well as its core membership, the ESB is able to draw upon a wider pool of expertise. Moving forward, we will ensure that strategies and priorities are informed by intelligence from our sector sub-groups.

- 5.6 Suffolk's approach builds upon the Skills for the Future Strategy 2011-13 and is now incorporated in the Suffolk Growth Strategy. This includes a focus on attainment by individuals, as well as engaging employers to hold providers to account for designing courses and qualifications that match employers' needs. Partners will be establishing a local Skills Taskforce for Suffolk, an employer-led group that will set investment priorities and with support from the LEP, ensure that funding decisions take full account of these requirements. This Taskforce will also draw on the expertise of our sector sub-groups and the national Sector Skills Councils. In return for this influence over provision, employers will be asked to invest more in training, through a local skills covenant. This will commit parties to align their investments and gain more levers value from current public expenditure.

**5.7 We will continue to:**

- Build our Skilled Workforce with more influence over how the Skills Funding Agency and Education Funding Agency commission learning, particularly regarding provision to meet the needs of our growth sectors
- lobby to ensure future European Social Fund programmes also support these priorities; and
- work with the City Deal partners to ensure that initiatives covering different geographies within the New Anglia area are coherent.

**Improving attainment levels**

- 5.8 In a fast changing global economy, one of the most urgent challenges facing the UK is the need to develop a more highly skilled workforce to compete internationally. Research<sup>14</sup> highlights five employment premiums that young people need to gain access to the labour market: character; literacy and numeracy; employability skills; training and education; and the graduate premium. Employers have also made clear they want to see the employability skills of school, college and university leavers improved, particularly softer skills such as communication, team work, initiative, responsibility and a positive attitude. With diminishing prospects for those with no or low skills, it is more important than ever that young people remain in education and training to attain qualifications and employability skills.
- 5.9 Existing initiatives to support young people to make appropriate decisions and raise aspirations include: Raising the Bar, a Suffolk-wide initiative aimed at boosting educational attainment, aspiration and employability; and Help You Choose, an online tool available to every young person in Norfolk that provides information on the full range of options available at key points in the education calendar.
- 5.10 Further work is needed to strengthen engagement between schools and employers, including more explicit focus on employability skills as well as access to good quality careers advice covering opportunities both within the New Anglia area and beyond. Higher education also has an important role in raising aspirations and driving economic growth. Local partners need to work with higher education institutions such as UCS and UEA to support the development of new higher education pathways that support our growth ambitions within key sectors and enable those institutions to develop their role as economic drivers in their own right.

**5.11 We are supporting local authorities and other partners in accessing national and European funding streams, to help promote a culture of aspiration to succeed and cultivate an employment-ready workforce across the New Anglia area.**

<sup>14</sup> The Forgotten Half: A Demos and Private Equity Foundation Report 2011

## Economic Development through apprenticeships and tackling youth unemployment

### Apprenticeships

- 5.12** Apprenticeships are a powerful tool to address skills challenges and thus drive growth. National priorities to achieve a higher participation in apprenticeships at all levels, recognition of apprenticeships as a positive career progression route and increased engagement from SMEs and other private sector companies mirror our priorities in the New Anglia area. Both counties are seizing this agenda, through the Apprenticeships Strategy Group in Norfolk and establishment of an Apprenticeship Service for Suffolk, to work with the National Apprenticeship Service. Their approaches include helping to reduce the financial risk to companies, offering support through the complex systems currently in place and support for training providers and careers guidance staff in schools and colleges. They will also work with partners including Chambers of Commerce to promote awareness of apprenticeships, particularly amongst SMEs and in rural areas, and to secure additional funding to support flagship initiatives.
- 5.13** This is also territory where existing cross-boundary work is already paying dividends, such as the initiative by Suffolk, Norfolk and Essex county councils using Coastal Communities Funding to support apprenticeships, including higher level, in the energy and engineering sectors currently expanding along our shared coastline. Similarly, the Growth Innovation Fund is supporting Anglian Farmers in an initiative to address the increasing skills deficit in the technical agricultural sector by increasing the numbers of advanced agricultural apprenticeships in Norfolk and Suffolk.
- 5.14** Our aim is to increase significantly the number and quality of apprenticeships in the New Anglia area, particularly targeting our growth sectors to which they are well-suited, including energy, manufacturing, engineering, construction, ICT, coding and digital media, advanced logistics, finance and care.

