

# NEWANGLIA

Local Enterprise Partnership  
for Norfolk and Suffolk

## BUILDING OUR INDUSTRIAL STRATEGY

New Anglia Local Enterprise Partnership's response to the Green Paper



## **New Anglia LEP - Response to 'Building Our Industrial Strategy: Green Paper'**

### **Introduction**

New Anglia Local Enterprise Partnership welcomes the opportunity to respond to the Government's Industrial Strategy Green Paper.

**Ours is a collaborative response, articulating the views of our local authority, business and academic partners.**

As well as responding to the consultation, **we are committed to working with Government to deliver the strategy.**

**Norfolk and Suffolk has global strengths in sectors critical to achieve national growth and productivity including agri-tech, energy and ICT, and the Industrial Strategy provides the opportunity to scale up our contribution to UK PLC.**

We support the overarching aim and ambition of the Industrial Strategy to provide a long term framework to build on our areas of competitive advantage, to close the gap between our best and worst performing areas, and make the UK one of the most competitive places in the world to start or grow a business.

We welcome the cross-Government approach of the Industrial Strategy and the Government's commitment that the strategy will be developed with, and not just for, private enterprise.

**It is crucial that all Government departments are committed to the strategy and equally important that the strategy is developed with the private sector.**

A lesson from other industrial strategies would be to **add a cross-cutting pillar focused on the digital economy**. We support the Government's recent Digital Strategy – but we would like to see much clearer links between the Digital Strategy and the Industrial Strategy given the critical interdependence of the two.

The strategy must be evidence based in order to achieve maximum impact and return, and enable all to learn and share best practice.

We broadly support the 10 pillars of the strategy, recognising that there are many ways of articulating a strategy such as this.

However it is critical that the individual pillars are not developed in isolation – given the links between each.

**We strongly support the Government's recognition of the importance of place in shaping and delivering the Industrial Strategy.**

After all businesses operate in places - in towns and cities and rural communities across the United Kingdom.

**A place based approach brings together the different pillars, maximising links and joining up different initiatives, improving efficiency and effectiveness in delivering inclusive growth.**

The focus on places must include greater local autonomy and clear incentives for areas to support growth, which will maximise private sector investment.

A lesson from other countries would be about **long term decision making, which enables better planning, increases private sector confidence and achieves better value for money.**

We also support the Government's commitment to support the right institutions to bring together sectors and places.

Our recommendation would be for the Government to build on high performing institutions, local and national, introducing new ones only where there are gaps, rather than wholesale reform which would create uncertainty and slow progress.

As the organisations charged with the responsibility for driving economic growth in local communities, **Local Enterprise Partnerships are ready to respond to the challenge of taking forward the Industrial Strategy across England.**

Over the past six years we have developed a strong track record, bringing together local authorities, businesses, education and the third sector, delivering new jobs and investment and we welcome the Government's proposals to review our role in delivering local growth.

We recognise the critical role Government and national organisations should play in setting the overall direction and framework of the strategy, we believe LEPs are uniquely placed to draw together partners at a local level, ensuring the strategy is brought to life and really makes a difference to businesses and workers in every part of the country.

This is particularly importance in ensuring the strategy is supported by our micro and SME businesses, who often feel distant from central Government initiatives, but through LEPs and other local partners, will be vital in the successful delivery of the strategy.

**Our sector capabilities means we can add significant value to the deals being developed in nuclear, creative industries and industrial digitisation.**

And we will be working with colleagues in neighbouring areas and other parts of the country to build on our collective strengths.

Our response has been developed with the support of a wide range of partners, from local authorities, colleges and universities to our private sector leaders from businesses large and small. This has included a call for evidence, round tables and one to one meetings with key stakeholders.

**Our economic strengths make us ideally placed to work with Government to pilot projects and initiatives developed as part of the implementation of the strategy.**

## The East

Our two counties of Norfolk and Suffolk comprise a mix of urban, rural and coastal communities – close to, but distinct from, London and the Home Counties.

Our economy is diverse too, with strengths in a broad range of sectors from agri-tech and energy, to ICT and digital creative.

Since the recession (2009), the Norfolk and Suffolk economy has grown by 20.1%, comfortably ahead of the non-London UK average of 17.9%. The labour market recovered rapidly, at rates above the national average, with employment surging to record levels. In the last three years we have seen a **£3.9bn growth in our economy which is now worth £35.5bn to UK plc.**

**Our goal is to transform our economy into one of the best places in the world to live, learn and work.** To do this we are building on our strengths in key sectors where we have national leadership - in ICT and digital, energy and agri-tech - to create more productive jobs and smarter agile businesses.

Our strengths make us uniquely placed to enable UK plc to be at the forefront of the **enterprise and innovation revolution.**



### Feeding the world with agri-tech, food and drink sector:



Norfolk and Suffolk is the 'breadbasket' of the UK. Our rural economy accounts for 12% of the UK's cereal production, 20% of its potatoes and 50% of all sugar beet. Over 16% of all jobs are within the food, drink and agriculture sector, with some of the most significant food and drink companies in Europe having a presence here, from Unilever to Associated British Foods.

Home to a world-leading research base centred at [Norwich Research Park](#) (NRP), Norfolk and Suffolk is at the forefront of global agri-tech research and Europe's largest single site hub of research, training, education, and enterprise in food and health. There are few places which are so uniquely equipped to make telling contributions to the major challenges facing the world in the 21st Century: food and energy security, healthy ageing and living with environmental change. The £81m [Quadram Institute](#) is due to open in 2018 at NRP, building on recent understanding of how food and the gut microbes interact and creating a fundamental shift in the way we understand and address the impact of food on health.

### Powering the world with global all-energy expertise:



The [East of England Energy Zone](#) is unrivalled in the UK for its unique mix of wind power, gas and nuclear energy production. The supply chain has 50 years of experience and expertise, recognised with Enterprise Zone status.

Norfolk and Suffolk's all-energy coast is at the centre of the world's largest market for offshore wind, worth £994m per annum. Capital investment in energy worth £50bn is planned for the region by 2020, with the world's largest windfarm in development off the coast and the proposed development of **Sizewell C nuclear power station** creating 26,000 jobs. The region is also home to [Orbis Energy](#), a world-wide centre of excellence for the flourishing offshore renewables sector as well as the [East of England Energy Group](#) (EEEGR), representing over 300 energy businesses.

### Connecting the world with international research in ICT and a growing creative digital sector:



ICT and digital creative is one of the fastest growing sectors in the UK and a major driver for the economy in Norfolk and Suffolk. With pioneering technical innovations in ICT research and development worth £1.3bn with 1,400 companies employing around 10,300 people. Both Ipswich and Norwich are recognised as tech clusters in the [Tech Nation Report 2017](#), praising Norwich for its 'particularly impressive growth'. BT's Global Research and Development HQ is located at [Adastral Park](#) and recognised as one of the leading centres of technical innovation in the communications world. Also located here is [Innovation Martlesham](#), an established cluster of high-tech ICT companies providing a collaborative ecosystem for 97 growing businesses.

Norwich hosts a vibrant cluster of digital businesses, with companies such as Proxama, Foolproof and EPOS Now, serving global digital technology companies. These are supported by [Tech East](#), a membership body representing digital businesses.

Norfolk and Suffolk is home to a number of regionally, nationally and globally significant science, research and innovation hubs, working closely with key Higher Education Institutions and businesses to create and maintain high value, high impact and high growth jobs and enterprises.

Around 82% of [University of East Anglia](#) (UEA) research is classified as either ‘world-leading’ or ‘internationally excellent’, confirming UEA’s position as a premier research institution making a substantial impact on the global challenges facing society. [Norwich University of the Arts](#) (NUA) works with universities, museums, galleries and creative and cultural industries throughout the world to develop exciting and relevant research. According to the 2014 Research Excellence Framework, 55% of NUA research was classed as ‘world leading’ or ‘internationally excellent’, with a further 40% classed as ‘internationally recognised’.

The [University of Suffolk](#) has recently established the Ipswich Waterfront Innovation Centre (IWIC) as a focal point for developing new entrepreneurs and ICT businesses, providing collaborative opportunities within subject areas including: STEM (Science, Technology, Engineering and Mathematics), Digital Creative, Leadership and Business Management.

Spanning 100km and joining up the tech clusters of Norwich and Cambridge, the [Cambridge Norwich Tech Corridor](#) is an ambitious initiative to attract new business to the area and build technology-based clusters. A partnership between LEPs and local authorities across the region, the Corridor has all the ingredients for growth: emerging sectors, low cost space, infrastructure and a fast-growing economy.

