

## New Anglia Local Enterprise Partnership Board Meeting

**Wednesday 23<sup>rd</sup> May 2018**  
10.00am to 12.30pm  
Co-op Education Centre, 11 Fore St, Ipswich IP4 1JW

### Agenda

No.	Item	Duration
1.	Welcome and Introduction	15 mins
2.	Apologies	
3.	Declarations of Interest	
4.	Actions / Minutes from the last meeting including Decision Log	
<b>Forward looking</b>		<b>40 mins</b>
5.	Integrated Transport Strategy	For Approval
6.	Enterprise Zones <b>including a Confidential Appendix</b>	Update
<b>Break</b>		<b>10 mins</b>
<b>Governance and delivery</b>		<b>85 mins</b>
7.	West Suffolk College Engineering Centre 2 <sup>nd</sup> Phase	For Approval
8.	Capital Growth Programme Projects - <b>Confidential</b>	For Approval
9.	Speculative Development	For Approval
10.	Growing Places Fund - Atex Park Loan – <b>Confidential</b>	For Approval
11.	Data Dashboard	Update
12.	PwC Report – Review of Implementation	Update
13.	Chief Executive's Report	Update
14.	Finance Report <b>including a Confidential Appendix</b>	Update
15.	Board Forward Plan	Update
16.	Any Other Business	Update

Date and time of next meeting: 10.00am – 12.30pm, 20<sup>th</sup> June 2018  
Venue: The Council House, University of East Anglia, Norwich, NR4 7TJ



## **New Anglia Board Meeting Minutes (Unconfirmed)** **18<sup>th</sup> April 2018**

### **Present:**

Cllr David Ellesmere (DE)	Ipswich Borough Council
Doug Field (DF)	East of England Coop
Cliff Jordan (CJ)	Norfolk County Council
Dominic Keen (DK)	High Growth Robotics
Colin Noble (CN)	Suffolk County Council
Johnathan Reynolds (JR)	Nautilus
David Richardson (DR)	UEA
Lindsey Rix (LR)	Aviva
Nikos Savvas (NS)	West Suffolk College
Jeanette Wheeler (JW)	Birketts
Tim Whitley (TW)	BT

### **In Attendance:**

Sue Roper (SuR)	Suffolk County Council
Shan Lloyd (SL)	BEIS
Mike Stonard (MS)	Norwich City Council (For Alan Waters)
Tom Fitzpatrick (TF)	North Norfolk District Council (For Andrew Proctor)
Linn Clabburn	New Anglia LEP For Item 6
Chris Dashper (CD)	New Anglia LEP
Iain Dunnett (ID)	New Anglia LEP For Item 5
Chris Starkie (CS)	New Anglia LEP
Keith Spanton (KS)	New Anglia LEP
Helen Wilton (HW)	New Anglia LEP

<b>Actions from the meeting: (18.04.18)</b>		
<b>Chief Executive's Report</b> To receive regional branding examples from Hayley Mace		<b>HM</b>
<b>1</b>	<b>Welcome from the Chair</b>	
Doug Field (DF) welcomed everyone to the meeting and including Mike Stonard deputising for Alan Waters and Tom Fitzpatrick deputising for Andrew Proctor.		
<b>2</b>	<b>Apologies</b>	
Apologies were received from: Andrew Proctor, Steve Oliver, Alan Waters, John Griffiths and Sandy Ruddock.		
<b>3</b>	<b>Declarations of Interest</b>	
Full declarations of interest can be found at <a href="http://www.newanglia.co.uk/about-us/the-board/">http://www.newanglia.co.uk/about-us/the-board/</a> ..		
Declarations relevant to this meeting: Jeanette Wheeler – Item 8.		
Chris Starkie (CS) reminded those deputising that a Declaration of Interest form needed to be completed and returned to Charley Purves.		
<b>4</b>	<b>Minutes of the last meeting 21<sup>st</sup> February 2018</b>	
The minutes were accepted as a true record of the meeting held on 21 <sup>st</sup> March 2018.		
<i>Actions from last meeting updated as follows:</i>		
<b>Flood Defence Schemes</b>		<b>CD</b>
Chris Dashper to produce a brief paper on LEP funding of flood defences to be circulated to Board Members – Included in the Chief Executive's Report		
<b>Institute of Technology</b>		<b>HM</b>
Board members to be provided with details of the top 3 key messages from the LEP on a monthly basis – An IoT brochure is being completed and will be circulated to Board members when available.		
<b>5</b>	<b>Tri-LEP Local Energy East Strategy</b>	
Iain Dunnett (ID) provided the Board with a presentation on the work of the Local Energy East Strategy.		
Board members were advised that BEIS funding had become available nationally in March 2017 to establish Local Energy Networks and Strategies and that funding had been secured to cover the tri-LEP area consisting of New Anglia, Greater Cambridgeshire and Peterborough and Hertfordshire. This secured resources to produce a Local Energy Strategy supported by a baseline of information including Energy Mapping, Analysis, Modelling, and the development of a Web Portal.		
The Strategy has identified four key priorities - Clean Economic Growth, Housing Growth and Commercial Site Infrastructure, Secure, Affordable Low Carbon Consumption and Clean Transport Networks including Electric Vehicles.		
Work to date has included the mapping of energy assets across the counties which will assist in producing a model to allow the faster planning and delivery of projects such as Snetterton Heath.		
ID noted that private sector involvement was limited and the hope was that joining investment opportunities together would encourage more investment.		
The Energy Strategy will be presented to the Board in May, which will be followed by the release of a dedicated technical resource funded by BEIS for 2 years.		
Mike Stonard (MS) asked whether the project would be funded after the initial 2 years. ID advised that BEIS had proposed that the programme will be self-sufficient after 2 years but that this issue needed to be considered and included in the plan.		

	<p>Johnathan Reynolds (JR) noted that there was other tri-LEP work ongoing across other regions which needed to be brought together and that this geographical grouping was based on the power networks rather than LEP areas.</p> <p>DF asked whether there was any impact from the winding up of GCGP. CS advised that this had not caused any issues and that the Energy Strategy was on the forward plan for the new Business Board for the Combined Authority.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> <li>To note the content of the presentation</li> </ul>	
<b>6</b>	<b>Cambridge-Norwich Tech Corridor Presentation</b>	
	<p>Linn Clabburn (LC) provided the Board with an update on the progress on the Cambridge – Norwich Tech Corridor.</p> <p>The partnership was set up with the relevant LEPs and Local Authorities to investigate how best to exploit the opportunities in the corridor which has been identified as a priority place in the Economic Strategy. Studies have suggested that the area has the potential to deliver an additional 26,000 jobs and add a further £2.75bn to the economy.</p> <p>LC reviewed the vision for the Corridor and identified the tangible ambitions for the programme noting that cross-cluster development was viewed as key to the development. A private sector lead delivery group is being set up and LC asked Board Members for suggestions on suitable business leaders to join the group.</p> <p>Jeanette Wheeler (JW) asked how the CNTC can compete with the Cambridge – Oxford corridor. LC confirmed that Cambridge were fully engaged in the initiative and proposed that the CNTC could focus on presenting its own identity such as specialising in clean efficient growth to compliment other corridors rather than competing with them. LC noted that businesses were being involved in the process and were advising of their labour requirements so that the project looked at a wide approach providing jobs across the full supply chain rather than just highly skilled jobs.</p> <p>Colin Noble (CN) advised that an A14 corridor had just been launched focussing on developing exports and exploiting the opportunities to allow companies to increase exports. There is scope for the corridors to work together to complement each other in their offering. David Richardson (DR) advised that he had recently met with the new vice-chancellor of Cambridge and looked that the USPs of Norwich, the UEA and Norwich Research Park as an attractive terminus at the end of the corridor but stressed that it still required additional investment.</p> <p>Nikos Savvas (NS) and Tim Whitley (TW) noted the importance of the Tech Triangle including Ipswich and felt that the national significance of the area should be stressed to central Government in order to establish the East of England as an economic powerhouse.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> <li>To note the content of the presentation</li> <li>To suggest private sector representatives to sit on the delivery group (to be submitted to Helen Wilton)</li> </ul>	
<b>7</b>	<b>LEP Capital Budget 2018/ 19 – Confidential</b>	
	<p>CS presented the LEP 2018/19 capital budget to the Board and provided further details of larger ongoing projects.</p> <p>The Board was advised that some projects had slipped and although work was looking at bringing forward spend where possible this had always proved challenging historically. CS reviewed the main points of the budget relating to the Growth Deals Programme, Growing Business Fund, New Anglia Capital and Agritech.</p> <p>CS requested the allocation of £1m of the Growing Places Fund budget to New Anglia Capital to allow for further investments to be made.</p>	

	<p>CS advised the meeting that £1m had previously been allocated to Eastern Agritech and requested that this allocation continue while discussions are ongoing with the Combined Authority on the future of the programme and the production of a business plan. JW queried why this was still being progressed with the Combined Authority and not independently. CS advised that the programme could be continued alone but this was originally set up as a joint bid out of the Regional Growth Fund. The panel also contains technical expertise which would be lost if the work was not combined</p> <p>TW asked who would approved the business plan – the IAC or the LEP Board. CS recommended that the Board should approve the plan.</p> <p>DR felt that the New Anglia LEP had not received sufficient credit for the Agritech programme to date and that this new start provided the opportunity for New Anglia to take the lead. This should be a pre-requisite of the business plan.</p> <p>DF asked when the plan would be completed. CS confirmed that it was currently scheduled for agreement at the June Board meeting.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> <li>• To note the content of the budget</li> <li>• To approve the 2018/19 capital budget</li> <li>• To approve the allocation of £1m from the GPF fund budget to New Anglia Capital.</li> <li>• To approve the allocation of £1m to Agritech subject to the production and approval of a business plan</li> </ul>	
<b>8</b>	<b>Review of Professional Advisers</b>	
	<p>JW left the room.</p> <p>CS reviewed the paper included in the meeting pack and reviewed the proposal to develop a multi-supplier procurement framework.</p> <p>DF asked who will be managing the process. CS confirmed that Rosanne Wijnberg will join on 1<sup>st</sup> May as COO and will be managing the process.</p> <p>The meeting was advised that Lovell Blake will be used for the current audit but it is proposed to carry out a re-tendering process for the following one.</p> <p>David Ellesmere (DE) asked whether there would be various framework for the different areas of work or a single one. CS advised that there would be multiple lists of advisors but it was envisaged only to have one framework. Sue Roper (SuR) offered to provide assistance.</p> <p><b>The Board agreed:</b></p> <ul style="list-style-type: none"> <li>• To approve the development of a supplier procurement framework</li> <li>• To carry out a retendering process for the audit</li> </ul> <p>JW returned to the room.</p>	
<b>9</b>	<b>Decision Log</b>	
	<p>CS highlighted the key points of the proposal to record the decisions of the various boards. JR asked if there would be both confidential &amp; non-confidential versions. CS agreed that the confidential log would be added to Board papers and the non-confidential version would be published on the web site.</p> <p>It was agreed that this would start at the beginning of the 18/19 financial year at the start of April 2018.</p> <p><b>The Board agreed:</b></p> <ul style="list-style-type: none"> <li>• To approve adoption of the decisions log</li> </ul>	
<b>10</b>	<b>Growth Deal Quarterly Dashboard</b>	
	<p>Chris Dashper (CD) presented the Growth Deal update report paper noting that only projects with an Amber status were now included. The Board were advised that there are no issues with the delivery of the projects however some were delayed.</p>	