#### 5.15 We are:

- working with schools and FE/HE providers to promote understanding of the potential of apprenticeships as a career progression route and ensure systems are in place to support take up amongst young people, including those who are vulnerable or disengaged from employment and training; and
- encouraging all our partners, particularly in the public sector, to increase apprenticeship and work experience opportunities and systematically to embed such requirements into their procurement practices.

### Tackling Youth Unemployment

- 5.16** Over the last 10 years, youth unemployment has increased across the New Anglia area and whilst tracking national trends fairly closely is consistently higher than the regional average<sup>15</sup>. One of the common concerns raised by employers when recruiting is that young people do not have the necessary basic skills to successfully compete for a job, thus damaging the local labour market and the prospects for growth.
- 5.17** The most effective support for unemployed young people is likely to comprise a mixture of work experience, internships and opportunities to re-engage in full-time learning. This is

<sup>15</sup> Source: ONS claimant count - age and duration with rates

particularly important in respect of young people who are not in education, employment or training (NEET). Measures proposed by local authorities and other partners to tackle youth unemployment and reduce the number of NEETs include:

- using procurement practices to ask every company in receipt of a major public sector contract to produce a training and apprenticeship plan that delivers tangible benefit to young people in local areas;
  - making effective bids for European Social Fund resources to support initiatives targeted at moving young people into work;
  - pre-16 work clubs for young people identified as at risk of becoming NEET, where they can access appropriate support to help them make a successful transition into apprenticeships, further education or employment with training;
  - working with the Education Funding Agency to improve the learning offer to ensure young people with basic skills gaps can make the first step to gaining qualifications and securing sustainable employment; and
  - boosting the capacity of third sector organisations to work with young people that are NEET.
- significant challenges also exist in creating and sustaining graduate-level opportunities and young graduate unemployment is an issue.

**5.18** The Greater Ipswich City Deal proposal includes a Youth Guarantee that would ensure every young person is supported to make a successful transition towards and into employment from their GCSE year onwards, offering support to individual need and focusing most on those at greatest risk.

**5.19** We will support local authorities and other partners, particularly in developing robust City Deal proposals, so as to access European and national funding programmes and to design an effective and coherent package of interventions in the New Anglia area to help connect young people with education, employment and training opportunities, especially focused on growth sectors.



# 6

## ENABLING INFRASTRUCTURE FOR BUSINESS

- 6.1** Economic growth and competitiveness depend upon having the right infrastructure. Realising the potential of our key infrastructure assets – our ports, research and development hubs, prize agricultural land and tourism attractions – means overcoming the congestion of our road and rail corridors and improving transport links within New Anglia, with the rest of the world. New Anglia must have 21st century infrastructure to support a 21st century economy.
- 6.2** Both Norfolk and Suffolk County Councils, working with the district/borough councils and partners, have established infrastructure investment priorities to enable growth across New Anglia. This Plan for Growth brings these priorities together under three main headings: broadband and digital communications; transportation; and utilities, plus a short section on associated considerations such as housing, funding and green infrastructure. The Norfolk Infrastructure Plan<sup>16</sup> and the Suffolk Growth Strategy<sup>17</sup> provide more detailed information.
- 6.3** Delivering infrastructure depends upon securing funding from the Government, the European Union, local authorities and the private sector. Recently the Government has indicated that it wishes to move toward devolving more responsibility to LEPs for setting transport investment priorities in response to Lord Heseltine’s recommendations.<sup>18</sup> In due course, we will use this “Single Local Growth Fund,” to leverage other public and private investment to deliver the priorities set out in our Plan for Growth. The Greater Norwich and Greater Ipswich City Deal proposals are the first step in this process.