### Productivity:

New Anglia LEP is pleased to see the Industrial Strategy focus on **productivity** and sees an intrinsic link between investment in innovation, skills and infrastructure as being a key to increasing productivity in a sustainable manner. We know that tackling the productivity gap is crucial to improving Norfolk and Suffolk’s economic competitiveness and moving towards a more sustainable and inclusive economy.

Though some progress has been made in closing the gap with the national average, our economy remains the one of the worst affected. If Norfolk and Suffolk had the same labour productivity as England as a whole, the economy would have been worth around £35.7bn in 2013 – up by £3.9bn. If our productivity was the same as the average US state, our GVA would be increased 40%, or in the region of £13bn.

Our new Economic Strategy, which will be published in the autumn, will place the ‘**productivity challenge**’ at the heart of the change that we want to deliver.

### New Anglia LEP’s track record:

The LEP has developed strong and productive working relationships with local authorities, educational institutions, industry and government through which we have achieved a great deal in the last couple of years – building on the success of securing two City Deals, the partnership has gone on to secure a **£290m Growth Deal, 16 Enterprise Zone sites and a nationally recognised Growth Hub.**

We are making real progress through our existing Growth Deal and LEP programmes, with transformative projects such as Europe's first Aviation Skills Academy in Norwich, a national exemplar digital innovation centre at the University of Suffolk, a new higher education centre in King's Lynn and a relief road for Bury St Edmunds unlocking new housing, business and a school.

Our projects are being delivered on time and on budget and have already helped unlock more than £200m in private sector funding, more than our original commitment. Our construction skills centre at Easton and Otley College was the first Growth Deal new-build project completed anywhere in England.

But we are keen to go further and faster.

## 1. Pillar 1: Investing in Science, Research & Innovation

Our response:

1.1. New Anglia LEP strongly welcomes the Green Paper's commitment to science and innovation and creation of a **new fund to support world-class clusters in all parts of the UK**. Our response for pillar 8 provides more detail on our regionally, nationally and globally significant research and innovation hubs and their huge growth potential in particular Aadastral Park, which has a vision to become a global centre for the digital economy.

1.2. LEPs, research institutions and innovation hubs are catalysts for brokering innovation and R&D and creating the right environments for commercialisation. However, capital investment for the development of flagship facilities, including Catapults, in itself, is not the sole answer to improving productivity through innovation. **Revenue funding is urgently needed**, to connect businesses, researchers and public sector actors is also key to creating the right conditions to innovate.

1.3. The **Norwich Research Park's Translation Fund** is an excellent example of a programme that supports the commercialisation of ideas. The fund is run by UEA and provides early stage financial support to accelerate the development of ideas arising from the excellent researchers and clinicians on the Norwich Research Park to progress through the most appropriate pathway to impact. Since 2014, the fund has allocated £1.6m to 37 projects leading to 8 new companies, 5 new patent filings, and 12 potential licencing deals. The fund has now stalled due to lack of revenue funding and we are working hard with partners to secure new sources of funding.

1.4. The establishment of **Industrial Strategy Challenge Fund (ISCF)** is a welcome development, and the opportunities this creates for our sectoral strengths. New Anglia LEP and partners believe that investment in scientific research should be founded on research excellence and investment in innovation should be driven by potential economic impact. The ISCF will need to recognise local sectoral specialisms and characteristics and how these contribute to national opportunity. Norfolk and Suffolk has a lot to contribute, and has strengths in areas relevant to the ISCF priorities.

1.5. **The Government should declare a clear ambition for the UK to have the world's leading converged digital infrastructure as part of the Industrial Strategy Challenge Fund.** The UK excels in many of the necessary aspects of engineering and physical sciences e.g photonics, 5G network technologies, AI, Machine Learning, quantum technologies, cybersecurity etc. all of which provide critical components and enabling capabilities. But there are significant research challenges in making the leap from component technologies and testbeds to an operational, nationwide digital infrastructure. Bringing together key elements together under a national endeavour will provide a clear strategic purpose for our world-class science and engineering and will accelerate the economic and societal impact.

1.6. We understand that the Fund will need to remain competitively responsive – funding those ideas with genuine promise. However, we urge Government to incorporate **place-based targets** if we are truly to have ‘an economy that works for everyone’. The current model sees the majority of innovation funding being spent in London, Cambridge and Oxford.

1.7. This is in part because there is a strong track record of bidding for funding and success breeds success. **More can be done to build up capabilities in other areas** with potential. Additional resource needs to be provided (perhaps routed through ‘local institutions’ such as LEPs and sector focused partnerships) to ensure that awareness, capacity and capability to develop acceptable propositions exists across the UK.

1.8. We support the creation of the programmes that attract leading academics but stress the opportunities to harness the **soft power of alumni living and working globally** who can be ambassadors for the UK.

### How we're contributing:

1.9. Improving innovation, technological change and **the commercialisation of science and research** is a key platform for raising productivity levels, aspiration and attainment throughout the economy – both locally and nationally.

1.10. New Anglia LEP has **a key challenge to address** and is often in the lower percentile of LEPs in innovation rankings. For example, Norfolk and Suffolk has a low rate of enterprises introducing new or significantly improved products or services - 36/39 LEPs, a low rate of innovations being reported new to market (39/39), and enterprises undertaking R&D (36/39).

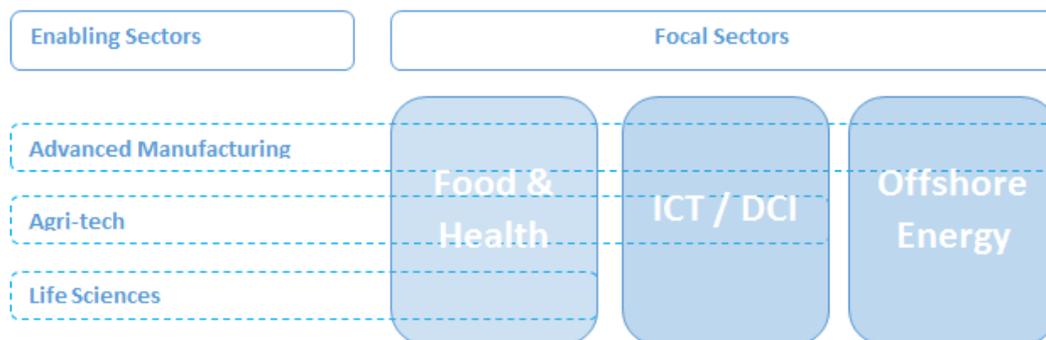
1.11. However, we are aware that this data **doesn't often recognise the world-class R&D that is happening in our region**, because it is registered at a business's HQ in London or elsewhere in the UK. BT is one of the UK's biggest investors in research and development, with almost all conducted at its R&D headquarters at Adastral Park near Ipswich. However BT's R&D contribution is attributed to its London registered office.

1.12. It is clear there are **significant benefits** on offer for the local and national economy if **new sources of economic growth** can be nurtured. In order to make this happen, innovation – the introduction of new or significantly improved products, processes or



methods – will be needed to drive productivity growth and employment and improve living standards in the LEP area.

1.13. Utilising a partial ‘smart specialisation’ approach, we have identified three ‘focal sectors’ where, given targeted support, we are most likely to achieve competitive advantage and high value growth.<sup>1</sup> These are supported by three ‘enabling sectors’. Norfolk and Suffolk has a **world-leading science base working in sectors of competitive advantage**. New Anglia LEP is working hard to **capitalise on these strengths**, providing the local conditions to enable the commercialisation of this world-class research. We know we have world-class research taking place in our region, but we need to work with Government to ensure that this is translated into industry so that UK PLC may be able to reap the benefits of economic growth.



1.14. We are **well positioned** being close to Cambridge and London, with improving transport connections to both. There is space to grow and excel, building on the key existing strengths and assets of the LEP area.

1.15. We are taking action. The LEP is working closely with local partners, Innovate UK and the Growth Hub to better understand the **reasons for the lower than expected success rate** in securing Innovate UK funding and to implement actions to address these. We believe that our focal sectors offer the best prospect for us to add scale to our economic opportunity.

1.16. New Anglia LEP is a partner in the East of England consortium established to develop a **Science and Innovation Audit (SIA)** under Wave 2 of the SIA roll-out, due to report in June 2017. Through this SIA, the Audits will focus on key regional sectors that have considerable scope to affect substantial economic change: **Life Sciences, Agri-Tech, Advanced Engineering & Materials (including High Value Manufacturing), and ICT**.

1.17. We are supportive of the SIA process and are keen to see **stronger links to the Industrial Strategy**. We would also like the SIA process to enable different clusters in different parts of the country to be able to work collaboratively. For example we would be keen to collaborate more closely with other areas over energy.