	<p>CD reviewed the data contained in the Quarterly Dashboard which is submitted to Government noting that this contained data from Q3 2017 and that some outputs were out of date as data takes time to feed through to the dashboard.</p> <p>CS noted that the data in the dashboard will always be a quarter behind and will be older than the data supplied to Board members on a regular basis.</p> <p>TW asked whether the outputs were on track to meet targets. CD advised that the outputs were behind in some areas due to a mixture of delays in spend and delays in capturing the outputs from projects where the funds have already been spent.</p> <p><b>The Board agreed:</b></p> <ul style="list-style-type: none"> <li>To agree the Quarterly Dashboard.</li> </ul>	
11	<p><b>Chief Executive's report including PwC Implementation Plan</b></p>	
	<p>CS reviewed the Chief Executive's report and thanked CN for his involvement in the deep dive in which the LEP had performed very well.</p> <p>The Board were updated on the key points of the report.</p> <p><b>ERDF bid</b> – CS &amp; DF met with MHCLG to discuss the bid and take action to address the delay. Further information has been provided and the ESIF Committee will discuss the extension at a meeting in the 3<sup>rd</sup> week in April.</p> <p>JR queried the long term exit strategy. CS advised that the new UK Shared Prosperity will be the initial source for requesting funding but other sources will be investigated. Shan Lloyd (SL) advised that more information on the fund will be issued before the summer recess and that the industrial strategy was a key part of this identifying how funding should be prioritised.</p> <p><b>GEML</b> – Pritti Patel has asked for the evidence based to be refreshed and work is ongoing to produce a business case for infrastructure improvements.</p> <p><b>East Branding workshop</b> – JW updated the meeting on the workshop and the Board discussed the importance of this work to the promotion of Norfolk and Suffolk. JW offered to ask Hayley Mace to send details of examples of branding from other regions.</p> <p><b>COO Recruitment</b> – Rosanne Wijnberg will be starting on 1<sup>st</sup> May. CS advised Board members of the broad scope of the division of responsibilities.</p> <p>Structure Chart - revised structure chart was issued to Board members.</p> <p><b>HR</b> – CS updated the Board on the work Charley Purves has been carrying out on workplace wellbeing.</p> <p>David Ellesmere (DE) asked about the progress of the delivery of the Tier 2 of the Governance review. CS advised that the LEP Executive would be progressing this as a priority but it had been delayed slightly by the deep dive.</p> <p><b>The Board agreed:</b></p> <ul style="list-style-type: none"> <li>To note the content of the report</li> <li>To receive regional branding examples from Hayley Mace</li> </ul>	HM
12	<p><b>Finance Report</b></p>	
	<p>Keith Spanton (KS) reviewed the key points of the paper and asked for questions from the Board.</p> <p><b>The Board agreed:</b></p> <ul style="list-style-type: none"> <li>To note the content of the report</li> </ul>	
13	<p><b>Board Forward Plan</b></p>	
	<p>CS reviewed the items to be covered at the May Board.</p> <p><b>The Board agreed:</b></p> <ul style="list-style-type: none"> <li>To note the content of the report</li> </ul>	
14	<p><b>Any Other Business</b></p> <p>DF advised the board of recent events promoting businesses in the region.</p> <p>JW noted that the MAC Interim report needed to be included in the Brexit analysis and planning.</p>	

**Next meeting:**

**Date and time of next meeting:** 10.00am – 12.00pm, 23<sup>rd</sup> May 2018

**Venue:** Co-op Education Centre, 11 Fore St, Ipswich IP4 1JW

**Actions from New Anglia LEP Board Meetings**

<b>Date</b>	<b>Item</b>	<b>Action</b>	<b>Update</b>	<b>Actioned By</b>	<b>Status</b>
18/04/2018	Chief Executive's Report	To receive regional branding examples from Hayley Mace		HM	Complete
21/02/2018	Declarations of Interest	Ascertain whether regular Board substitutes need to complete Declaration of Interest Forms.	Declarations will be required. Charley Purves will contact Board substitutes to arrange completion	CS	Complete
21/02/2018	Economic Indicator Trajectories and Targets:	To receive a paper on CO2 reductions for consideration of inclusion in the economic strategy targets	CS and JR liaising	CS/JR	On-Going
21/02/2018	Brexit Analysis	To receive an action plan detailing the next steps, timescales and measures of success	Draft action plan is being produced & will be presented at the September Board meeting	LiR	On-Going
22/11/2017	Business Performance Reports	To receive a proposal on the Eastern Agi-Tech initiative by email.	CS has written to the Combined Authority and is now liaising over a paper which will go to the June Combined Authority Board meeting	CS	On-Going



**New Anglia Local Enterprise Partnership  
Board Decision Log**

<b>Date</b>	<b>Decision Making Body*</b>	<b>Decision Made</b>
02/05/2018	Growing Business Fund Panel	<p><b>The Panel approved the following applications:</b></p> <p>Warren Services Limited - Agreed to Support</p> <ul style="list-style-type: none"> <li>• Approved Grant: £32,000</li> </ul> <p>Food Forensics Limited - Agreed to Support</p> <ul style="list-style-type: none"> <li>• Approved Grant: £36,980</li> </ul> <p>Renvale Limited - Agreed to Support</p> <ul style="list-style-type: none"> <li>• Approved Grant: £184,552</li> </ul>
18/04/2018	LEP Board	<p><b>The Board made the following decisions:</b></p> <p><b>LEP Capital Budget 2018/ 19 – Confidential</b></p> <p>To approve the 2018/19 capital budget</p> <p>To approve the allocation of £1m from the GPF fund budget to New Anglia Capital.</p> <p>To approve the allocation of £1m to Agritech subject to the production and approval of a business plan</p> <p><b>Review of Professional Advisers</b></p> <p>To approve the development of a supplier procurement framework</p> <p>To carry out a retendering process for the audit</p> <p><b>Decision Log</b></p> <p>To approve adoption of the decisions log</p> <p><b>Growth Deal Quarterly Dashboard</b></p> <p>To agree the Quarterly Dashboard.</p>
18/04/2018	Investment Appraisal Committee	<p><b>The IAC made the following decisions:</b></p> <p><b>West Suffolk College Engineering and Technology Centre</b></p> <p>It was agreed that the proposal would be presented at the LEP board meeting on the 23<sup>rd</sup> May 2018 for the release of the remaining £3m to West Suffolk College Engineering and Technology Centre</p> <p>Any Other Business</p> <p><b>Cash Deposits</b> – It was agreed that funding would be deposited until drawn down by the approved projects</p>
11/04/2018	Remuneration Committee	<p><b>The Committee made the following decisions:</b></p> <p><b>360-degree feedback</b> - The committee agreed that this would be used initially with the CEO in August 2018.</p> <p><b>CEO Objectives</b> - Current CEO objectives were agreed by the committee</p>

\* New Anglia Local Enterprise Partnership Board, Investment Appraisal Committee, Growing Business Fund Panel, Remuneration Committee, Audit & Risk Committee

04/04/2018	Growing Business Fund Panel	<p><b>The Panel approved the following applications:</b></p> <ul style="list-style-type: none"> <li>• Computer Service Centre Ltd - Agreed to support Approved Grant: £265,800</li> <li>• Panel Graphics Ltd (2) - Agreed to support Approved Grant: £64,414</li> <li>• Broadway Colours Ltd - Agreed to support Approved Grant: £40,000</li> </ul>
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## **New Anglia Local Enterprise Partnership Board**

**Wednesday 23<sup>rd</sup> May**

### **Agenda Item 5**

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#### **Integrated Transport Strategy for Norfolk and Suffolk**

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Author: Ellen Goodwin

#### **Summary**

This report seeks Board approval to adopt the Integrated Transport Strategy for Norfolk and Suffolk.

It also outlines the next steps with regard to launching the strategy, developing an associated delivery plan and how we ensure full integration with the developing work programme of the newly formed Transport East, which covers a wider East of England geography

#### **Recommendation**

The Board are asked to:

- Adopt the strategy as a supporting strategy for the Norfolk and Suffolk Economic Strategy; and
- Endorse the relevant next steps and provide a steer as to direction going forward.

#### **Background**

Working with our partners, good progress has been made in unlocking the growth potential of The East through targeted transport and digital investment.

However, the absence of a well-evidenced and clear transport strategy setting out the capital investments needed to fully realise the economic potential of The East has been recognised by the Local Transport Board and our partners.

It was also noted by the Department for Transport's Executive Committee when they visited the area in October 2016. A number of other regions, including Transport for the North, have already attracted significant interest and investment from Government on the basis of similar initiatives.

The New Anglia Local Transport Board commissioned WSP, Norfolk County Council's partner consultant, who have produced similar well-regarded work for Transport for the North (amongst others), to develop an Integrated Transport Strategy, with supporting technical evidence, to look at how the two counties' economies might develop and the transport interventions needed to support this.

The Strategy looks forward to 2050 and sets out the context for short, medium and longer-term capital investments to support economic growth in Norfolk and Suffolk.

The development of the strategy has been funded jointly by Norfolk County Council, Suffolk County Council and the LEP.

The work has been co-developed through a funders reference group, working closely with the Local Transport Board who provided governance and direction for the work. Close liaison with Norfolk and Suffolk Chambers of Commerce and with District Council partners has also occurred as part of the stakeholder engagement plan.

The Integrated Transport Strategy was endorsed at the Local Transport Board meeting on 23 February 2018, Norfolk Chamber of Commerce on 9 April 2018, Suffolk Chamber of Commerce on 17 April 2018, Suffolk County Council's Cabinet on 15 May 2018 and is due to be endorsed by Norfolk County Council's Environment, Development and Transport Committee on 18 May 2018.

A final draft of the Strategy is attached as Appendix 1 for the LEP Board's consideration and approval.

### **Key Considerations**

The Board are asked to adopt the Norfolk and Suffolk Integrated Transport Strategy noting the stakeholder engagement and endorsement that has occurred during its development. It is also asked to consider the next steps described below.

The Board has already committed budget to this project. No further contribution is being sought.

### **Link to the Economic strategy**

The Integrated Transport Strategy has been developed so that it fully aligns with the Norfolk and Suffolk Economic Strategy through mapping connectivity and Economic Strategy themes accordingly.

It will contribute to the delivery of the high-level ambition that Norfolk and Suffolk be a well-connected place. It will also contribute to, albeit to a lesser extent, all of the other key ambitions in the Strategy.

### **Next Steps and Key Dates**

#### Strategy Launch

Ideally the Launch will be linked to another event in order to maximise impact. Members of this Board, Local Authorities and the Local Transport Board will be invited. The launch will also invite the DfT executive committee back to our area, as well as local MPs. The Board is asked for their thoughts regarding other possible promotional events.

#### Delivery Plan

A supporting Delivery Plan will be developed and published alongside the Norfolk and Suffolk Economic Strategy.

#### Transport East

The next meeting of Transport East is scheduled for 4 June 2018 and the Integrated Transport Strategy will form a crucial building block for the Strategy they produce.

The Integrated Transport Strategy has the potential to attract investment into the region to secure transport improvements in support of the economy both through local lobbying and advocacy and via the newly formed Transport East Forum.