### Broadband and digital communications

- 6.4** Improving broadband services is an urgent challenge across Norfolk and Suffolk to enable economic growth. The need to improve services has been specifically identified by companies in most of our priority growth sectors. The broadband speed currently experienced by our small businesses is under the UK average of 5Mbps<sup>19</sup>. Rural areas are particularly poorly served with some having no coverage at all.
- 6.5** Both county councils, with match funding from Broadband Delivery UK and around £0.6m from private partners, are investing nearly £55m up to March 2015. This will provide a minimum 2Mbps service in all areas and superfast broadband (24-100Mbps) to homes and businesses in all principal locations. Priorities are: the Enterprise Zone; areas with a high proportion of business subscribers; and areas where market forces are unlikely to provide superfast broadband by 2015. We aim to complete detailed plans by mid-2013, improve services to the Enterprise Zone by Summer 2013 and full roll out by March 2015.

<sup>16</sup> Norfolk Infrastructure Plan

<sup>17</sup> Suffolk Growth Strategy

<sup>18</sup> No Stone Unturned, October 2012 - <http://www.bis.gov.uk/assets/biscore/corporate/docs/n/12-1213-no-stone-untuned-in-pursuit-of-growth>; and [http://cdn.hm-treasury.gov.uk/autumn\\_statement\\_2012\\_complete.pdf](http://cdn.hm-treasury.gov.uk/autumn_statement_2012_complete.pdf)

<sup>19</sup> Megabits per second

- 6.6 We estimate that a further £25m investment will be needed to 2020 to ensure that the highest levels of broadband service are available across the New Anglia area and we will use our influence to help secure this. Overall investment in broadband is expected to deliver economic growth benefits worth up to £2.4 billion and the creation of up to 6,400 new full-time jobs over the next 10-15 years. It is key to our efforts to build a Green Economy enabling smarter working and potential to reduce overheads, need to travel and carbon emissions (e.g. facilitating home-working, accessing services remotely, tele-conferencing).
- 6.7 Many residents and small businesses in New Anglia are also hampered by poor or non-existent mobile phone reception. Investment in superfast broadband (both fixed and mobile) should have a positive impact on service levels.

**6.8 We will lobby for improvements to mobile phone networks to support economic growth and access to services, tying in with our ambitions for the concept of 'Smart Anglia' (see under ICT in Chapter 3).**

### Transportation

- 6.9 New Anglia has no motorways. All of the principal highways – the A11, A12, A14 and A47 – are (partial) dual carriageways. Investment is urgently required to upgrade several key junctions on these trunk road to increase capacity to enable employment growth and to relieve congestion. Investment is also needed in the rail network, particularly in the Felixstowe-Nuneaton Rail Corridor and the Great Eastern Main Line services. This will both help achieve our ambitions for growth in the ports and logistics sector and reduce CO<sub>2</sub> emissions by getting more freight movements off roads and onto rail. Norfolk and Suffolk are now establishing the Norfolk and Suffolk Local Transport Body to lobby to oversee investment in key road and rail projects to enable growth. Our priorities are set out below:

**6.10 New Anglia LEP will use the Local Transport Body in Norfolk and Suffolk to maximise Government investment in transport infrastructure and to ensure that enabling economic growth is the priority in the use of available funds.**

### Roads (Highways)

- 6.11 Our early priorities for roads investment in New Anglia relate principally to enabling efficient movement in and around major towns and employment sites and unlocking the potential of our prime growth locations.
- 6.12 **A11:** The A11 links West Suffolk to Norfolk, and is also important for connecting many areas of West Suffolk to the A14 and M11, which in turn provide access to London and Cambridgeshire. Funding has been confirmed by Government, and work has commenced, to complete the dualling of the A11 in West Suffolk and Norfolk. We consider early delivery of this scheme to be vital to the prosperity of West Suffolk and supporting 5,000 new homes and 5,000 new jobs at Thetford by 2021.