<sup>1</sup> [Innovation in New Anglia \(2015\)](#)

1.18. Over the last three years we have expanded the network of specialist innovation and enterprise centres investing in a further five centres across Norfolk and Suffolk - Haverhill Research Park, NUA Digital Centre for Innovation, UCS Ipswich Waterfront Innovation Centre, UEA Enterprise Centre and King's Lynn Innovation Centre. We have also continued to support existing hubs – Hethel, Norwich Research Park, Orbis and Innovation Martlesham.

1.19. Our **Space To Innovate Enterprise Zone**, the new, multi-site zone (spanning ten sites) will help create 18,500 jobs in its 25 year lifetime, including 5,000 by 2021. This complements our existing **Space to Grow Enterprise Zone** in Great Yarmouth and Lowestoft will help to create 9,000 jobs in its 25 year lifetime. More than 1400 have been created to date.

1.20. Through our **Growth Deal 3** settlement, we have £12m to establish an **Enterprise Zone Accelerator Fund**, to speed up the pace at which these sites are developed and opened up for business. We will also invest in a new £15m **Innovation and Productivity Fund** to further the inherent connection between increased innovation and the overall benefits to economic performance and growth. We have enlisted the support of business leaders from our Innovation and Research Centres, who are leading our **Innovation Board**, working towards developing an Innovation Strategy for Norfolk and Suffolk. The Board is also leading a **project on Big Data** to identify transformational change opportunities across our focal sectors

## 2. Pillar 2 - Developing Skills



Our response:



2.1. The Green Paper is right to focus on addressing sector-specific skills gaps. The number of jobs in Norfolk and Suffolk requiring a **high level of technical and professional skills is rising**, especially in **science, technology, engineering and mathematics** related roles within our key growth sectors – this will drive productivity.

2.2. The **demand for skills is outstripping supply** across our economy in many of our key sectors, including engineering, logistics, computing, digital creative, agri-tech and health. Skills-shortages fluctuate between different industries. New Anglia's transport and communications (ICT/digital) industry saw almost half (41%) of all vacancies unfilled due to skills shortages in 2015. Both of these industries have struggled with the supply of suitably able and qualified applicants, with transport facing significant challenges around attracting new employees to replace an aging workforce, whilst ICT/digital is struggling to kick-start its massive growth potential through its requirement for highly-skilled, technically-able applicants.

2.3. There is also evidence of skills shortages in construction (31% of all vacancies) and manufacturing (28% of all vacancies), two large employment industries facing significant challenges around an ageing workforce and increasingly technical and skill-demanding roles.

2.4. The key challenge to meeting this demand is that our resident workforce is ageing (4<sup>th</sup> oldest of 38 LEPs), low skilled and low paid. We know our working-age population has fewer qualifications than the England average (26/39 LEPs). Although overall unemployment levels are low, some parts of our region still suffer from higher unemployment, particularly among the young.

2.5. This means that businesses often struggle to find the skills needed, especially for higher **scientific and technical roles in some of our key sectors as well as the leadership skills necessary to drive innovation** and, as a result, many of the available high value jobs go to an imported workforce.

2.6. Some areas of our economy are currently reliant to at least some degree on a migrant workforce. The **impact of Brexit** may mean the need for replacement demand is of particular relevance in these sectors.

2.7. Norfolk and Suffolk's economy is **heavily reliant on SMEs** - many of which will be non-apprenticeship levy payers. In order to ensure as successful as possible a transition to the new Apprenticeship system, and nurture levels of lifelong learning, there is a particular need to **support all of our employers** and each prospective apprentice.

2.8. Our FE colleges and HE institutes play a **crucial role in supplying skills to service local industry**. To meet our ambitions for growth and the expectations of a new technical education system outlined in the Green Paper, we must build on these strengths and **invest in our existing provider base**, so that they can become **regional centres for basic skills excellence**.

2.9. Tackling the region's basic skills gaps is key to achieving inclusive growth. Devolution of a proportion of the Adult Education Budget to a local level would enable more effective planning to **meet basic skills needs** including digital literacy. It would strengthen the development of a collaborative approach to 'outcome based agreements' which would bring partners together to address the prolific need for high quality basic skills in English, maths and digital literacy but would also afford the delivery of wider skills training identified within our sector skills plans.

2.10. The transition year proposal is welcomed. Areas of Norfolk and Suffolk could be used as a potential testbed area for **pilots looking to tackle a lack of basic skills and high levels of NEET** (as is present in this area).

2.11. Whilst we recognise the role that **online platforms** can play in informing young people of their options we remain unclear, at a time when the post-16 system is being reformed and simplified, whether the benefits of an FE 'UCAS' type online portal would match the investment presumably required. We have however established successful portals designed to inform young people of the career opportunities provided by local industry and as such are willing and able to work with Government to **pilot new schemes**.

2.12. We are playing a full part in the Government's **Opportunity Areas** in Norwich and Ipswich and are keen to use this initiative as a means to support greater engagement between businesses and young people, as well as boosting the numbers of young people



applying for higher education. We welcome the bottom up approach of this initiative and believe it offers a template for other Government initiatives.

### How we're contributing:

2.13. The **New Anglia Skills Board** has already made significant progress in aligning industry need with provision, placing employers at the heart of decision making around skills and aligning public and private investment through initiatives such as the [New Anglia Skills Deals programme](#). **This programme is generating innovative** education and skills provision directly in response to current and emerging need and provides a template for the use of further locally controlled funding (e.g. Adult Education Budget) to unlock economic growth.

2.14. We are working closely with our key sectors to ensure we have knowledge of **specific skills shortages**. By developing sector **skills plans** in partnership with the private sector, we are cultivating the strong employer ownership necessary to align public and private investment. This work could be built on further to provide accurate **authoritative data on regional needs** to inform the national picture.

2.15. Norfolk and Suffolk are well placed to become a **national leader for technical skills and expertise for the energy sector** and to respond to the forecasted need for more skilled technicians and managers. Currently higher level skills training for the industry is often sourced from Scotland or Europe. The merger of Great Yarmouth and Lowestoft Further Education Colleges and Lowestoft Sixth Form to create the East Coast College, coupled with significant New Anglia LEP investment in the Lowestoft campus, provides an opportunity to establish a **high level energy skills** centre to serve this current and growing workforce.

2.16. In order to meet an increasing need for higher technical level skills in key sectors we have ambitions to build on our current specialisms. We are developing a collaborative proposal for an **Institute of Technology** that builds on our strengths, meets our needs in **energy, engineering and manufacturing** and helps to raise aspiration levels by increasing local understanding of the route to **higher level technical qualifications** and the related career opportunities in our local economy.

2.17. Our commitment to **apprenticeships**, especially at higher and degree level, is strong. We are increasing apprenticeship starts and are on course to meet our target of 5000 additional apprenticeships supported by significant **local authority investment in local activity** in both counties. With employer engagement key to the success of delivering the vision for technical education and the upcoming apprenticeship reforms, this local work with employers, young people and the wider public is vital.

2.18. We have experience of developing innovative programmes to help upskill our workforce and tackle unemployment. We are now looking at ways to scale-up these interventions. For example, the successful implementation of the **Greater Ipswich City Deal**, included the establishing of the UK's first dedicated **youth employment service ('MyGo')** and the **Norwich for Jobs initiative**. We have continued to build on these approaches across the region by rolling out and further testing elements of the model and by establishing the **New Anglia Youth Pledge** - a regional commitment to providing the support

that young people need to enter the right training or employment for them. This is complimented by our Youth Pledge Marque which is galvanising employers to create more opportunities for young people. We continue to develop our innovative Youth Pledge programme of activity.

2.19. **Removing barriers to work is important to increase the numbers of those who are economically active and driving and benefitting from growth.** Norfolk and Suffolk has seen a steady increase in the proportion of working-age people with long-term health problems or disabilities over recent years leaving individuals and some large parts of communities, disconnected from the benefits that work brings. We are developing a programme of locally delivered activity that will support Government plans for, an **integrated health, employment and skills system** that will tackle deep seated barriers to work and improve health, life quality, skills levels, progression and productivity.

2.20. Improving **pay and progression prospects** in areas of identified need is key for creating **inclusive growth**. The Health and Social care sector is facing significant skills pressures which would be alleviated by improving pay and progression prospects for the industry. As a result of our New Anglia sector skills plan we will be piloting innovative activity- such as upskilling solutions, creating clear progression routes and instilling a culture of lifelong learning - to improve prospects for employees and meet the skills requirements of local industry.