### **Recommendation**

The Board are asked to:

- Adopt the strategy as a supporting strategy for the Norfolk and Suffolk Economic Strategy; and
- Endorse the relevant next steps and provide a steer as to direction going forward.

## **Appendices**

Appendix A - Integrated Transport Strategy for Norfolk and Suffolk





**New Anglia Local Enterprise Partnership Board**  
**23<sup>rd</sup> May 2018**

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**Agenda Item 6**

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**Enterprise Zones: Progress Update**

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Author: Julian Munson/Eunice Edwards. Presenter: Julian Munson

**Summary**

To provide a progress update report on New Anglia Local Enterprise Partnership's two Enterprise Zones;

1. Great Yarmouth & Lowestoft (New Anglia) Enterprise Zone (started 2012) & extensions (started 2017).
2. Space to Innovate Enterprise Zone (started 2016).

This report will cover Enterprise Zone outputs to date, a financial analysis of income generated to date, strategy, timeline and forward plan for delivery (to 2021).

**Recommendation**

The Board is asked to note progress and endorse the proposed strategy and forward plan.

**Background**

New Anglia LEP successfully bid to Ministry of Housing, communities and Local Government (MHCLG) for two 'multi-site' Enterprise Zones in Norfolk & Suffolk.

Enterprise Zones are designated areas that provide business rates discounts of up to £275k over a five year period to businesses if locating in the zones in the first 5/6 years & simplified planning. Enterprise Zones are part of the Government's wider Industrial Strategy to support businesses and enable local economic growth.

The Great Yarmouth & Lowestoft Enterprise Zone began in April 2012 & encompasses six sites; Beacon Park in Gorleston, South Denes in Great Yarmouth, Riverside Road in Lowestoft, Mobbs Way in Oulton, South Lowestoft Industrial Estate in Lowestoft and Ellough in Beccles. Four of these sites (Beacon Park, South Denes, Mobbs Way and Riverside) were also awarded extensions where benefits started in 2017. This Enterprise Zone has an energy sector focus.

The Space to Innovate Enterprise Zone began in April 2016 and encompasses 10 sites; Norwich Research Park, Suffolk Park in Bury St Edmunds, Scottow Enterprise Park near Coltishall, Egmere Business Zone near Wells-next-the-Sea, Nar Ouse Business Park in King's Lynn, Stowmarket Enterprise Park and the 4 sites in the Ipswich area are Princes Street, Futura Park, Waterfront Island and Sproughton Road (Swich Park). The sectors identified for this

Enterprise Zone include: agritech, food and health, offshore energy, the green economy, ICT and digital creative sectors in which Norfolk and Suffolk has a competitive advantage.

Enterprise Zones have established themselves as a driving force of local economies as they unlock key development sites, consolidate infrastructure, attract business and create jobs.

Both EZ's have long range stretch targets they are working towards with annual targets set with local authority partners each year. However progress to date on some sites has been slower than expected. *More details can be found at Appendix 1 – Enterprise Zones Targets to 2021.*

Outputs are recorded and reported on a quarterly basis to MHCLG and New Anglia LEP Board. Activity across the two Enterprise Zones is coordinated by two partnership/ development groups, chaired by New Anglia LEP, involving County and District/Borough Council officers and MHCLG.

In Summary, to date, the Great Yarmouth & Lowestoft Enterprise Zone has delivered 1,694 Jobs, 773 construction jobs, 50 businesses, £44m private investment, £178m public investment, 18.3ha land developed & 52,223SqM floor-space.

To date the Space to Innovate Enterprise Zone has delivered 438 Jobs, 1,145 construction jobs, 72 businesses, £14m private investment, £105m public investment, 13ha land developed and 9,170 SqM of floor-space.

All business rates growth generated by the Enterprise Zones are kept by the relevant Local Enterprise Partnership and local authorities in the areas for 25 years to reinvest in local economic growth. This reflects the Government's commitment to long-term economic growth and enables LEPs to reinvest in site development and other local initiatives.

The 100% retained rates is split into 4 separate funds;  
Fund A1 is for the Collecting (or District) Authority  
Fund A2 is for the County Council  
Fund B is for the development of the Enterprise Zone sites  
Fund C is for New Anglia LEP to fund activity in the Economic Strategy for Norfolk and Suffolk.  
*Please see Appendix 2 New Anglia Enterprise Zones Finances for more information*

## **Key Considerations**

Enterprise Zones remain a key priority programme for New Anglia LEP. They not only demonstrate an effective method of intervention to unlock and accelerate the development of key commercial sites but also support local economic development and job creation. In addition they also enable the retention of business rates income to further enhance the development and delivery of sites and provide an additional source of income for New Anglia LEP for other project activity.

This programme has proven to be effective in unlocking and accelerating commercial development in the Great Yarmouth and Lowestoft Enterprise Zone and in the case of the Beacon Park site for example has had a highly significant impact on business investment and jobs growth for the energy sector supply chain in that area.

There is progress on the majority of the Space to Innovate Enterprise Zone sites but it is important that New Anglia LEP continues to work closely with partners to ensure that we identify creative ways of removing any barriers to development and provide an even stronger focus on delivery over the next couple of years. There are cases where development has been limited and the issue of land ownership and level of ambition to build can be a major factor inhibiting progress. The New Anglia LEP with Local Authority partners has the potential to help

overcome these barriers through the new EZ Accelerator Fund and opportunities around land acquisition and co-investment to help 'kick start' new development.

It is also important that the Enterprise Zones 'offer' is more proactively marketed through various channels and leveraging the Growth Hub, Growth Programme and inward investment activity in a more coordinated and targeted way.

It is also important to note that a priority for Enterprise Zones is encouraging a net increase in investment, business growth and job creation and so careful consideration is always given to minimising 'displacement' within the locality of all enterprise zone sites.

### **Link to the Economic strategy**

The New Anglia Enterprise Zone sites are all located in the Priority Places identified with the new Economic Strategy. These include the Ipswich area, Norwich area, Norfolk/Suffolk Energy Coast (including North Norfolk, Great Yarmouth and Lowestoft areas), A14 Corridor (Stowmarket and Bury St Edmunds) and the A47 Corridor (King's Lynn).

As an incentive based programme focused on unlocking and delivering growth on key commercial sites, Enterprise Zones support the objectives of the following priority themes;

- Our Offer to the World (inward investment and trade support)
- Driving Business Growth and Productivity (clustering, enhancing supply chain activity, promoting innovation, targeting business support etc)
- Collaborating to Grow (partnership activity to unlock development and delivery)
- Competitive Clusters, Close to Global Centres (development and promotion of innovative business clusters)

### **Next Steps**

The proposed strategy and forward plan for Enterprise Zones to 2021 is outlined as follows;

- May/June 2018 – desktop review of all enterprise zone sites, identifying progress status, key issues, barriers to development, investment potential and opportunities etc.
- July/August 2018 - update EZ site delivery plans and timelines (as a result of review)
- July 2018 – sign off of outstanding legal agreements
- August – December 2018
  - Development of inward investment delivery plan (part of the Economic Strategy) with specific objectives for attracting businesses to enterprise zone sites
- September 2018 – December 2019
  - Development and promotion of a joint package of potential business grant/loan support for enterprise zone based businesses
  - Enhanced promotion of enterprise zone sites at MIPIM UK event
  - Promotion of business case studies (focus on innovative businesses)
  - Targeted, direct marketing to expanding businesses via Growth Hub, Local Authorities, Chambers of Commerce, Sector Groups, DIT, property agents etc
  - Enhanced promotion of the enterprise zone sites via the inward investment activity e.g. Invest Suffolk, Locate Norfolk, Tech Corridor and Invest East activity

- Active progression of potential Enterprise Zone Accelerator funded projects working with Local Authorities (development of infrastructure and new buildings)

The New Anglia LEP has the responsibility of progressing this strategy and activity, in partnership with Local Authorities, land owners and developers.

### **Recommendation**

The Board is asked to note progress and endorse the proposed strategy and forward plan.

### **Appendices**

Appendix 1 – EZ Targets  
GY&L to 2021  
S2I to 2021

Appendix 2 – New Anglia EZ Finances  
Graph of income for both EZs – Fund A1, A2, B & C split

## Appendix 1 – Enterprise Zones targets to 2021

### Space to Innovate Enterprise Zone

#### 2018-2021 (3 year period)

	<b>Jobs</b>	<b>Businesses</b>	<b>Construction jobs *</b>	<b>Private Capital investment £M</b>
<b>NRP</b>	909	6	102	20
<b>Nar Ouse</b>	695	28	238	5
<b>Suffolk BP</b>	375	8	255	10
<b>Stowmarket</b>	205	20	102	2
<b>Scottow</b>	236	24	17	1
<b>Egmere</b>	43	9	34	2
<b>Futura Park</b>	296	9	255	10
<b>Princes Street Total</b>	417	2	85	5
IBC	-	-	-	-
141-145	-	-	-	-
Fisons	417	2	85	5
<b>Island site</b>	63	12	13	4
<b>Sproughton</b>	249	6	255	12
<b>TOTALS S2I</b>	<b>3,488</b>	<b>124</b>	<b>1,356</b>	<b>£71M</b>

### Great Yarmouth & Lowestoft (New Anglia EZ)

#### 2018-2021 (3 year period)

	<b>Jobs</b>	<b>Businesses</b>	<b>Construction jobs*</b>	<b>Private Capital investment £M</b>
<b>GY sites</b>	558	10	119	6
<b>WDC sites</b>	708	20	85	4
<b>TOTALS GY &amp; L</b>	<b>1,266</b>	<b>30</b>	<b>204</b>	<b>10</b>

**EZ TOTAL**                      **4,754**                      **154**                      **1,560**                      **£81M**

\*Construction jobs. MHCLG requirements;

*Permanent paid full time equivalent construction jobs that are newly created in connection with the Enterprise Zone i.e. that did not exist before this quarter. A "permanent" job is expected to last 26 weeks or more.*





**New Anglia Local Enterprise Partnership Board**  
**Wednesday 23<sup>rd</sup> May 2018**

## **Agenda Item 7**

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### **Engineering and Technology Centre, West Suffolk College (Vinten's Building)**

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Author: Natasha Waller & Michael Gray. Presenter Chris Dashper

#### **Summary**

- This paper seeks approval by the LEP Board of a **£3m investment** from the Growth Deal towards the development of an Engineering and Technology Centre at West Suffolk College.
- This will be the second phase of a £7m LEP investment in the centre. £4m was previously provided by the LEP to acquire the site and 9000m<sup>2</sup> premises in 2016.
- The £3m will be used to refurbish at least 3000m<sup>2</sup> of the building so that it is fit to deliver training in areas required by key sectors of our local economy.
- The project will result in **536 additional learners** over the first four years. 246 of which will be engineering courses at level 3 and above.
- Acquisition and refurbishment of the site provides the potential to unlock further strategic opportunities.

#### **Recommendation**

To approve the release of the remaining £3m, originally allocated through the Skills Capital funding application process, for the refurbishment of part a building in order to create a new Engineering and Technology Centre at West Suffolk College.

#### **Background**

In 2014, as part of the then skills capital allocation process the New Anglia Skills Board prioritised a £7m investment for the acquisition, modernisation and refurbishment of premises within walking distance of the main West Suffolk College (WSC) campus to be used for full-time further and higher education provision for the energy, engineering and advanced manufacturing sectors. This building was acquired from Vitec who are relocating to other premises in the town.