- 6.13 A12:** The A12 south of Ipswich is a national strategic route that connects Ipswich and East Suffolk to the economic areas of Essex, London and the channel ports. As noted below, a key priority for this route is commitment to an improved junction with the A14 at Copdock Mill. Besides this, to support growth northeast of Ipswich and around Adastral Park we also wish to prioritise new signalised junctions for the A12 between its junction with the A14 at Seven Hills and the junction with the A1214 at Martlesham. North-East of Ipswich the key strategic improvement identified for early delivery is a Four Villages Bypass of Glemham, Marlesford, Stratford St Andrew and Farnham. This will be necessary to reduce journey times to Lowestoft and to resolve existing difficulties in the villages, particularly with large vehicles.
- 6.14 A14:** The A14 is a route of national and European importance. It connects the Port of Felixstowe and key employment centres around Ipswich, Stowmarket, Bury St Edmunds and Newmarket to Cambridgeshire and beyond. A priority for the A14 is the Copdock Mill Junction with the A12 trunk road south of Ipswich. Government commitment to a significant improvement scheme over the next 10 years is needed now. Many businesses, particularly in West Suffolk, are dependent on links to Cambridgeshire, but government commitment is needed for major investment to tackle increasing congestion on the A14 across the border. We will collaborate with the Greater Cambridge-Greater Peterborough LEP to explore solutions to increasing the capacity of the A14, but share the fundamental reservations held by our partners about any solution which involves a toll road.
- 6.15 A47 and Transport for Norwich:** The A47 is of critical importance, linking Great Yarmouth, Norwich and Kings Lynn to Peterborough and national routes to the Midlands and the North. A study by Mott MacDonald has suggested that investment in improvements to the A47 corridor from Great Yarmouth to Kings Lynn could generate 9,615 new jobs, 3,200 new homes, an annual uplift in GVA of £390m (by 2032) and additional private sector investment of £802m<sup>20</sup>. As well its strategic role on the network, the A47 also supports growth locations in and around these towns and other centres. The Postwick Hub will address current capacity problems at the junction serving east Norwich, as well as unlocking local site potential for 600 new homes, land for 5,000 new jobs and doubling capacity of the Park and Ride serving Norwich. We will support local authorities and partners in efforts to secure funding for other improvements to the A47, including key junctions and on-going dualling of all sections. Consideration of improvement to the A140 at Long Stratton to ease congestion and reduce vehicle effect on community.
- 6.16** The Postwick Hub scheme also provides for the connection between the A47 and the Northern Distributor Road (NDR). Linking the A47 with the A140 at Norwich Airport and A1067 Fakenham Road, this scheme is essential to unlock the potential of sustainable new settlements to the north of Norwich. Government funding has been secured for the eastern section, and we are committed to supporting the County Council's bid to gain consent for the scheme through the Nationally Significant Infrastructure Projects (NSIP) process.

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<sup>20</sup> Mott MacDonald Report: A47 Wider Economic Benefits, <http://www.norfolk.gov.uk/view/NCC111643>



- 6.17 Great Yarmouth & Lowestoft:** Growth in opportunities in the energy sector, especially around Great Yarmouth and Lowestoft, highlight the importance of good road links in and around both towns, particularly serving Enterprise Zone sites. Additional river crossings in both towns are under consideration as part of a package of infrastructure improvements and we will continue to work with local authorities and other partners to secure funding to support those investments.
- 6.18 Local transport:** As well as improving strategic road connections, we will work to improve local transportation within key cities and towns to support economic growth and reduce transport-related emissions. A key part of our approach is more efficient management of traffic, reducing the demand for car travel and promoting more sustainable means of travel.