2.21. Implementing the key recommendations from the **New Anglia Post 16 Area Review** provides us with an opportunity to strengthen our post- 16 provision, increase collaboration and information sharing, and ultimately help to create clearer pathways and realise aspirations around both technical education and apprenticeships.

2.22. New Anglia LEP also has one of the most established **Enterprise Adviser Networks** in the country with approximately 55% of our schools and colleges engaged. This network is facilitating long lasting connections between schools and the business community

### 3. Pillar 3 – Upgrading Infrastructure

#### Our response:

3.1. New Anglia LEP and partners strongly welcome the Government's increased funding for economic infrastructure and determination to create a better institutional framework for planning infrastructure, with long-term budgets and a rebalancing of support across the country. We would **urge Government to widen the long-term budgets to more than road schemes** and move to a greater integration of planning and investment with the wider planning for economic growth, housing and industry.

3.2. The Green Paper refers to a lack of strong infrastructure institutions outside of Government being partly responsible for the insufficiency of joined up policy to meet local needs. **LEPs can assist with joining national policy with local need** and help align the

planning of infrastructure more effectively with local growth priorities and business needs, ensuring the investment needed in utilities, transport and digital connectivity is delivered.

3.3. Stronger relationships between LEPs and the Infrastructure and Projects Authority **would only lead to more effective reflection and join up** of local needs being incorporated within national UK infrastructure policy along with greater recognition of national assets, strengths and opportunities across the UK .The LEP Network would be able to assist in achieving this.

3.4. **Greater flexibility and long-term budgets** would enable LEPs and local partners to ensure investment is made in projects that demonstrably unlock growth and are value for money. Capital projects can be complex and the current annualised budget approach to local growth funding is adding an **additional layer of complexity which is hampering our ability to achieve the best results**. Sometimes compromises have to be made on quality to achieve spend, ultimately reducing the value for money, impact and legacy of the project.

3.5. We welcome the commitment in the Green Paper for higher rates of public infrastructure investment. However the **lack of revenue funding is slowing down the pipeline of projects** due to limited funding available for feasibility work which helps identify the best, most cost effective solutions for our infrastructure challenges. **Evaluation of infrastructure projects is also unachievable** which means it can be difficult to ascertain their value and the value of similar potential future projects.

3.6. We welcome the additional £1.1bn of funding for local roads and transport. However we are keen the Government **prioritises bids that maximise economic growth**, for example through ensuring our **international gateways connected** to the rest of the UK, as outlined in the Suffolk County Council response. LEPs are well placed to advise on the real impact of local bids.

### **Digital Connectivity**

3.7. People move here for the quality of life and want to run high quality creative businesses, but need **Superfast Broadband and mobile coverage** to do so. New Anglia LEP is keen and willing to be a testbed for widespread 5G mobile network infrastructure as we believe this would significantly support rural growth and accelerate growth in our urban centres.

3.8. Our ambition to increase the coverage of **Superfast Broadband to 95%** across Norfolk and Suffolk is becoming a reality – our £10m investment, matching local contributions means Suffolk and Norfolk is almost complete. However, further investment and creative solutions are needed to address the remaining 5%.

### **Rail**

3.9. Our **rail network** is hampered by gridlock, congestion and capacity shortfall. Businesses, the tourism industry and quality of life are all being undermined. Our rail network is one of the least subsidised networks in the country, coupled with some of the

oldest rolling stock, aged infrastructure and operating at capacity meaning that in parts of our region we have - what one cabinet minister described as a “dire service”. At a time when major investments are taking place on many other routes, including electrification of the Midland Main Line<sup>4</sup> and Great Western Main Line, HS2 and now HS3, East Anglia needs its share of upgrades to compete nationally and internationally.

3.10. New Anglia LEP continues to lead strong partnerships such as the [Great Eastern Main Line \(GEML\)](#). Our strong economic business case shows that investment in this line **would bring £4.5bn in economic benefits** to the region. It is therefore essential that capacity constraints and journey time improvements are a high priority within Network Rail investment programmes.

3.11. We are hugely supportive of Government’s commitment to **accelerating the digital modernisation of railways**. We are **putting ourselves forward to pilot** the new generation of **digital signalling** on the GEML – this would provide us with the welcome opportunity to demonstrate national leadership in achieving this step change in managing trains with the new rolling stock coming as part of our new franchise.

3.12. As well as key single track sections in the regional network, the following **key rail infrastructure schemes need to be prioritised** for investment by Network Rail to improve capacity and reliability on our railways - Ely junctions; Trowse Swing Bridge; and Haughley junction. Improvements are also needed to cross-country rail services to enable this to be an option for commuting, opening up the job market to the wider community. New Anglia LEP and GCGP LEP have become the first LEPs in the country to commit funding to enable Network Rail to develop the business case for enhancement works.

## **Roads**

3.13. It is vital that the **A14 and A47 and A12** feature prominently in future Highways England Roads Investment Strategies to improve overall capacity and performance within the Strategic Road Network.

3.14. We welcome investment in recent years in the A11, A47 and on the A14 in Cambridgeshire, but further investment on all three roads is required, particularly to support the **Port of Felixstowe**, which is the UK’s largest container port. The port’s role will continue to be critical given the Government’s plans to increase the UK’s share of global trade.

3.15. We support the development of the **Cambridge to Oxford corridor**, but would encourage policymakers to consider the benefits of extending additional legs to the corridor through to Norwich and Ipswich, along the A14 and A11 corridors – in a similar vein to East West Rail. This would significantly **increase the economic potential of the corridor**.

3.16. On our local roads network, substantial funding has been secured for the **Upper Orwell Crossing and the Lake Lothing Crossing**, as well as the **Norwich Northern Distributor Road**.

3.17. Key priorities include the **Great Yarmouth Third River Crossing, and the A12 Suffolk Energy Coast Gateway**, which are both related to nationally significant energy investment projects and have both secured funding from Government to develop their business cases.

### Housing

3.18. In Norfolk and Suffolk house prices are often not at a high enough premium to encourage large development sites. Contamination and a lack of **provision and access to utilities** also prevent sites being developed for housing and commercial purposes.

3.19. New models for private and public investment and infrastructure planning are needed for to support housing and commercial developments and strategic capital infrastructure. We are engaging NPower and the National Grid in identifying solutions to the lack of provision of electricity and gas preventing development and leading to a lack of affordable housing and attractive land supply.

**3.20.** Delivering the **right housing in the right places** for local people to benefit is a crucial element in ensuring a successful and stable economy in Norfolk and Suffolk. We are keen to see improve linkages between the Industrial Strategy and the Housing White Paper. A strong partnership approach is needed in order to develop new and innovative models of investment for housing delivery. The LEP and partners recognise the urgent need to do more to **boost housing delivery**. The LEP will use its power of facilitation to bring together the private and public sectors to look at innovative ways for housing delivery and finance.

### How we're contributing:

3.21. Our compelling business case to Government has consistently secured **multi-million pound Growth Deals** totalling £290m which is providing a step change in improving the infrastructure that is the backbone of the Norfolk and Suffolk economy. We are investing in infrastructure that improves connectivity and resilience, boosts housing supply, drives innovation and productivity and ensures businesses have a supply of workers with the right skills.

3.22. We deliver and can bring together the right people locally, maximising **private sector investment** in appropriate infrastructure - every £1 we invest will secure £3 of private sector investment. We believe there are significant opportunities **for further increasing private sector** involvement and investment in infrastructure. Through development of our new Economic Strategy, we are designing a **new commissioning approach and an investment toolkit to optimise our funds**. Working together with businesses, academia, government and local authorities, we will jointly commission and co-invest to deliver significant game changer projects.

**3.23.** We are continuing to campaign for better transport infrastructure and connectivity, from road, rail and river crossings to Superfast Broadband and mobile phone coverage. Norfolk and Suffolk has great innovation assets, anchor businesses and world-leading sectors- but we need **better connectivity** to bring it all together. Our key **clusters of**

**recognised excellence** all need 'enabling' infrastructure (premises, facilities, support, services) for commercialisation.

3.24. New Anglia's Local Transport Body and its Board is part of our ambitious plan to make Norfolk and Suffolk a mobile and accessible world-class economy. The Local Transport Board is leading on the development of an **Integrated Transport Strategy for the East**. This will be **built upon a range of economic futures for the East** over the next 30 to 40 years and associated scenarios for the development of the region's transport system. This will provide strategic direction and identify the key areas for investment and infrastructure improvement.

3.25. In order to unlock our region's economic potential, we need a high-quality, world-class transport system and we recognise the need for a **joined-up approach with our neighbouring LEPs**. We initiated and led the collaboration between ourselves, Greater Cambridge Greater Peterborough (GCGP), Herts and South East LEP to develop the East Anglia Rail prospectus and we have been involved in joint work on the A1307, A14, A120, A12 and A47.