As the current college campus have limited capacity to grow curriculum areas including their ability to demonstrate engineering principles on a practical basis, the project was approved to enable growth and improve the quality of the college's offer in these key economic areas. The project also represented a unique opportunity to secure land and property on the periphery of the main WSC campus.

Following the prioritisation of the project by the Skills Board, WSC was invited to submit a detailed application to ensure full due diligence was applied before funding was granted and to help inform the final decision to be made by the LEP Board.

During this process it was decided that the project would be split into two distinct phases.

The first, to acquire the site, and the second to undertake modernisation and refurbishment.

This was due to both the annual allocation timescales of the Growth Deal allocation from Government and the level of detail available at that point regarding the refurbishment due to the commercial sensitivity of purchasing the building from the Vitec company.

In January 2016, the LEP invested £4m to acquire the site.

It was expected that the previous owners would be able to vacate the site earlier than has been the case. With the purchase of the site the previous owners of the site became tenants, with West Suffolk College receiving a rental income. This rental income (£669,000) has been ring fenced and will be invested back into the development of the centre, either increasing the levels of refurbishment due to take place or helping to cover any increase in refurbishment costs.

The LEP Board is now asked to **approve release of the remaining £3 million** of Growth Deal funding previously ringfenced for the modernisation and refurbishment of the building.

The £3m grant will be used by West Suffolk College to fund the necessary modifications of a proportion of the premises. This includes the discharging/meeting the planning conditions, improving the building façade and creating the teaching spaces required including six higher education engineering classrooms complimented by demonstration areas providing students with a more 'hands-on' enhanced experience – vital for employability.

There will also be the creation of professional training facilities within three rooms in the centre specifically designed to meet employers demands for targeted higher-level skills training for their workforce.

The investment is expected to enhance the regional engineering and STEM provision offer. It will result in at least an **additional 536 learners** over the first four years:

- 246 of which will be engineering courses at level 3 and above.
- 290 across ICT, business management, science and health and social care due to releasing classroom space at the main campus.

This growth is expected to continue beyond the initial four years.

Acquisition and refurbishment of the site also provides the potential to unlock strategically important opportunities to further enhance the regional training offer in important areas.

**The Engineering and Technology Centre is an integral part of the bid to establish an Institute of Technology in the East (EIoT)**, providing the space and industry standard facilities to deliver the Institute's higher level technical engineering curriculum.

There are many large-scale engineering/ technology and infrastructure projects planned for the area that are of national significance which will substantially drive demand for high value skills beyond current levels such as offshore wind, offshore decommissioning and the potential Sizewell C and Bradwell B nuclear new builds. Many of the organisations involved in these developments are supporting partners of the EIoT bid and will be working with WSC to support the development and delivery of its curriculum.

This facility could potentially become part of a National College for Nuclear proposal, providing many of the core technical skills that will be required for constructing and operating a Nuclear Power Facility. WSC are also in dialogue with the Advanced Manufacturing Centre in Coventry to become a 'spoke' site that would lead to innovative manufacturing and productivity solutions for employers.

These developments will take place in the refurbished area if approved plus in the remaining 6000m<sup>2</sup> of the site which will fall outside of this part of this current application. It is fully anticipated that this area will be developed without further LEP funding.

### **Key considerations**

£4m has already been committed to the Centre and spent to purchase the site and the rental income has been ring fenced to go back into this project. £1 million has been committed by the College to support the proposal. This was previously agreed by the LEP Board and approved by the government appraisal process.

Timescales, vision and costings have all evolved since the original concept and proposal to the Board but the college is committed to the Science, Technology, Engineering and Maths (STEM) agenda and this is part of process of developing this curriculum for the region.

A full building inspection has not been carried out to date due to restriction issues with the original owner who then became a tenant. This may lead to further costs in creating a safe teaching environment. This is in addition to the known change of use redevelopments already identified by planning regulations.

The college is clear that there will be no additional funds available from the LEP to cover any contingencies if costings increase dramatically for the area of the building identified in the Detailed Application Form (dated 16/03/2018).

West Suffolk College has agreed to cover these costs or review the level of resourcing. A Grant Agreement would be put in place to secure this position. The college has a strong history of financial management and monitor reserves robustly. Any further delay risks increasing costs and delay in revenue from increased student capacity.

### **Link to the Economic Strategy**

This new facility will support the growth in numbers of engineering students that are able to be trained at the college. Advanced Manufacturing and Engineering & Energy are key sectors for the LEP and the recently endorsed sector skills plans highlight a clear need for increase in numbers of entrants to these sectors and an upskilling of the existing workforce.

This building also has areas earmarked for the proposed Eastern Institute of Technology and if successful, funding will support further development over the coming years. Expansion of the curriculum will also occur together with establishment of stronger links with other educational providers in the region and key employers. Some of this is already underway and some new equipment has been part funded through the Skills Deal which will be housed here. Training has also been offered by an employer to improve the social mobility of a number of individuals referred by the DWP showing that this building will clearly drive inclusion and skills.

The release of classroom space in the main college will allow other curriculum to grow as well – Health & social care, Science, ICT and Business Management.

### **Next Steps**

- Grant agreement will be developed and signed.
- Further structural reviews will be carried out and building work commissioned.
- Centre to be operational for the 2019/20 academic year.
- Further STEM based proposals to be developed for the unoccupied area.

### **Recommendation**

To approve the release of the remaining £3 million, originally allocated through the Skills Capital funding application process, for the refurbishment of part a building in order to create a new Engineering and Technology Centre at West Suffolk College.





**New Anglia Local Enterprise Partnership Board**  
**Wednesday 23<sup>rd</sup> May 2018**

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**Agenda Item 9**

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**New Anglia LEP: Speculative Investment**

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Author and presenter: Chris Dashper

**Summary**

Since 2012, when the Growing Places Fund was first launched, New Anglia LEP has had the opportunity to support commercial projects with repayable loans.

Due to the requirement to ensure that best value is secured through the use of public funds at minimal risk, the majority of loans made by New Anglia LEP to date have been non-speculative, with either a confirmed end user or occupant or a defined and manageable repayment method in place from the outset.

New Anglia LEP continues to receive regular requests for funding through the Growing Places Fund, many of which could be considered as speculative projects.

In lower risk circumstances, a loan for a speculative project may be appropriate for LEP support. This paper proposes a framework through which the LEP can determine whether it should or should not invest in speculative developments.

The paper also includes a table to calculate the appropriateness of investments in terms of the return received.

**Recommendation**

The Board is recommended to consider using Growing Places Fund and other funds if available to support speculative investments in certain lower risk circumstances.

**Background**

The term 'speculative construction' or 'speculative development' describes a process in which unused land is purchased or a building project is undertaken with no formal commitment from any end users.

Despite the end user being unknown, the developer is confident not only that they will be able to find one but also that the type of development being undertaken is suitable. This contrasts with custom building when a builder is contracted for a specific development by a client who is able to provide a brief of their requirements.

Speculative development does have a degree of notoriety attached to it, from the 1980s in particular where in cities and major growth areas de-regulation of the financial sector and the availability of international financing led to significant commercial developments and property booms.

Examples of speculative construction include:

- Constructing retail space to lease space from or to sell
- Constructing a business park or office space to sell or lease
- Building houses to sell
- Conversion of existing buildings into other uses to lease or sell

Speculative developers typically profit from carefully timing the buying and selling of land or property for development.

Land for office or housing developments can often be purchased at a cheaper rate during a market depression and then sold once developed when the market has recovered. However there is risk in this as the costs are often high, the timescales are long and the consequences of misjudging the market and not finding a buyer can be serious.

Public funding is not traditionally used to support the purchase of land and the LEP would not consider requests to solely support the purchase of land through any of the programmes. The growing issue of land banking is also a reason not to support land purchases.

For any other type of development the LEP already operates a policy of supporting ‘shovel ready’ projects to ensure that funding is not tied into projects that have no chance of an immediate start.

It can be common for speculative developments to remain empty or partially empty for a long time after construction and for developers to suffer financially as a result, which can then have a corresponding impact on the ability to repay any debt finance.

It is rare that large scale speculative developments such as large offices will be undertaken by anyone other than the largest developers as the amount of investment and duration can be prohibitive.

Building companies speculating on small scale industrial developments are more common and of the type that New Anglia LEP has often been approached to support, for example the Malthouse in Ipswich and Atex in Stowmarket.

It is also common with owner-occupied housing, where there is a relatively short build time, limited capital is tied up in the building and there may be greater willingness from commercial banks to extend credit on the security of land holdings. The LEP has had few approaches for such investments because there is a less obvious failure in the traditional funding available in the market.

New Anglia LEP has funded a number of commercial and public projects through repayable loans since the launch of the Growing Places Fund in 2012.

**Table of LEP loans to date**

<b>Project</b>	<b>Loan £</b>	<b>Public / Commercial</b>	<b>Loan type</b>
Haverhill Research Park	£2m	Commercial	Road infrastructure
Barton Mills Roundabout	£500k	Commercial	Road infrastructure
Kesgrave Hall	£300k	Commercial	Commercial business
Kings Lynn Innovation Centre	£2.5m	Public	Innovation Centre
Pasta Foods	£2.4m	Commercial	Commercial business
Peel Estates, North Walsham	£2.3m	Commercial	Housing infrastructure
Ipswich Flood Defence Scheme	£6.6m	Public	Flood defence infrastructure
Ipswich Winerack	£5m	Commercial	Housing infrastructure
Malthouse Ipswich	£600k	Commercial	Commercial business space

Loans have been awarded for a variety of purposes, from unlocking stalled sites with infrastructure, which was the original purpose of the Growing Places Fund, through to the purchase of capital equipment and capital build and flood defences.

To ensure appropriate use of public funding, all loans to date aside from Ipswich Malthouse have been awarded on a non-speculative basis, with either an existing owner or an identified future occupier or a pre-arranged repayment arrangement in place.

Where housing projects have been supported through the Growing Places Fund, the loan has been provided for the infrastructure to unlock the site, not to fund the houses themselves.

The exception to this is the Ipswich Winerack, where the fund has supported a mixture of infrastructure and housing, but only because the Homes and Communities Agency was the senior partner in the project, which reduces the overall risk for the LEP. The deal also included a significant number of pre-sales of flats.

Ipswich Malthouse, which has received agreement for a GPF loan is considered to be a speculative project, because the project had no confirmed future occupiers at the time of approval, however, the project was considered to address a market failure in Ipswich, with a significant level of un-serviced demand for small, easy terms business lets, particularly in a prime location between the railway station and the Princes Street EZ in Ipswich

## **Key considerations**

### **Evidence of demand**

Recent discussions around commercial developments such as the Malthouse in Ipswich and ATEX in Stowmarket suggest that demand for speculative type investment exists and that a market failure remains concerning the ability to secure all necessary funding to commence such developments.

Our Economic Strategy development work has highlighted a shortage of quality office and commercial accommodation in our area.

Furthermore there remains a lack of appetite amongst commercial lenders to provide finance to these schemes. There are a number of factors for this.

Commercial lenders have focused lending on larger projects, in London and the South East and in centres such as Cambridge.

This means that SME developers in Norfolk and Suffolk are finding it harder to secure finance.

Our experience has shown that LEP support is an enabling factor in securing commercial finance.

Consequently, on an appropriate scale and where other factors are met and a strategic benefit exists, a degree of limited speculative commercial investment should be considered by the LEP.