**6.19 We will lobby Government to make the funds available to invest in these road improvements as they are key to the future economic prosperity of New Anglia.**

## Rail

- 6.20 Great Eastern Main Line (GEML):** This is the crucial artery connecting New Anglia to the rest of the UK and Europe, but it has suffered from chronic under-investment. Network Rail's Rail Utilisation Study projects that without investment, congestion will increase further through to 2030, with a capacity gap of 3,000 in peak hours.<sup>21</sup> A recent study suggested that a full package of projected improvements to GEML would create £3.4bn of transport related economic benefits and £280m of wider economic impact within the East of England.<sup>22</sup> In addition, improvements on the Kings Lynn to London route are required as this is one of the most overcrowded routes in the country.
- 6.21 Felixstowe-Nuneaton Rail Corridor:** This is of key strategic importance, not just to New Anglia, but to the country as a whole. It is the main route for freight traffic from the Port of Felixstowe to the North and Midlands including processing and distribution facilities in the Midlands. It is also an important route for cross-county passenger travel. Deficiencies on this line could potentially limit the economic competitiveness of the Port of Felixstowe, restrict economic growth and force more freight-related traffic onto the road network (especially the A14), resulting in increasing congestion and higher carbon emissions.

**6.22 We will work with our partners to lobby government and Network Rail to commit the necessary resources to upgrade the GEML, including faster trains and line speeds, station improvements and improved frequency of services connecting growth centres in New Anglia to neighbouring centres such as Peterborough and Cambridge as well as to London.**

**6.23 We are promoting the long-term investment programme for the Felixstowe-Nuneaton route by Network Rail which will help remove up to 750,000 lorries from the roads each year by 2030<sup>23</sup> and reduce our carbon emissions.**

<sup>21</sup> Network Rail (2008), East Coast Main Line: Route Utilisation Study

<sup>22</sup> Atkins (2010), Great Eastern Main Line Study: The Economic Case for Investment on the Great Eastern Main Line

<sup>23</sup> www.networkrail.co.uk, February 2013

## Utilities

- 6.24 Water.** The East of England is the driest part of the country and water supply is critically important, not only to agriculture but to businesses and homes. Some of our major sectors, including food and agriculture are particularly vulnerable as well as many manufacturing and engineering clusters which also require a stable supply. With increased pressure from climate change, population growth and food security it is more important than ever that water resources are at the centre of planning for the future, and tackled in a coordinated manner. The key is to capture and store rainfall, and join up water resource planning with drainage and flood risk management where feasible. This will require new models of investment planning and engagement between water companies and public and private stakeholders.

**6.25 We will support stakeholder efforts to work with water companies to ensure any proposals are fit for purpose and consistent with our ambitions for the Green Economy.**

- 6.26 Electricity.** Businesses in the New Anglia area – especially in energy-intensive sectors such as manufacturing and food and drink – depend on cheap and reliable energy supplies. This will require both new infrastructure and demand management both to meet future demand and reduce emissions. The main challenge is securing the delivery of power requirements for large strategic developments that have already been incorporated into local plans, but also to resolve unreliability of supply experienced by some businesses in rural locations.

**6.27 We will ensure that the Distribution Network Operator (UK Power Networks) is informed by the growth in local plans and evidence of any existing supply issues in planning for investment over the period 2015-2023, as well as promoting low carbon energy in accordance with our Green Economy objectives.**

## Housing Growth and Green Infrastructure

- 6.28** Housing growth is fundamental to the economic development of Norfolk and Suffolk. As well as supporting economic growth by enabling labour mobility and helping to overcome labour supply constraints, it also generates economic activity in its own right. Each of the local authorities have plans to deliver housing growth to meet demand appropriate to their areas in approved or draft Local Plans. This Plan for Growth focuses on economic development and is wholly aligned with the various Local Development Frameworks being prepared. However, the New Anglia LEP does have a role in channelling government funding to provide enabling infrastructure to unblock stalled sites.

**6.29 We will continue to seek Government investment to support the planned delivery of much needed housing in Norfolk and Suffolk.**

- 6.30** Effective delivery will depend on taking a coordinated approach to Community Infrastructure Levy (CIL). In Norfolk, the Greater Norwich districts are well advanced with a coordinated approach to CIL, which will generate millions of pounds of private sector investment towards the cost of providing essential infrastructure. In the Greater Norwich City Deal proposal, the authorities involved put forward their intention to set up a single

investment pot to ensure projects get underway away and enable long-term contractual agreements to be signed. This pooled investment pot will allow the authorities to borrow money and deliver soft and hard infrastructure up front, thus giving confidence to developers and inward investors that the right structures are in place to respond to their development proposals in a business-like way. In Suffolk, the local authorities have agreed, in principle, to pool non-domestic business rates to create a common investment fund for infrastructure.