3.26. Through the Building Growth Group, a **Planning Charter and Utilities Charter** are being developed which aim to assist in unblocking some of the barriers which have been identified in bringing forward development sites.

3.27. However the biggest challenge is the provision of utilities infrastructure – particularly electricity on our major new industrial sites. We look at options around this in more detail in Pillar 7, and are willing to work with Government to trial **new approaches to overcoming the key issue** - which is bringing forward investment in capacity in the distribution network.

3.28. The new £3.75m **construction training centre** at Easton and Otley College is a great example of what can be achieved when working in partnership with HE and FE providers. The new centre provides state of the art facilities and bespoke training in all elements of construction including bricklaying, joinery, site carpentry and electrical, for nearly 300 students. The LEP invested £2.5m in the new centre which was the first Growth Deal project to be completed nationally. With **three times as many apprentices and students coming into the construction sector** over the coming years, Easton and Otley College can make a very real change to the housing picture in Norfolk and Suffolk and nationally too.

#### 4. Pillar 4 - Supporting Businesses to Start and Grow



Our response:

4.1. We welcome the Green Paper's focus on supporting businesses to start and grow, including the additional commitment towards **scale-up, and a focus on productivity**. Getting the right support to drive business growth and productivity is essential.

4.2. We are convinced that a strong **place-based approach**, building on the successes of **Growth Hubs**, and working in partnership with organisations who know local businesses

and barriers, gives us the best chance to support growth. Growth Hubs can help drive the adoption of new funding opportunities like crowdfunding, giving businesses the advice and confidence to innovate.

4.3. The Green Paper is right to emphasise that the UK is a 'success story on business start-ups', however this does not always take into account the number of businesses that fail each year. We endorse the Government's approach to **supporting businesses to scale up and would add high-value start-ups to this focus**. Specific support is needed to enable businesses to scale-up and become the future growth creators.

4.4. Research suggests that funding for business support should be focused on helping existing businesses to **scale-up and high value start-ups** rather than mainstream start-up activity. Lower value start-ups produce less jobs, and the cost of creating new jobs is higher than in existing business.

4.5. Businesses need **support in the round from access to finance through to marketing, innovation, leadership and management** if they are going to have the support they need to scale up and achieve greater growth.

4.6. The Green Paper emphasises the importance of finance for growing businesses and acknowledges that the **supply of equity finance is concentrated on London and the South East** and there is a lack of awareness of alternative finance providers amongst SMEs.

### How we're contributing:

4.7. We know that the economy of Norfolk and Suffolk is made up of a high proportion of SMEs and Micro businesses. The rural nature of the area, combined with distance from markets – physical and virtual, due to geographical location and poor infrastructure - makes **running a business more difficult** and expensive than in less remote areas with a denser customer base.

4.8. Recent reports<sup>2</sup> rank Norfolk and Suffolk as being low in terms of business and economic performance with **low levels of business start-ups**. New businesses that do start trading tend to be of low value and often lack ambition, resulting in a significant number of low GVA businesses employing less staff. We also know that we have **low rates of high-growth businesses**<sup>3</sup>, and low rates of take-up of innovation funding.

4.9. This emphasis on SMEs can present challenges. When order levels drop, our small businesses cannot always lay off staff and reduce overheads, which has an **impact on productivity and business survival**. As mentioned in Pillar 2 businesses often struggle to recruit skilled staff, resulting in lower levels of productivity.

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<sup>2</sup> Enterprise Research Centre Growth Dashboard (2015) puts New Anglia at (37 per 10,000 population).

<sup>3</sup> Scale Up Institute shows that across Norfolk and Suffolk just 103 SMEs are growing at 20% per annum or more, which accounts for less than 0.2% of business stock.

4.10. That's why we're investing in the **New Anglia Growth Hub**, as we believe it is central to improvement in both the quality and quantity of business start-up and growth across the region. As the 'One Stop Shop' through which all forms of business support can be accessed, it is vital that the Growth Hub is developed to meet the needs of as many businesses as possible.

4.11. We are developing schemes to enable us to be more **proactive in our approach**, targeting businesses that have high growth potential. Several new schemes are being developed as part of the Growth Hub suite of services, including:-

- **Access to Finance Platform** – a facility for businesses and start-ups to expose their growth proposal to potential financial providers. This will tackle head on the lack of availability of types of finance locally – and the awareness amongst SMEs.
- **Skills and Training Platform** – an online skills and training platform enabling businesses to identify their own skills deficits and identify courses and training to address these needs.
- **Mentoring and Business Coaching Service** – access to public and private sector mentoring and business coaching. This will help drive a stronger culture of growth amongst our SMEs.
- **Better Business for All** – a pilot scheme with Government that brings together a range of agencies and regulators that businesses come into contact with the aim of breaking down barriers and provide a more holistic support to businesses.
- **High Growth and Scale Up Programme** – Using local knowledge and data to identify and target support to business with high growth potential.

In addition the LEP is continuing to develop its portfolio of finance products for businesses including:

- **Growing Business Fund** – offering expansion grants to businesses.
- **New Anglia Capital** – our angel co-investment fund.
- **Agri-tech Grants** – our joint programme with GCGP LEP offering expansion and R&D grants to the agri-tech sector.

4.12. However, we know we can do more, given the right resources and continuity. The most significant barrier to success is **a lack of revenue funding**. In many sectors, including digital start-ups, revenue funding (often at relatively modest scale) is often more important than capital grants; games developers and film-makers need funding to see them through a long period before any revenue is generated, and many small businesses find it very difficult to scale up their activities.

4.13. With a greater **commitment to businesses support funding**, we will be able to develop and deliver a **long term strategic approach** to business support. Our Growth Hub is currently reliant on **ERDF funding**, which brings with it restraints in terms of what the funding can be used for, for example ERDF funding does not permit the support of **skills and leadership** related issues, which are a key barrier to business Growth, as described in pillar 2.



4.14. Many other business support and innovation programmes in Norfolk and Suffolk are also being funded through ERDF, making it critical that Government gives an early commitment to future funding in this area post Brexit. See 9.10 for more on this.

## 5. Pillar 5 – Improving Procurement

Our response:



5.1. We welcome the Green Paper's commitment to ensuring that a third of procurement spend is with small businesses by 2020. Although we appreciate this is challenging target, we see this as being a **key growth opportunity**, helping small businesses to **scale up**.



5.2. We recognise that much work has been done nationally and within the EU to encourage and enable smaller businesses to engage with the tender process, which is often seen as onerous and 'not for us'. There is still more that can be done to exploit the Government's purchasing power, as we know **only about 10 to 15% of smaller businesses** are in fact engaging in the procurement process.

5.3. We welcome the further development of the '**balanced scorecard**' approach, and know that Government has been making contracts smaller and more attractive to small businesses. We acknowledge the Government's greater attention to social value in the procurement process. The scorecard has been used in the procurement process locally, including the Lowestoft and Ipswich River Crossings.

5.4. However, often cash flow is a challenge. Ensuring **payment within 30 days** would encourage more small businesses to bid for work.

5.5. Further steps could be taken to **promote opportunities and encouraging businesses** to bid for contracts. Many businesses are not aware that Crown Commercial Service processes have been simplified. Government **campaigns such Exporting is GREAT** have been very useful, using case studies of businesses which have been successful. A similar model could be used to engage with small businesses, giving them the confidence to pitch. We would be happy to work with Cabinet Office Campaign Team **help support a campaign around procurement**.

How we're contributing:

5.6. Norfolk and Suffolk has a buoyant economy which nurtures many new and emerging very small businesses which are **seeking opportunities to grow**. The area supports a high number of very innovative businesses across many sectors, and are the seedbed of innovation and new ideas, they are often very small with fantastic embryonic ideas and very keen to be winning contracts in order to expand and grow.

5.7. **New Anglia Growth Hub advisors** actively work with businesses, signposting them to workshops, tender opportunities and to generally 'plug them in' to the opportunities available. Working with partners across the region, including the Chambers of Commerce,

we work to promote opportunities and engage SMEs, helping them to **understand the process better**, to break down the perceived barriers

5.8. We are also exploring opportunities for small business to join together to **bid for work in a consortium**, focussing on our key sectors, so that they share some of the aspects they can't afford such as HR and marketing. For example, we are supporting TechEast to set up a '**procurement powerhouse**' - a function which facilitates businesses in the tech sector to work together to bid for larger contracts. This framework could be rolled out to other sectors.