### **Residential vs Commercial investment**

The criteria in this document applies to speculative commercial investments only, unlocking residential developments should be considered a different scale of risk and a more common use of LEP funds, with several residential developments already supported by the LEP in the past.

### **Skills and capabilities**

It is appreciated that appraising speculative developments will require additional skills and capabilities given the increased risks attached.

The LEP's newly appointed Chief Operating Officer Rosanne Wjinberg is leading a review of LEP programme delivery.

This will look at performance of our programmes, reporting mechanisms and will also ensure additional skills and capabilities are added to the existing team. This could be through accessing additional skills on a retainer or as and when basis.

This will include the skills required to analyse and recommend to the LEP Appraisal Committee and LEP Board Investment more complex investments including speculative developments.

### **Financial impact**

A higher proportion of speculative loans completed would have an impact on the overall funding available to the LEP for more traditional interventions. However, speculative loans are likely to be an exceptional request, rather than the standard.

In addition, delivery of our economic strategy ambitions through our programmes is the priority. Speculative investments will be used to supplement programmes only to the extent that they do not prevent them from delivering the promised targets

### **Assessment of applications**

The following list defines the factors recommended to be reviewed each time a speculative investment is being considered:

- Projects should follow the original principles of the Growing Places Fund, with a focus on unlocking stalled sites and addressing market failures
- A suitable site should have been identified and any ownership issues resolved
- Necessary approvals such as planning permission should be in place
- Projects should be of appropriate size and complexity to be considered
- Residual valuation exceeding loan request by appropriate ratio, to be determined by the IAC
- Amount of request should be within LEP preferential limits- the range of investment would be between £300k and £1m.
- Match funding or financing arrangements in place, LEP investment should not be the only source of funding
- Delivery and repayment within a 3-5 year time period
- The market conditions and evidence of need at the time and in the future
- The potential return on investment is commensurate with risk and value
- Comparison with other potential projects to ensure best value
- LEP delivery costs should be recovered from the applicant and the overall benefit to the LEP as a result of investing should at least match the rate of inflation

### Acceptable Return on Investment scoring table

The table below can be used to score applications to provide an initial acceptability assessment of applications for speculative developments.

<b>Acceptable Return on Investment framework scoring values in brackets</b>			
<b>Public or Commercial applicant (a)</b>	<b>LTV % (b)</b>	<b>Period of loan (years) (c)</b>	<b>Interest Rate % (d)</b>
Public: (5)  Commercial: (10)	Less than or equal to 10 (1)	1 Year (1)	2%-3% (8)
	Greater than 10 or less than 20 (2)	2 Years (2)	3%-4% (7)
	Greater than 20 or less than 30 (3)	3 Years (3)	4%-5% (6)
	Greater than 30 or less than 40 (4)	4 Years (4)	5%-6% (5)
	Greater than 40 or less than 50 (5)	5 Years (5)	6%-7% (4)
	Greater than 50 or less than 60 (6)	6 Years (6)	7%-8% (3)
			9%-10% (1)
<b>Scoring (a+b+c+d) Acceptable scoring range 15-24</b>			

Should the above factors be satisfied and the project is considered to be of appropriate type and scale for LEP investment (or the investment requested from the LEP can be scaled in a way that still allows the project to proceed) then a legally binding, secured loan should be considered by the IAC and subsequently by the LEP Board.

### Link to the Economic Strategy

Support to developments of all types through LEP programmes links to the creation of jobs, new homes, support to new and existing businesses and the promotion of growth locations and Enterprise Zones.

The Economic Strategy seeks to influence the creation of high quality commercial space and housing in the right places, along with appropriate infrastructure to support the growth of communities and the places for them to live. Not all such developments are supportable by the traditional finance marketplace, giving the LEP the opportunity to consider investing in certain speculative opportunities.

### Recommendation

The Board is recommended to consider using Growing Places Fund and other funds if available to support speculative investments in certain lower risk circumstances.



## Labour market

Associated Economic Strategy (ES) indicators

**88,000**  
NET NEW JOBS  
BY 2036

**A HIGHER** PROPORTION  
OF PEOPLE ENGAGED IN THE  
LABOUR MARKET  
THAN ACROSS  
THE UK BY 2036

*NOTE: Proxy metrics (used below) are leading indicators used to informally track quarterly trajectory and context - actual progress of ES indicators will be officially reported annually (Feb)*

## Economic output & growth

Associated Economic Strategy (ES) indicators

**GROW OUR ECONOMY BY**  
**£17.5**  
**BILLION**  
IN REAL TERMS BY 2036

**GVA PER HOUR OF**  
**£39**  
BY 2036

*NOTE: Proxy metrics (used below) are leading indicators used to informally track quarterly trajectory and context - actual progress of ES indicators will be officially reported annually (Feb)*

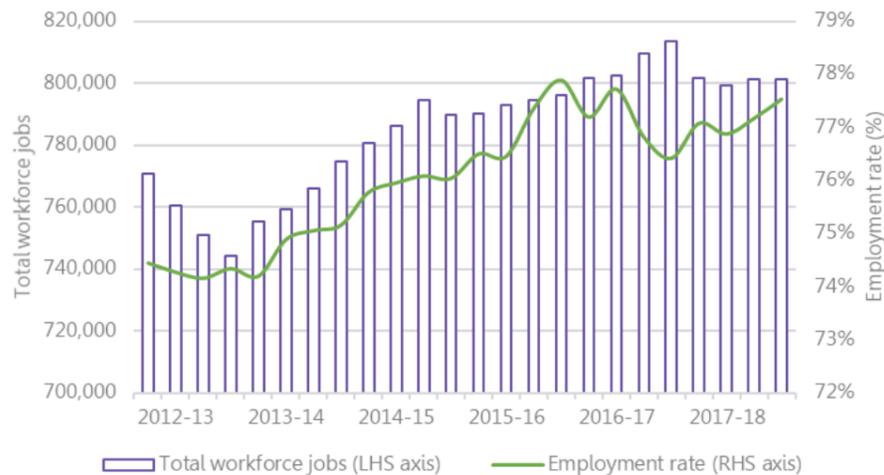
## Housing market

Associated Economic Strategy (ES) indicators

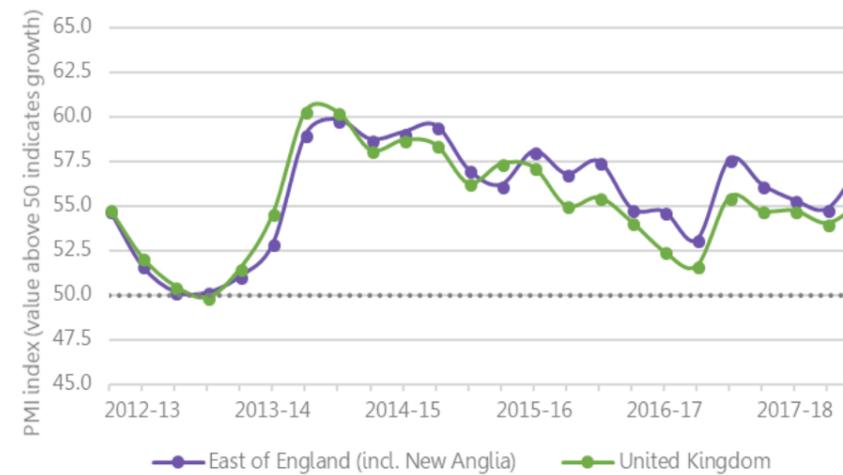
**140,000**  
NEW HOMES  
BY 2036

*NOTE: Proxy metrics (used below) are leading indicators used to informally track quarterly trajectory and context - actual progress of ES indicators will be officially reported annually (Feb)*

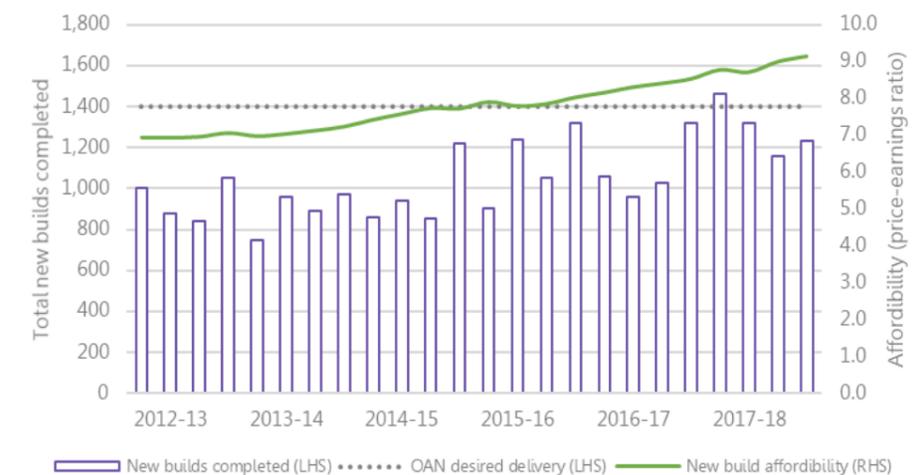
### Employment rate and jobs



### Economic activity - PMI composite index



### Housebuilding and affordability



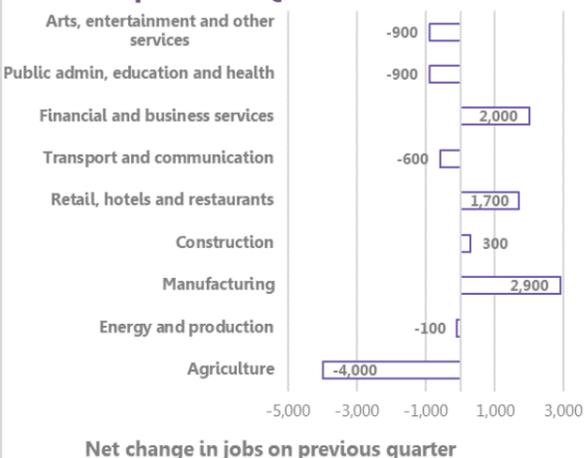
Leading indicators show local labour market conditions continue to recalibrate after a slow start to the year. The employment rate for prime-aged workers remains high (77.5%), particularly compared with historic trends and UK average (75.2%).

However unemployment rates have seen a sharp increase (to 4.6%) - above the UK average (4.4%) - though this has been driven by a positive trend of people re-entering the labour market from (typically long-term) economic inactivity. In fact, economic activity rates (the share of people either in work or looking for work) has reached a record high (82.1%).

### Comparator profile - Q3 17-18

	Employment rate	Unemployment rate
	<i>(and p.p. change on previous quarter)</i>	
<b>New Anglia</b>	<b>77.5%</b> <b>0.3%</b>	<b>4.6%</b> <b>0.7%</b>
East of England	78.2% 0.5%	4.2% 0.6%
East Midlands	75.1% 1.3%	4.1% 0.1%
South East	79.9% 0.1%	3.1% -0.1%
South West	78.6% 1.2%	3.7% 0.1%
United Kingdom	75.2% 0.2%	4.4% 0.1%

### Sectoral profile - Q3 17-18



Job creation remains steadily positive (+300 q-o-q) after a surprising and sudden slowdown at the start of the year (though a large degree of this could be attributable to statistical volatility.)

Progress towards the associated ES indicators could therefore be off to a slower start than anticipated, but with a reassuring pick up heading into the new year.