**6.31 We will formulate a coordinated approach to infrastructure priorities in the New Anglia area and agreement over priorities for investments from the Single Local Growth Fund.**

- 6.32** Our Green Economy Manifesto uses the term 'natural capital' to describe our environmental assets, such as the countryside, biodiversity, waterways and open spaces. This embraces the concept of green infrastructure in rural and urban areas - providing recreation facilities, supporting tourism and other business opportunities, enhancing biodiversity and underpinning other services of economic and social value, such as flood defence. The Green Economy and Wild Anglia Manifestos contain the commitment to "optimise funding from national, regional and EU grant schemes to support the creation of Wild Spaces, and sets a target to create 1000 hectares of new habitats by 2020". The LEP will work closely with the Wild Anglia LNP to realise this target, and in particular to attain the benefits to the rural economy associated with the target

**6.33 We will be working closely with Wild Anglia, the Local Nature Partnership, and other stakeholders to increase investment in New Anglia's natural capital.**

# 7

## ATTRACTING INWARD INVESTMENT

- 7.1 Attracting inward investment embraces both efforts to attract foreign direct investment and working with companies that are already based in New Anglia to support their efforts to invest in expansion. This is a key element of economic growth strategies for Norfolk and Suffolk<sup>24</sup>. Success will depend on strong partnerships at both county and district levels. We must maintain confidence that Norfolk & Suffolk's key assets and sector strengths are being promoted effectively to government and businesses at home and abroad.

### Overall approach

- 7.2 *'Britain's Open for Business'* is UKTI's 2011-2016 strategy. It sets out plans to provide support to exporters and inward investors over the next five years. New Anglia works within UKTI's *'UK First Approach'*, which means that no part of the UK is promoted over another as a matter of course. Inward investment enquiries are targeted at the areas of the UK that best meet requirements. For example, enquiries from overseas investors in the renewable energy, finance, advanced engineering, food processing or life sciences sectors should come through the UKTI's "national pipeline" to New Anglia.
- 7.3 Under the auspices of the New Anglia LEP, Norfolk and Suffolk County Councils have entered into a Memorandum of Understanding with UKTI and the National Investment Service (NIS) setting out responsibilities for foreign direct investment. The NIS is mainly responsible for generating inquiries from foreign investors. New Anglia mainly relies on "leads" from UKTI and as set out below, the role for New Anglia LEP's partners is to respond effectively.

### Inward investment support and co-ordination

- 7.4 Norfolk and Suffolk County Councils have responsibility for coordinating inward investment activities across the New Anglia area. This role entails receiving enquiries from UKTI, collaborating with districts and other partners (such as the universities) to respond to the investor's requirements, managing inward visits, managing relationships with landowners and developers and preparing appropriate information setting out a bespoke "offer".
- 7.5 Each county council has established a dedicated team to support and advise businesses considering investing in New Anglia. Both counties provide an updated portfolio of information available via their websites<sup>25</sup> and in print. Increasingly, the two county councils are collaborating. This includes jointly appointing a director to attract investment in energy.