## 6. Pillar 6 – Encouraging Trade and Investment

### Our Response:

6.1. The Green Paper is right to join up promotion with local places, we know best where our **greatest opportunities lie**. We want to **build trading relationships** with countries which share our sectoral strengths and would value being involved in DiT- facilitated trade missions, alongside our colleagues in the Northern Powerhouse and Midlands Engine.

6.2. It is vital that Government is aware of our world-leading sectoral strengths so that we can help **represent UK PLC** on a global stage, joining UK consortia at existing trade shows or supporting the creation of new trade shows for our emerging sectors.

6.3. Whilst we support the development of the strong brands of Midlands Engine and Northern Powerhouse, we urge Government not to exclude other parts of the country, particularly when the combined offer is stronger, for example the **compelling 'Agri-tech' story developed by DiT**. We are willing to invest time and resource in strengthening the DiT proposition around our key sectors such as ICT, Digital Creative and Energy.

6.4. We value the construction of the '**pitchbooks**' and our growing relationship with the **Department for International Trade Capital Investment Organisation**. We have developed our own East pitchbook which was well received by DiT colleagues, and welcome more opportunities to engage with, and benefit from, marketing of local regeneration projects to international investors.

6.5. We also know that the UK's **soft power** is of vital importance in its relationship and standing in the global arena and **should not be excluded in the new Industrial Strategy**.<sup>45</sup> Our vibrant cultural sector and natural landscape plays a key role in ensuring that Norfolk and Suffolk is regarded as great place to live, work, visit, invest and learn, as set out in the New Anglia Cultural Board's own response to the Green Paper. We will use our natural assets and creative energy to mark out the East as place to grow within, and a welcoming

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<sup>4</sup> The UK comes second in an annual survey of international soft powers, British Council, 2016

place to expand into, helping to build the global appetite for British goods and services. Our region has benefitted from **GREAT campaign** funding, enabling us to build relationships overseas, connecting our tourism offer with businesses synergies. We welcome the Government’s continued commitment to GREAT.

6.6. Our region has **huge opportunity in terms of exporting**, with businesses in our key sectors of energy, agri-tech, food and drink supply, and ICT having the potential to make real growth. The support for overseas trade in terms of funding and expert advice has declined in the last decade and we wholly endorse the Green Paper’s focus on scaling-up provision. We look forward to working with Government to help businesses have **the confidence, finance and access to international markets** to successfully win contracts abroad.

How we’re contributing:

6.7. We have been working hard to develop **The East proposition**, raising the profile of the strengths and assets of Norfolk and Suffolk and our vital role in **feeding, powering and connecting the world**. This is assisting us our focus of attracting and retaining the best talent, and stimulating high value inward investment.

6.8. We work closely with our local authority colleagues to handle inward investment enquiries and also promote the region’s key strengths at events and exhibitions in the UK and abroad, focused on our strengths of energy, agri-tech and ICT digital.

6.9. LEPs have an important role to play in brokering positive public/ private relationships both within the UK and internationally, and we have big plans to **maximise on our overseas relationships**.

6.10. We are collaborating with our partners, scoping out existing links we have in order to develop a programme of trade missions, where we **already have a strategic relationship** through our academic and research institutions and the global businesses in our patch. Such as our connections with Shenzhen, China which has a relationship with the UEA through the Southern University of Science and Technology, and is also HQ of IT giant Huawei – an arm of which is based at Adastral Park.

6.11. We are putting resource into developing a **new, more strategic approach to inward investment**, we are identifying and proactively targeting the international companies we want to invest here, fully capitalise on our **global assets as a lever to create wider success**. Assets such as Norwich Research Park, BT Adastral Park and the Cambridge-Norwich Tech Corridor all have the potential to lever inward investment.

**7. Pillar 7 – Delivering Affordable Energy & Clean Growth**

Our response:

7.1. We understand the vital importance of this pillar, and welcome the Green Paper’s commitment to affordable energy and clean growth. We believe a particular opportunity exists with collaboration between the **Affordable Energy and Clean Growth pillar, Cultivating World-Leading Sectors and the Innovation, Science and Research pillar**.



Combining these pillars into supportive actions in a manner that supports scientific research, technological advances, clean growth hubs, agricultural fuel stocks, a grid with capacity potential, and numerous sources of renewables, can be at the **heart of the future economy** while driving down business energy costs.



**7.2.** The Industrial Strategy should drive a strategic approach to **growth locations** appropriate to regional and national priorities. Local energy strategies can identify links between locations in terms of **cost, procurement, scale, efficiency, and storage** particularly when commissioning the utilities on the matters of **grid capacity and supply**.

**7.3.** We welcome a more joined-up approach across energy generators, utilities, and users with considerable grid constraints. This will enable the development of innovative **community and business energy networks and energy vehicles**, such as MUSCo's (Multi-Utility Service Company) or similar variants. There is great potential for **nationally supported pilots of this nature in Norfolk and Suffolk**.

**7.4.** There is a need for clarity on the long term market, including a **2030 emissions target for the power sector**. We want to collaborate with Governments, developers and the supply chain working together to help new market entrants. The **Electricity Market Reform (EMR)** process and the introduction of the **Contract for Difference (CfD)** regime need to provide certainty and stability on revenues for low carbon electricity. CfDs need to drive down costs for consumers and businesses and enable the sector to access the finance required for these projects.

**7.5.** We would welcome more information on the planned **Emissions Reduction Plan (ERP)**. This will enable more informed and considered responses to be made on the technology options and choices for further low carbon and clean growth.

**7.6.** We know there is a lot of best practice which can be drawn on to help minimise business energy costs through the Industrial Strategy. For example the **Carbon Charter, Business Energy Efficiency Anglia and Grants for Growth in the East of England**, and in other regions, such as the Liverpool City Region LEP Local Energy Report – these schemes have established the model and can be rolled out on a national basis.

**7.7.** The Industrial Strategy can build upon a rich seam of energy and low carbon innovation in the East of England which has established a dynamic and growing low carbon economy. A [Green \(low carbon\) Economy Pathfinder](#) was completed between 2012 and 2015 with the sanction of the Government and supported by seven departments. Energy and Low Carbon are a significant priority in **New Anglia LEP's Strategic Economic Plan** with strategic priorities to accelerate enterprise, skills, inward investment and innovation to enable local growth in energy demand and supply.

7.8. Our economy has benefitted from funding streams that support development in the areas of low carbon innovation and energy. Private and public investment can provide a 'low carbon multiplier effect'. The Industrial Strategy outlines a review of LEPs - one significant action would be to support and supplement LEP Growth Deal Funds developing **Low Carbon Economic Benefits**.

How we're contributing:

7.9. The East is of key strategic importance being one of the **largest and most diverse centres for the UK energy industry** and offering a unique energy proposition with its mix of offshore, onshore, and nuclear enterprises.



7.10. Nowhere in the UK has a **broader energy mix** or provides as much business potential as the East. For more than 50 years, the region has been home to the UK's offshore natural gas basin with a vibrant service-based supply chain. The region sits at the heart of the world's largest market for offshore wind deployment. Nuclear power facilities are being decommissioned and new sites are being developed within our region at Sizewell C. With a growing bioenergy market and longer term plans for the storage of gas and captured carbon in the Southern North Sea, the East of England has an energy business worth billions.

7.11. The **East of England Energy Zone** contains 63% of the UK's offshore wind capacity.

7.12. The duration of the Industrial Strategy will see the East of England experience a **£50bn investment in energy** over the next 10 years. This will provide the region with expertise and intellectual property which can be exported globally. Offshore wind, nuclear, solar, biomass and a range of other renewable energy developments are creating a renewables revolution in the East that no other region in the UK can match.



7.13. We plan to fully explore a range of new and innovative energy technology concepts, building on the strengths, capability and capacity of the region. This will include investigating the potential of new energy generation opportunities such as: **offshore desalination**, leading to **hydrogen fuel production**, powered by multi-MW offshore renewables with the potential to re-use/recycle existing offshore oil & gas infrastructure; **offshore gas and carbon storage** – building on the region's beneficial marine geology; **gas to wire** developments linked to the rejuvenation of the Southern North Sea, which remains the UK's offshore gas basin.

7.14. Much of the technology already exists and there is real opportunity to become a '**test and demonstration**' zone in the **Southern North Sea**, and to put the area on the map nationally and internationally (including key roles for OrbisEnergy, the East of England Energy Group and the East of England Energy Zone).

7.15. In order to build on our existing reputation as a global centre for low carbon industries, we believe the Industrial Strategy should focus on **low carbon technology sectors** where there are clear **competitive advantages for the UK plc**, such as offshore wind, marine energy, nuclear power, carbon capture and storage (enabling cleaner gas-fired

power stations), low carbon construction and sustainable materials, and low carbon vehicles (fuel source and engineering materials), including specialist low carbon and cleantech financial, investment and business services. All of these areas are being developed and/or supported in the East.