The regional economy of the East - encompassing Norfolk and Suffolk as well as neighbouring counties - remains one of the strongest performing in the country, according to the IHS Markit Purchasing Managers' Index (PMI).

A recognised barometer of short-term economic activity, an index reading above 50 signals an increase in activity (i.e. growth in economic output), whilst a reading below 50 signals a decline. The greater the divergence from 50, the greater the rate of change indicated.

Between October and December 2017, regional managers reported a significant uplift in economic activity with a PMI reading of 57.3. This remains comfortably ahead of the UK average (55.2—which it has outpaced for much of the post-2012 recovery and resulting growth cycle), and was the 2nd highest rating of all its regions.

This halted three consecutive quarters of easing, but still positive, growth across the region in 2017, which looks like being one of the slowest growing calendar years since 2012. Accompanied by a cooling labour market though, this may indicate some short term improvements to productivity within the regional economy.

Such trends will likely translate into a slower than anticipated start towards the ambition for £17.5bn of additional growth in the local economy, though there are potentially positive signs around the productivity ambition.

### Comparator profile - Q3 17-18

	PMI index reading
	<i>(and index point change on previous quarter)</i>
<b>East of England</b>	<b>57.3</b> <b>2.4</b>
East Midlands	56.0 -0.3
South East	54.8 0.9
South West	53.0 -0.7
London	55.5 2.1
United Kingdom	55.2 1.1

Despite seasonal volatility rates of housebuilding in Norfolk and Suffolk continue to maintain a robust upward trajectory, with the 2017 calendar year averaging the highest rate of quarterly delivery (1,300 new homes per quarter) since the recession.

This rate of delivery remains slightly below, but still within reach, of the OAN (Objectively Assessed Need, which was used to inform setting of the ES indicator) desired delivery for the two counties (some 1,400 new build homes per quarter). Since 2012, this desired level of delivery has been reached in only one quarter (out of 24.)

Demand continues to remain buoyant though, with prices accelerating during the quarter. The 1.6% quarter-on-quarter increase in the average price of a new build property outpaced the UK and regional (including the wider Eastern and South Eastern market) averages, with prices now just shy of the £290,000 mark.

This contributed to an increase in affordability pressures though, with the average new build property now costing just over 9x the gross earnings of the average full time worker in the two counties, a record high, and up from 8x two years previous and above the UK average (also 8x).

### Comparator profile - Q3 17-18

	New builds per 10k residents	Average new build price
	<i>(and % change on previous quarter)</i>	
<b>New Anglia</b>	<b>7.5</b> <b>6.5%</b>	<b>£288,600</b> <b>1.6%</b>
East of England	8.0 9.0%	£356,800 1.1%
East Midlands	6.8 18.7%	£248,100 0.8%
South East	7.7 22.4%	£374,100 0.2%
South West	10.5 25.8%	£293,100 0.8%
United Kingdom	8.6 22.5%	£279,100 0.6%

# New Anglia LEP quarterly economic dashboard - Q3 2017/18

Data as of April 2018

## Business & enterprise

Associated Economic Strategy (ES) indicators



**NOTE:** Proxy metrics (used below) are leading indicators used to informally track quarterly trajectory and context - actual progress of ES indicators will be officially reported annually (Feb)

## Earnings & income

Associated Economic Strategy (ES) indicators



**NOTE:** Proxy metrics (used below) are leading indicators used to informally track quarterly trajectory and context - actual progress of ES indicators will be officially reported annually (Feb)

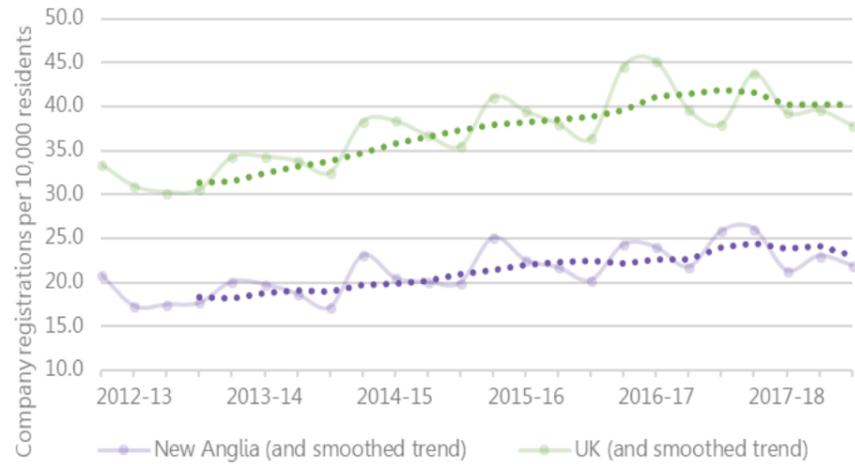
## Skills & qualifications

Associated Economic Strategy (ES) indicators

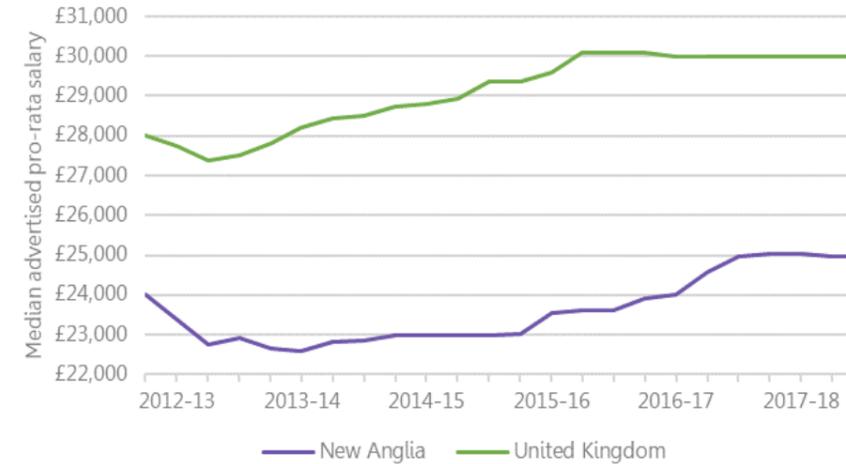


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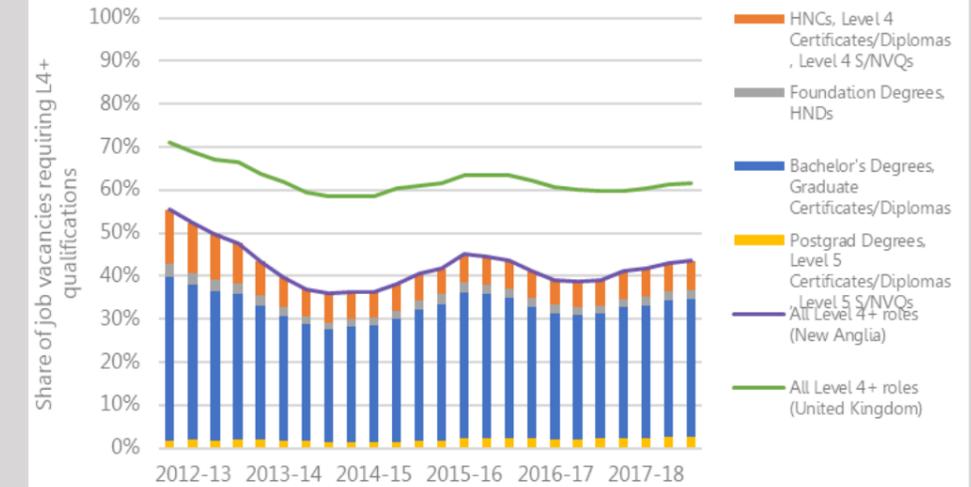
### Enterprise rates



### Median advertised salary of job vacancies



### Share of job vacancies by skill level



After surging post-2012, local enterprise rates have eased over recent quarters (even when accounting for seasonal volatility), though this is replicated across the rest of the country.

A tighter labour market (in particular high employment) and challenging trading conditions in entrepreneurial sectors (such as retail, food and construction) may be contributory factors.

Between October and December, 2,140 businesses were registered in the two counties, equating to 22 registrations per 10,000 residents. This means local residents are some 40% less likely to register a business than those elsewhere in the

### Comparator profile - Q3 17-18

New businesses per 10k working-age residents (and % change on previous quarter)

Region	Rate	% Change
New Anglia	22.0	-4.9%
East of England	30.2	-3.9%
East Midlands	22.6	-36.6%
South East	30.8	-0.3%
South West	22.9	-4.6%
United Kingdom	37.9	-4.5%

country, a gap that has stubbornly persisted in recent years. Within the context of the associated ES indicator, this likely means forthcoming delivery will remain positive but more stable than that experienced previously, and again disappointing compared to national and regional averages.

After consecutive years of relatively robust increases in advertised earnings, growth has experienced a slowdown lately, and this trend continued over the last quarter.

Quarterly growth averaged a stationary 0.0% throughout the 2017 calendar year. Though advertised salaries are only one interaction of wages in the labour market, this trend does highlight the challenge of boosting wages and supporting higher-paid job opportunities locally.

This is a trend that is being replicated elsewhere though; in fact, the median advertised salary across the UK has failed to see any substantial increase over the past two years, whilst some regions have even experienced contractions.

### Comparator profile - Q3 17-18

Median advertised salary of job vacancies (and % change on previous quarter)

Region	Salary (£)	% Change
New Anglia	£25,000	0.0%
East of England	£27,925	-0.3%
East Midlands	£26,875	0.9%
South East	£29,625	-0.3%
South West	£27,500	-0.5%
United Kingdom	£30,000	0.0%

And though median advertised salaries locally are still some 17% below the UK average (£25k against £30k), this gap has closed by some 5 p.p. (percentage points) on the same quarter in 2015. Though this means progress towards the associated ES indicator will likely remain stalled, growth potential remains more positive than large parts of the UK.

Part of Norfolk and Suffolk's 'earnings gap' can be explained by the lower density of highly skilled (and thus higher paying) job opportunities in the two counties. Between October and December, just under half - 46% - of all job opportunities in the two counties required a degree level qualification (Level 4 equivalent and above), compared with 62% across the UK.

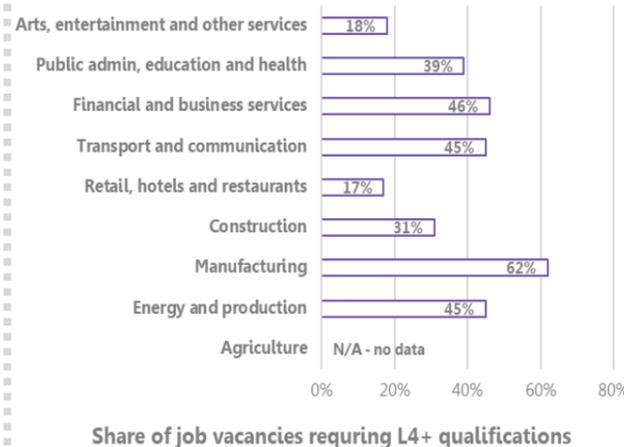
Positively, higher skilled job opportunities are beginning to increase in number after easing off over the 2012-16 period (the slowdown reflecting a relative - though by no means exclusive - shift in job creation to traditionally lower skilled occupations and industries).