<sup>24</sup> Norfolk's Economic Growth Strategy - <http://www.norfolk.gov.uk/view/NCC117605>; Suffolk Growth Strategy - <http://www.investinsuffolk.com/assets/Uploads/Files/Suffolk-Growth-Strategy/2013-02-27-SGSONLINE-FINAL.pdf>

<sup>25</sup> [www.investinsuffolk.com](http://www.investinsuffolk.com) and [www.worldclassnorfolk.com](http://www.worldclassnorfolk.com)

**7.6** The Memorandum of Understanding with the NIS also specifies a strong "investor development" and "aftercare" role for county councils, working together with district and borough councils, focusing on ensuring that companies continue to invest in the area. Norfolk is enhancing its Investor Development Programme to work with partners to develop "soft landing" packages for new investors, site visits and help with business plans for expansion. In Suffolk, the new Suffolk Account Management Service (SAMS) will include identifying how best to address skills shortages, ensuring that land and property are available for expansion, and efficient planning. It will also assist with supply chain development and ensuring that firms gain access to various government and EU grants and loan facilities.

### **Promoting our assets and strengths**

**7.7** In recent years, there has been a steady stream of foreign direct investment in New Anglia, particularly from China. Building on this success, together with UKTI and Essex County Council, Norfolk and Suffolk have agreed to promote links between businesses, universities and industry associations with the Jiangsu Province in China, to increase two-way exchanges of trade, investment, knowledge and expertise in the energy sector. Through trade exhibitions and company visits to the region, the counties have developed a pipeline of leads. The next steps are to establish a 'China Office' offering 24/7 support to investors looking to further research opportunities in the energy sector.

**7.8** Part of the effort to attract inward investment is promoting the full offer that New Anglia has for companies and their employees. Factors cited by companies in favour of investing in the New Anglia area include the quality of life, its environment, low crime rates, lower than average cost-base (wages and premises), loyal workforce, strong culture of innovation and space for expansion.

### **7.9 We will continue to work with the county councils, district councils, and our other partners to ensure that:**

- our offer to potential inward investors communicates New Anglia strengths effectively;
- opportunities for New Anglia wide collaboration are pursued; and
- that aftercare/investor development programmes are focused on meeting the needs of those companies that have invested in New Anglia so as to secure further tranches of investment.