## 8. Pillar 8 – Cultivating World Leading Sectors

Our response:



8.1. We welcome the Green Paper's emphasis on **business leadership** in its relationship with Government. However, businesses need the right leaders in order to flourish and take charge of its development. The Paper understandably cites the impressive examples of automotive and aerospace in terms of presenting a coherent message to Government, but some sectors, such as agri-tech have more fragmented eco-systems, making it harder to speak with one voice. Newer, less established sectors are often characterised by SMEs and their **businesses sometimes lack the scale and resource** to think strategically about the future of the sector.

8.2. Government and LEPs need to work together to provide the right support to help sectors **coalesce around strong leadership**. A good example of this can be found in the fast –growing tech sector. Government has provided support for Tech City to focus on areas like digital skills, investment and leadership. Regionally, New Anglia LEP has supported **Tech East**, to ensure that businesses in Norfolk and Suffolk also have a voice, working closely with Tech City. Supporting sector leadership in emerging sectors is vital to ensure that sector deals promote competition and incorporate the interests of new entrants.

8.3. As the economy has changed, with disruptive technologies making their mark on the make-up of our businesses, we need a **more sophisticated terminology for sectors**. Traditional definitions are no longer valid and can constrain collaboration. This is particularly relevant when developing sector deals, where we would like to see growth in the sectors of the future emerging from cross-sector collaboration.

8.4. We are excited by the Green Paper's approach towards 'developing and growing strengths across different clusters', as we have seen in many of our leading sectors the value of a **multidisciplinary approach**. Organisations like [Agri-tech East](#), which brings together traditional players (ICT, machine learning, automation, materials science, satellite technology) into agriculture and horticulture through innovative partnerships. Our emerging **cleantech sector**, bringing together our strengths in renewable technologies, energy sources and world-leading environmental sciences department at the University of East Anglia, and emerging biotech cluster, using Big Data and ICT expertise as an enabler and the East of England Energy Group (EEEGR), which brings together partners across the whole energy mix including oil and gas, nuclear and offshore wind as we transition towards a decarbonised economy.

8.5. **Sector deals** present a significant opportunity to tackle national barriers and create the right opportunities for our sectors to thrive and grow. However, to do so effectively they

must work with the places where those sectors and assets are based. This will ensure that growth and benefits are delivered across the whole supply and value chain.

8.6. We understand that a number of approaches are being made to Government for Sector Deals, and we ask that Government **makes clear its expectations, desired impacts, timescale and best practice** with regard to governance and management.

8.7. National sectors are not always the biggest drivers of productivity and employment. If we are to make the most impact on productivity and growth, Government and places must work together to ensure that the focus is not just on the biggest sectors, but also the emerging sectors which may be the UK's '**sectors of the future**'. The proposed deep dives into the sectors outlined in the Green Paper will provide valuable intelligence into where we have competitive advantage, and we are particularly keen to engage with **nuclear, creative industries and industrial digitisation**. We would welcome similar initiatives in the bio-economy and offshore wind.

8.8. The Government's confirmation of Hinkley Point C is significant. With the proposed development of **Sizewell C nuclear power station** in Suffolk – which would be the second new nuclear power station for a generation – we are working together with the Heart of the South West LEP to identify opportunities to collaborate, strength our supply chains and learn best practice. Current Government focus on nuclear is on the Northern Powerhouse. **We encourage Government to recognise that there are significant future opportunities with the new build Nuclear in the south** with Hinkley Point C, Sizewell C and Bradwell B.

### How we're contributing:



8.9. It is our **world-leading sectors** of energy, food and health and ICT/ digital creative where we believe we have genuine competitive advantage, and where we know we have the ambition, capabilities and opportunity to realise the high growth we want. We have a clear set of game-changing projects which with local partners, we are keen to co-invest.



8.10. **Energy:** There is a huge opportunity in **offshore wind** and the East has an important role to play in the UK's energy security as we transition to a low carbon economy, as outlined in pillar 7 and this includes our **emerging clean tech sector**. Our experience in the Southern North Sea basin makes Norfolk and Suffolk the obvious choice for offshore renewables, and we already have industry leaders such as Scottish Power Renewables, James Fisher & Sons, Fred Olsen Windcarrier operating from our ports. We have the experience and the expertise to make the most of the development of this key sector.

8.11. With major investment planned at **Sizewell C**, we working with partners and putting plans in place to ensure that we have the right skills, infrastructure and support in place to capitalise on this truly significant economic opportunity. The construction phase is due to last nearly a decade, but planned correctly, the project has the potential for an even longer economic legacy. This is why our priorities are maximising the **supply chain opportunities** for local companies, attracting inward investment, identifying innovation and mitigating negative impacts.

8.12. Given the region's diverse experience, we need to explore what else we could be focussing our capabilities on – what other technologies could work here, for example carbon capture and storage, carboniferous (tight) gas and gas to wire technologies. We have the right ecosystem for the Southern North Sea to become a test-bed of new technology, as outlined in pillar 7 and also Norfolk County Council's response to the Green Paper.

8.13. **ICT and Creative Digital:** Norfolk and Suffolk has a vibrant creative digital and ICT sector. Both Norwich and Ipswich are listed as tech clusters by TechNation with the two clusters offering complementary strengths across the region. **Adastral Park** is recognised as one of the world's leading ICT Innovation Hubs. It is home to BT's Global Research HQ, national and international operations centres, the national network test & integration centre, and the Innovation Martlesham cluster of 97 ICT companies ranging from start-ups to global multinationals. The site has the ecosystem necessary to become the national centre for developing the UK's converged digital infrastructure and a global centre for the digital economy.

8.14. The Adastral Park 2025 vision will take the site to a new level as a major national strategic asset and **growth engine for the UK ICT sector**. It will see the creation of the Tommy Flowers Institute for post-graduate ICT industrial research; the world's largest converged networks research facility; and the UK's Centre for Internet of Things (IoT) operations development. These facilities will help deliver UK leadership in the global ICT sector, accelerate the growth of the UK's emerging telecoms software manufacturing sector and grow the Innovation Martlesham cluster to over 200 ICT companies and academic partners.

8.15. The cluster in Norwich is characterized by SME and start-ups in the digital and creative sector. We have supported projects seeking to support this **fast-growing network of entrepreneurs and businesses**, such as co-working space [Whitespace](#) and the digital creative incubation centre [Ideas Factory](#), based at Norwich University of the Arts, which has already created 48 graduate-level jobs since opening 18 months ago.

8.16. **Food, Drink and Agri-tech:** Norfolk and Suffolk has a world-class science base, with 3,000 researchers and clinicians across **Norwich Research Park**, internationally recognised aquaculture expertise at CEFAS and cutting-edge facilities at University of Suffolk.

8.17. There are few places which are so uniquely equipped to make telling contributions to the major challenges facing the world in the 21st Century: food and energy security, healthy ageing and living with environmental change. The £81m [Quadram Institute](#) is due to open in 2018 at Norwich Research Park, building on recent understanding of how food and the gut microbes interact and creating a fundamental shift in the way we understand and address the impact of food on health. To support the commercialisation of this research NRP are proposing a **Microbiome Catapult**, enabling more spin-outs from these powerful research institutions.

8.18. In addition, recognising the desire of Government for research institutes to make better use of their facilities, we are keen to work with the Research Councils UK to utilise the

IFR building on NRP, being vacated by staff moving into the Quadram Institute, to create a new facility for start-up bio-tech businesses.

8.19. We are the most agriculturally productive region in the UK, providing both a strong local market and source of feedstock for bioproducts and processes. We are ideally positioned to capture the growth of Cambridge as a biotech cluster, building on our existing research collaborations and strong transport links. We believe that recognition of **biotech and the bioeconomy** as an emerging sector, and a long-sighted strategy to support it, will deliver sustained and sustainable economic growth.

## 9. Pillar 9 – Driving Growth Across the Whole Country

Our response:

9.1. We very much welcome the ambition of the Industrial Strategy to **drive growth across the whole country**. For our economy to be truly successful, the Government must do two main things. Continue to back areas and sectors which are performing best, but help lagging areas close the gap.

9.2. We welcome the Government's recognition that the performance cannot be simply measured on a regional basis. That is because the difference within regions is often greater than the difference between regions. A **more sophisticated place based approach** is therefore required.