### Comparator profile - Q3 17-18

Share of job vacancies requiring L4+ qualifications (and p.p. change on previous quarter)

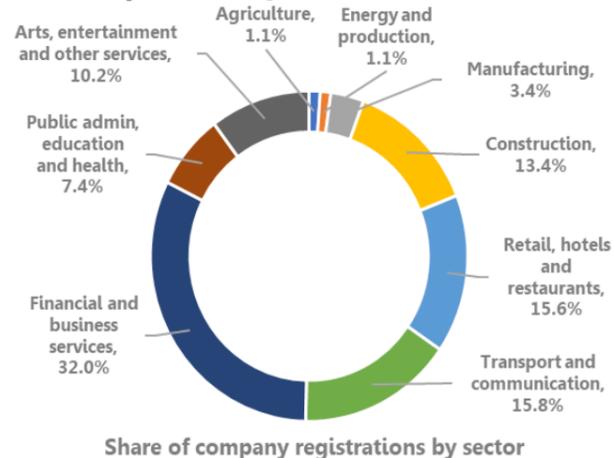
Region	Share (%)	p.p. Change
New Anglia	43.6%	0.7%
East of England	57.0%	0.4%
East Midlands	53.5%	2.9%
South East	58.8%	0.0%
South West	58.0%	1.3%
United Kingdom	61.7%	0.4%

### Sectoral profile - Q3 17-18

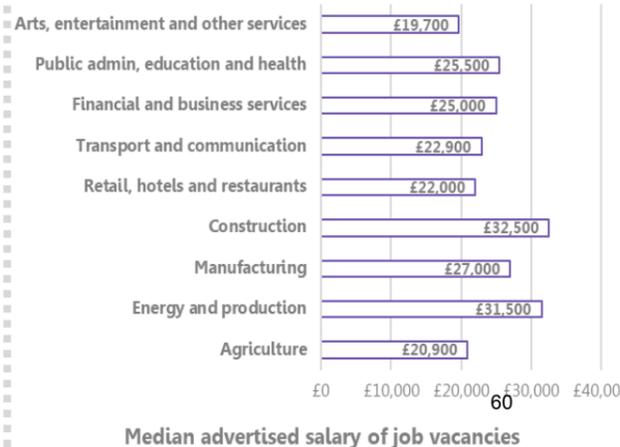


Recent progress has helped the local area 'close the gap' with the rest of the UK though; the gap between the relative share of job opportunities that are highly skilled has closed by 4 p.p. since 2016. The positivity of such short term trends shows potentially faster than expected progress towards the associated ES indicator.

### Sectoral profile - Q3 17-18



### Sectoral profile - Q3 17-18



# New Anglia LEP programme outputs dashboard - Q4 2017/18

Data as of May 2018

## Jobs created

**88,000**  
NET NEW JOBS  
BY 2036

A **HIGHER** PROPORTION  
OF PEOPLE ENGAGED IN THE  
LABOUR MARKET  
THAN ACROSS  
THE UK BY 2036

Primary Economic Strategy (ES) indicators supported

## Private sector investment unlocked

GROW OUR ECONOMY BY  
**£17.5**  
BILLION  
IN REAL TERMS BY 2036

GVA PER HOUR OF  
**£39**  
BY 2036

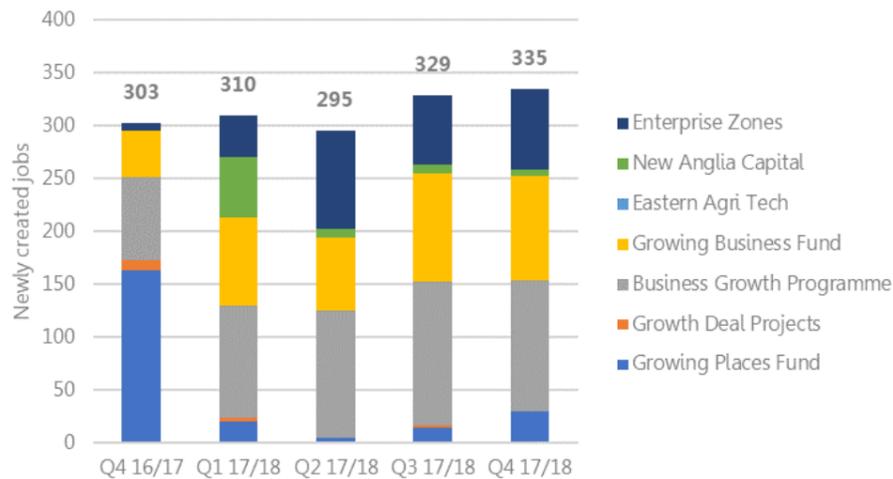
Primary Economic Strategy (ES) indicators supported

## New dwellings supported

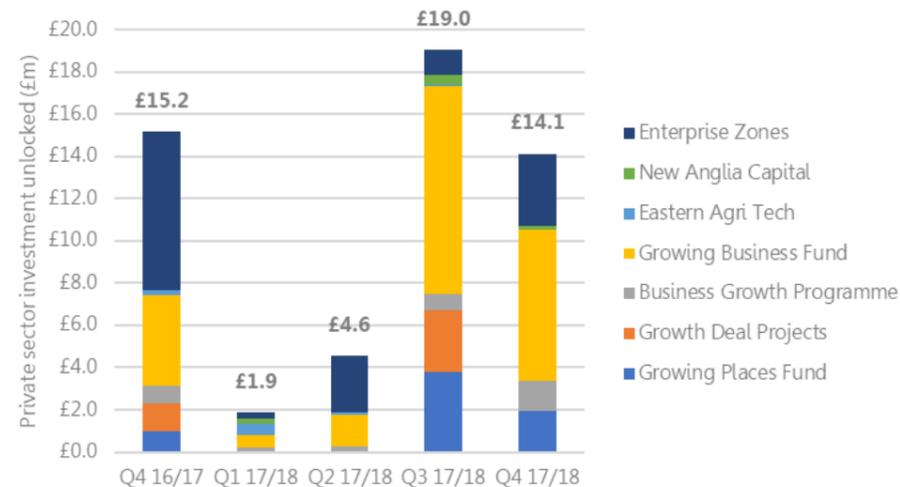
**140,000**  
NEW HOMES  
BY 2036

Primary Economic Strategy (ES) indicators supported

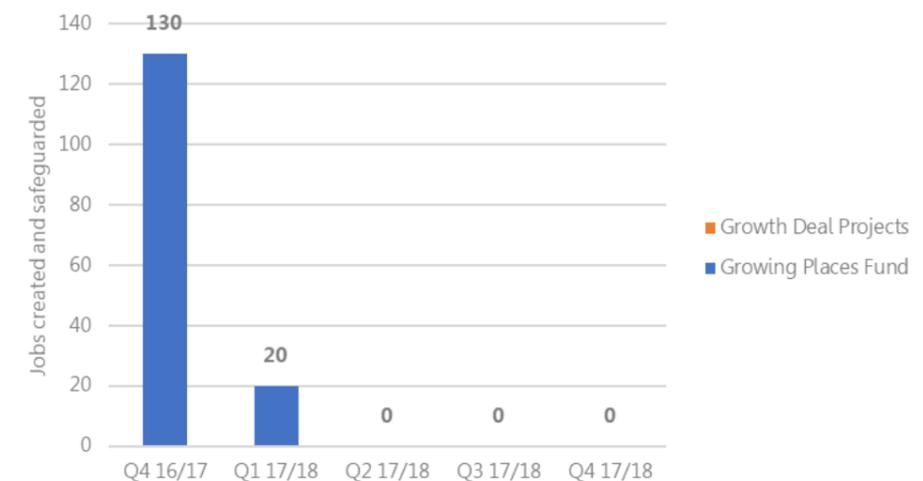
### Newly created jobs by programme



### Private sector investment unlocked by programme



### New dwellings supported by programme



Delivery, this quarter (Q4, Jan-March 2018): **335**

Delivery, year to date (2017-18 financial year): **1,269**

Delivery, cumulative to date (2012-): **6,672**

With a proven track record of creating jobs and supporting employment opportunities in the local economy, LEP programmes have a demonstrable and clearly measurable impact on the ambitions of the ES and associated indicators.

Between January and March 2018, some 335 new jobs were directly created by LEP programmes in Norfolk and Suffolk. Enterprise Zones, Growing Business Fund and Business Growth Programme continue to be the primary drivers, accounting for 90% of all jobs in the quarter.

This means that a total of 1,269 new jobs have been directly created by LEP programmes over 2017-18, marginally ahead of 1,250 new jobs targeted at the start of the year. This was the third consecutive year that the targeted level of delivery been achieved.

Target, this year (2017-18 financial year): **1,250**

Delivery, year to date, as % of target: **102%**

Delivery, this quarter (Q4, Jan-March 2018): **£14.1m**

Delivery, year to date (2017-18 financial year): **£39.6m**

Delivery, cumulative to date (2012-): **£293.0m**

LEP programmes continue to leverage in significant private sector investment, helping to unlock jobs, housing, capital and growth. In fact, the IMF estimates every £1 of private sector investment can stimulate a further £3 of economic growth, highlighting its direct impact on the delivery of the aims and ambitions in the ES.

Delivery was robust in the final quarter after an initially slow start to the year, with the £14m of private sector investment unlocked between January and March, more than the Q1 and Q2 totals combined.

Despite this strong end to the year, the £39.6m of unlocked investment over 2017-18 was a fifth lower than the ambitious annual target of £52.2m.

The lag in the capture of match versus the award of projects may explain this shortfall, meaning projected delivery - rather than not being achieved - will not be captured in the data until future reporting periods (i.e. 2018-19.)

Target, this year (2017-18 financial year): **£52.2m**

Delivery, year to date, as % of target: **76%**

Delivery, this quarter (Q4, Jan-March 2018): **0**

Delivery, year to date (2017-18 financial year): **20**

Delivery, cumulative to date (2012-): **549**

Though typically small-scale and limited in terms of direct tangible outputs, LEP programmes still have a demonstrable role in supporting the delivery of new homes and leveraging in resources to unlock sites and development.

After a spike in delivery last year (attributable to a large-scale development in North Walsham) delivery throughout the 2017-18 financial year has remained subdued, though this specific output does often follow a volatile pattern of delivery.

The 20 new dwellings supported in Q1 was therefore the only delivery for the year, meaning annual delivery was only a third of the annual target of 60 new dwellings.

Some of this shortfall is expected to be captured in next years delivery though, with a number of LEP-supported projects (e.g. Winerack) soon to come online.