# 8

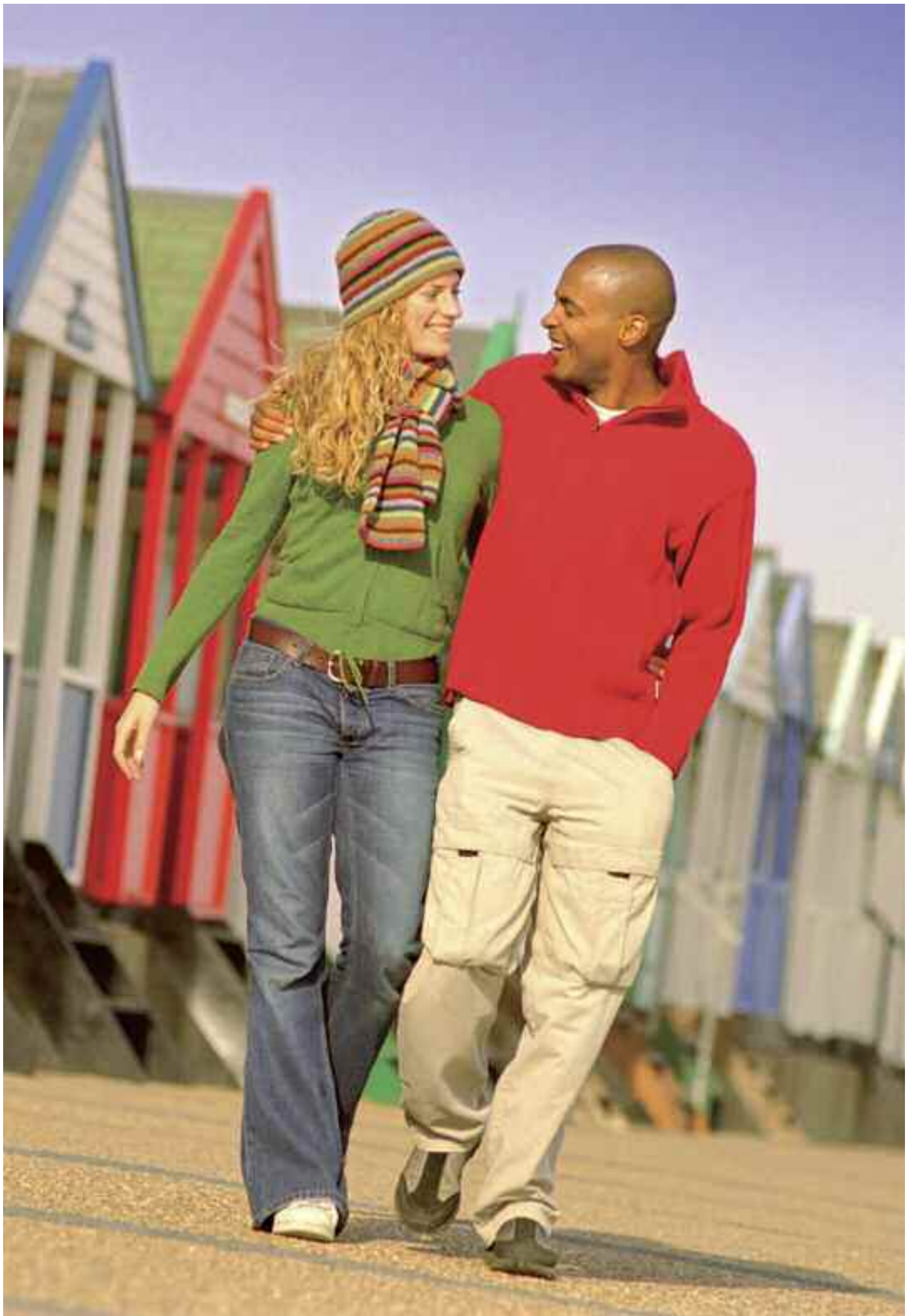
## BRINGING IT ALL TOGETHER

- 8.1** We welcome your comments on this document New Anglia - Towards a Plan for Growth, by August 23, 2013.
- 8.2** In offering your comments, it is important to recognise that our Plan for Growth is being prepared to:
- be an integrated programme – to highlight how economic development across New Anglia depends on making progress with each element;
  - set out our investment priorities – to ensure that expenditure, particularly from the Government’s proposed “Single Local Growth Fund,” is used to achieve shared priorities, and is not “funding led;” and
  - provide the framework for public-private partnership working to strengthen New Anglia's competitive advantage.
- 8.3** Our Plan for Growth will incorporate the New Anglia European Investment Plan which sets out our proposals for projects and programmes that will attract funds under the 2014-2020 EU Common Strategic Framework. Consultation on this European Investment Plan is taking place during July and August with submission to Government to occur in September
- 8.4** In addition, our Plan provides the New Anglia-wide framework for the Suffolk Growth Strategy (launched February 2013), supporting Delivery Plan, and a Norfolk Action Plan (both being prepared during 2013). These latter two documents will be clear statements of who does what – setting out lead agency responsibilities, proposed outputs, and how progress will be monitored and updated.
- 8.5**
- The Government is providing detailed guidance on the required content of multi-year growth plans in September. We will combine the results of our consultation and stakeholder feedback on New Anglia - Towards a Plan for Growth with the guidance from Government to create our Multi-Year Growth Plan.
  - We will submit a draft of this plan to Government in January. This will include key project and programme priorities, milestones, funding proposals as well as governance arrangements and resource commitments.
- 8.6** This plan will provide the foundation for negotiations with Government on the main elements of our “Local Growth Deal” with Government.
- 8.7** Thus, our Plan and these associated documents must be seen as living document. In these uncertain times, public agencies and private investors must work together to do “whatever it takes” to enable economic growth. We must be prepared to respond to changing market requirements and further evolutions of Government policies. This document, New Anglia Towards a Plan for Growth, is our starting point.

Send your comments to: [ian.dunnett@newanglia.co.uk](mailto:ian.dunnett@newanglia.co.uk)

For more information log onto: [www.newanglia.co.uk](http://www.newanglia.co.uk)





# NEWANGLIA

Local Enterprise Partnership  
for Norfolk and Suffolk

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