9.3. We would like to see **greater support for urban centres** such as Greater Norwich and Greater Ipswich. Greater Norwich is one of a group of five medium-sized cities with fast growing economies, comprising Cambridge, Milton Keynes, Oxford and Swindon. Collectively they are of major international significance to UK plc. Greater Ipswich is home to the University of Suffolk, specialising in STEM subjects as well as a blossoming digital creative sector, based at the Ipswich Waterfront Innovation Centre. The LEP is leading the collaboration to regenerate the town as part of the Ipswich Vision ambitions.

9.4. However, at the same time, in our area, we have significant coastal and rural communities with their own challenges but significant opportunities for growth, given the right connectivity. We welcome policies which **seek to support both urban centres and rural communities**, allowing the benefits of growth to be felt in the rural hinterlands.

9.5. The Green Paper outlines three factors behind poor economic performance. Weakness in infrastructure and connectivity, difference in qualifications and skills, lower overall research and development investment.

9.6. Norfolk and Suffolk's poorer economic performance compared with its peer groups can in large part be **attributed to these factors**.

9.7. Over the past six years the LEP has been resolutely focused on improving these three areas, through measures such as our **Enterprise Zones, the Local Growth Fund and European Structural and Investment Funds**.

9.8. We would welcome **greater Government support for Enterprise Zones**, particularly in their marketing overseas. EZs have an important role to play in delivering the Industrial Strategy, particularly enabling the rapid growth of highly productive and innovative clusters of businesses.

9.9. LEPs have achieved a great deal with the Local Growth Fund and we would welcome an early **commitment from Government to continue the programme beyond 2021** – subject to appropriate performance and accountability measures being satisfied.

9.10. LEPs also would welcome the opportunity to work with Government on the development of **successor programmes to the EU Structural funds**. Brexit offers a huge opportunity to tailor programmes and funding to ensure growth happens in all parts of the country.

9.11. Our [research of major EU funding streams](#) revealed that at least **£1.9 billion** worth of EU funding and finance has been received in Norfolk and Suffolk since 2007, leveraging a total investment of **£7.34 billion**.



9.12. We welcome the Government's creation of the **£2.3bn Housing Infrastructure Fund** and the allocation of £1.1bn of additional transport funding. However for these measures to be successful, it is critical that these investments are seen as part of a package of investment in a local area. This will maximise the impact and prevent silo investment. We recommend that these investments must be supported by the LEP show how they help deliver the relevant LEP's Strategic Economic Plan.



9.13. We recognise that **skills policy should be developed nationally**, but we would also like to see some freedoms and flexibilities at a local level in order to accelerate growth in our key sectors. These are explored in detail under Pillar Two.



9.14. We welcome the recent **Tourism Action Plan and the joined-up policy-making** across DfT, DGLG and DEFRA. In the East, we have made huge progress, working together across local authorities, DMOs and tourism businesses through Visit East Anglia.

9.15. We welcome the changes at Visit England/Visit Britain, including a **drive to increase tourism outside London**. This new focus has been beneficial to this region, having made successful bids to both the **GREAT UK Challenge Fund** and **Discover England Fund**. We greatly value our relationship with Visit England/ Visit Britain, and look forward to working on future initiatives.

9.16. The Government's plans to broaden the places where research and development funding is distributed is welcome.

9.17. As we stated in Pillar 1, too much funding has historically been secured by places with a history of securing funding. We must break this cycle so other areas with potential have an opportunity. Publishing regular data on this is important – but the data must be sub-regional.

We would support expanding schemes such as HEIF and KTPs, not inventing new ones.

9.18. We support the Government's drive to ensure that the correct institutions are in place to support local growth. LEPs can play a key role as coordinators of local growth, but also are well placed to identify gaps in provision, working alongside partners such as the chambers of commerce and the Federation of Small Businesses.

9.19. For example New Anglia LEP has supported the development of new industry- led sector groups such as Tech East, and also provided support for existing groups such as East of England Energy Group. These groups are providing a key role sharing best practice, supporting innovation and developing supply chains.



## **10. Pillar 10 – Creating the Right Local Institutions**

Our response:

10.1. We welcome the Government's recognition of the importance of both national and local institutions to drive the UK economy. The Industrial Strategy must be a framework developed by Government with industry at a national level. But local and sectoral institutions will be critical to ensuring the strategy works in all parts of the economy and all parts of the country.

10.2. If Government sets the framework for the national Industrial Strategy, Local Enterprise Partnerships across England are perfectly positioned to articulate and catalyse the policy at a local level.

10.3. LEPs already bring together the key partners in local economic growth – universities and colleges, businesses, business groups, the third sector and local authorities – under a common strategy.

10.4. In addition LEPs offer a route to national policy makers through direct connection with Government departments and agencies, and across England through the LEP Network.

10.5. At the same time LEPs are only as strong as their constituent parts, with a crucial role in local growth for local authorities, business representative groups, universities and research institutes.

10.6. Our three universities are playing a key role in supporting the growth of our local area and we would like to see greater incentives and funding to support this activity.

10.7. On a wider footprint we are supportive of plans by the universities in Cambridgeshire, Norfolk and Suffolk to collaborate around skills, enterprise and boosting applications for higher education.

10.8. We would welcome the better utilisation of surplus research council facilities to drive growth. On the Norwich Research Park we would be keen to work with Research UK to turn

the Institute of Food Research building which is due to be vacated in 2018 into a facility for bio tech start-ups.

10.9. We would welcome closer engagement with the Department for international Trade. Much resource has been expended on the Northern Powerhouse and Midlands Engine and we wish to see support for our inward investment activities particularly around agri-tech, energy and ICT digital – our priority sectors.

10.10. A review of entrepreneurship and scale up activity outside London and the South East is welcome and we would be willing to be a test bed area.

10.11. Further devolution deals for our largest cities are welcome, but we are keen for Government to consider opportunities in all areas.

10.12. We welcome the Government's commitment to work with LEPs to review our role delivering growth. Over the past six years the roles of LEPs has grown significantly. We would welcome more sharing of best practice. As part of a programme of continuous review, New Anglia LEP is embarking on a review of its governance and operations.

### How we're contributing:

10.13. New Anglia LEP is playing a key role as a catalyst, bringing partners together through the development of our new Economic Strategy.

10.14. To support business clusters, our 16 Enterprise Zone sites are acting as a magnet for growth, attracting businesses focused on innovation and productivity. We are investing in innovation and enterprise facilities established by a range of partners, from our three universities, to tech entrepreneurs and local enterprise agencies.

10.15. To support our key sector clusters we are supporting the establishment of new bodies such as Tech East, as well as existing groups such as the East of England Energy Group, the New Anglia Cultural Board and Digital Creative Group.

10.16. We have been increasing the opportunities for investment for businesses through development of a number of finance products such as our Growing Business Fund and our angel-co-investment fund New Anglia Capital, which as well as providing finance is also helping us create a local network of angel investors.

10.17. As a LEP we recognise the importance of our cultural offer, with our Cultural Board developing a cultural strategy in partnership with the Arts Council, and have invested in cultural assets such as the National Home of Horseracing and are supporting physical regeneration in centres such as Norwich and Ipswich.

10.18. We would be keen to work with the Cabinet Office on its review of government agencies and arms-length bodies to consider benefits of relocating any to Norfolk and Suffolk.



## Appendix: List of Consulted Bodies

In developing this response, New Anglia Local Enterprise has consulted with a wide-range of stakeholders, including businesses such as Aviva, BT and the Co-op East of England. We conducted an open call on our website, as well as asking for direct feedback on our submission from a number of business groups and local authorities (listed below).

- Agri-tech East
- New Anglia Building Growth Group
- New Anglia Digital Creative Industries Group
- East of England Energy Group
- Hethel Engineering Centre
- BT Aadastral Park/ Innovation Martlesham
- New Anglia Advanced Manufacturing & Engineering
- New Anglia Innovation Board
- New Anglia Cultural Board
- New Anglia Food, Drink and Agriculture Board
- New Anglia Local Transport Body
- New Anglia Skills Board
- Norfolk Chamber of Commerce
- Norwich Research Park
- Norwich University of the Arts
- Orbis Energy
- Suffolk Chamber of Commerce
- TechEast
- Visit East Anglia
- University of East Anglia
- University of Suffolk
- Babergh District Council
- Breckland Council
- Broadland District Council
- Forest Heath District Council
- Great Yarmouth Borough Council
- Ipswich Borough Council
- Borough Council of King's Lynn & West Norfolk
- Mid Suffolk District Council
- Norfolk County Council
- North Norfolk District Council
- Norwich City Council
- South Norfolk Council
- St Edmundsbury Borough Council
- Suffolk Coastal District Council
- Suffolk County Council
- Waveney District Council