Target, this year (2017-18 financial year): **60**

Delivery, year to date, as % of target: **33%**

# New Anglia LEP programme outputs dashboard - Q4 2017/18

Data as of May 2018

## New businesses created

**30,000**  
NEW SUCCESSFUL  
BUSINESSES BY 2036



Primary Economic Strategy (ES) indicators supported

## Jobs paying above the median salary\*

INCREASED  
MEDIAN WAGES BY  
**£200**  
MORE PER  
WEEK BY 2036



Primary Economic Strategy (ES) indicators supported

## Learners & apprenticeships supported

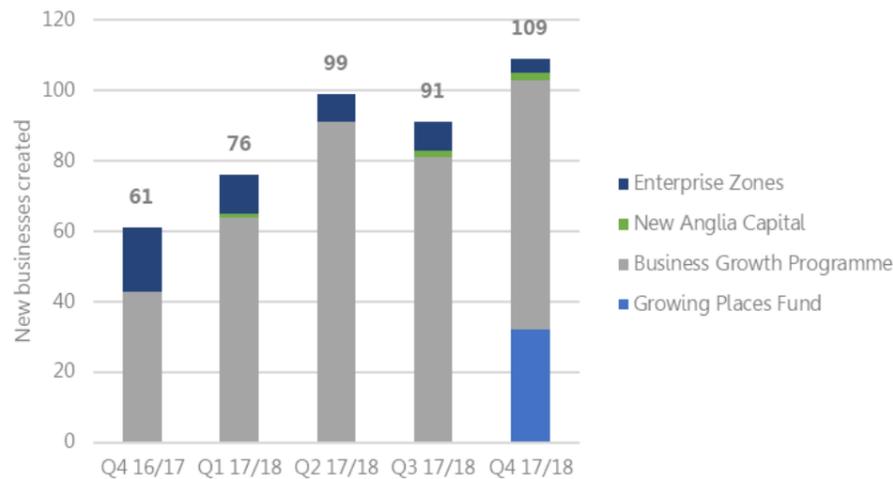
**66%**  
OF THE  
POPULATION  
WITH NVQ3+  
BY 2036



**88,000**  
NET NEW JOBS  
BY 2036

Primary Economic Strategy (ES) indicators supported

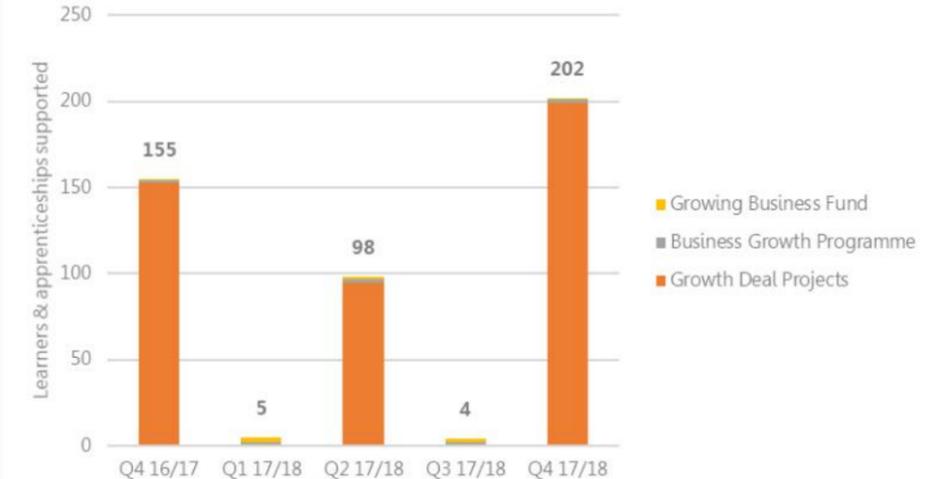
### New businesses created by programme



### Share of jobs paying above the median salary



### Learners & apprenticeships supported by programme



Delivery, this quarter (Q4, Jan-March 2018): **109**

Delivery, year to date (2017-18 financial year): **375**

Delivery, cumulative to date (2012-): **921**

The scale and breadth of the LEPs activity within enterprise support means it has a vital and unrivalled role to play in supporting and stimulating the uplift in enterprise required to achieve the aims and ambitions of the ES.

Quarterly delivery continued its strong upward momentum, with LEP programmes supporting the creation of 109 new businesses in the final quarter of the year. Growing Places Fund and its investment in new enterprise hubs at NUA and Holkham Hall underpinned the above-average delivery for the quarter.

This strong performance over 2017-18 therefore saw a total of 375 new businesses created through the support of LEP programmes, comfortably achieving the target of 250 set at the start of the year. Almost a 1,000 new businesses have now been created by LEP programmes since 2012.

Target, this year (2017-18 financial year): **250**

Delivery, year to date, as % of target: **150%**

Delivery, this quarter (Q4, Jan-March 2018): **37%**

Delivery, year to date (2017-18 financial year): **28%**

Delivery, cumulative to date (2017-): **28%**

Delivering quality jobs through its programmes and interventions - particularly in terms of remuneration - is important for the LEP to achieve the aims and ambitions around inclusive growth and its associated ES indicators.

Between January and March, 37% of new LEP-supported jobs\* were paying above the median wage as a starting salary. This was the highest quarterly tally recorded yet, and above the 26% average for the preceding quarters.

This translates into an average share of 28% over 2017-18. Since this is a newly reported output, adopted mid-way through the year, no targets were set at the start of the year. As such, there is no official progress or a target to report against.

*\*Please note currently data is only available for two LEP programmes; Growing Business Fund and the Business Growth Programme. Stated totals may therefore not be reflective of LEP delivery as a whole.*

Target, this year (2017-18 financial year): **N/A**

Delivery, year to date, as % of target: **-**

Delivery, this quarter (Q4, Jan-March 2018): **202**

Delivery, year to date (2017-18 financial year): **309**

Delivery, cumulative to date (2012-): **823**

LEP programmes play an important role in creating and supporting new learners and apprenticeships, ensuring a demonstrable impact on the ambitious skills-related aims of the ES and associated indicators.

Some 202 new learners and apprenticeships were supported in the final quarter of the year, which was more than the other three quarters of the year combined.

For the 2017-18 financial year, a total of 309 new learners and apprenticeships have been supported, which, though a record amount of annual delivery, was marginally below the target of 350 for the year.

This target was however set a number of years previous, and will not have taken account of short term trends and contextual factors associated with specific projects and programmes. The lag in the capture of outputs could also explain some of this shortfall.

Target, this year (2017-18 financial year): **350**

Delivery, year to date, as % of target: **88%**



**New Anglia Local Enterprise Partnership Board**  
**23<sup>rd</sup> May 2018**

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**Agenda Item 12**

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**PwC Governance Review – implementation progress report**

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Author: Chris Starkie

**Summary**

This report summarises progress being made on the implementation of the review conducted by PwC into the Governance and Operations of the LEP.

**Recommendation**

The board is asked to endorse the report and next steps to complete the implementation of the PwC review.

**Background**

Last spring the LEP board commissioned PwC to conduct a review of the LEP's governance and operations.

In July the LEP board accepted PwC's report which made 21 recommendations covering the board, governance, and the organisation.

Since then recommendations have been steadily implemented, in tandem with recommendations from the Government's own review into LEP governance conducted by Mary Ney.

At each subsequent board meeting a spread sheet was attached to the chief executive's report summarising progress and steps still to be taken.

**Key Considerations**

So far 14 of the 21 recommendations have been implemented in full, with progress made against the remaining seven.

Key implementation steps taken include:

- Creation of posts of chief executive officer and chief operating officer
- Creation of single Investment Appraisal Committee
- Creation of Audit and Risk Committee
- Repurposing of Performance and Risk Committee as Management Committee
- Review of the focus of board meetings including changes to board papers ensuring closer alignment to economic strategy
- Development of a register of decisions for the board and tier one committees
- Developing a policy on deputisation for board members
- Undertaken a review of the Assurance framework

- Developed a LEP scheme of delegation
- Reviewed governance arrangements for LEP on New Anglia Capital
- Developed new clearer and more transparent project appraisal processes
- Developed a more detailed methodology for project identification, commissioning and prioritisation
- Consider the skills mix of individuals when recruiting to the executive team
- Look to explore opportunities to share skills with other LEPs

## Next Steps

There are still a number of recommendations which are all on track – but are yet to be completed.

These are:

1. Develop a board member handbook and develop board effectiveness training.

The board member handbook has been completed and will be circulated shortly. For board member training, we are proposing to wait for the outcome of the Government's review of LEPs in the summer where there are expected to be some recommendations in this area.

2. Formalise the reporting process from the sub-committees, boards and groups to the board.

This has been partially completed through the review of tier one groups and committees, each of whom now have updated terms of reference.

We are proposing to begin the tier two review, which will include sector groups, and topic groups such as our innovation board as well as place groups such as Ipswich Vision.

Over the coming weeks the LEP executive will be consulting with these groups and other stakeholders to understand how they are currently reporting to the LEP board and how they believe they should be.

We will then bring a report to the LEP board in the autumn for consideration.

3. The formal risk management process, as outlined in the Assurance Framework, should be validated by the Board

This has been partially completed through the establishment of the audit and risk committee. The committee, supported by the LEP's new COO, will now develop a risk register containing corporate and operational risks. The committee will bring recommendations on reporting and escalation mechanisms back to the LEP board for agreement.

4. The LEP may wish to consider opening board meetings to the public

This is due to be discussed in a board meeting in Q3 2018. The Government's review of LEPs is considering this issue and is due to report in the summer. It is logical therefore for a report to be brought once the review is published.

5. Review of Business Performance Reports

This area covers three separate recommendations and includes the format of business performance reports, the development of a business and financial dashboard, improved RAG ratings of projects and processes for escalation of issues and slippages with projects.

The LEP's new COO is conducting a review of LEP projects performance which will cover these areas, beginning with the format of BPRs. This review and its implementation will be complete by the autumn.

## **Recommendation**

The board is asked to endorse the report and next steps to complete the implementation of the PwC review.

Appendix 1 – PwC review implementation plan.



## Agenda Item 12 - Appendix 1

### Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
<b>1. Board</b>					
<p><b>1. Review the options available to the board to ensure transitional arrangements are made for the handover of activities currently undertaken by the existing chair.</b> Options may include one or a combination of the following:</p> <ul style="list-style-type: none"> <li>• Re-allocation of strategic and representative duties to other Board members.</li> <li>• Creation of the position of a Deputy Chair(s)</li> <li>• Or creation of a new executive position focused on delivery of some of the activities currently undertaken by the Chair.</li> </ul>	<b>High</b>	Board	<ul style="list-style-type: none"> <li>• Chair to have discussion with individual board members.</li> <li>• Organisation to be reviewed – CEO / COO roles to be agreed</li> </ul>	Complete	Rosanne Wjinberg appointed as COO
<p><b>2. Undertake a review of the current committees and groups</b>, including their roles and responsibilities, in order to simplify the governance structure of the organisation and to improve the transparency of the decision making process. In particular, consideration should be made with respect to:</p> <ul style="list-style-type: none"> <li>• Creation of a single Investment Committee, responsible for assessment of all investment proposals (perhaps with the exception of Micro Grant bids);</li> <li>• Review the purpose of the Performance and Risk Committee within NALEP governance structure and clarify the rationale for the Board Members attendance at the Committee. This should include consideration if the committee should continue to operate as a Board Committee or a management group.</li> <li>• Review the quality of the Committee outputs for the Board to ensure the Board has clarity over the Committee’s activities.</li> </ul>	<b>Medium</b>	Exec	<p>Once economic strategy published in October:</p> <ul style="list-style-type: none"> <li>• Review committees, sub-board and groups to ensure they align with priorities</li> <li>• Design reporting structure for committees, sub-board and groups</li> </ul>	Complete	
<p><b>3. Review the focus of the Board</b>, including the Board papers, to ensure balance between providing strategic focus and vision to NALEP and reviewing operational matters and decisions. Review the format and content of the Board papers and management information reported to the Board in order to increase quality of the Board reporting.</p>	<b>Medium</b>	Board	Chair to work with Exec team to align Board meetings with ambitions detailed in economic strategy	Complete	
<p><b>4. Develop a register of decisions</b>, with particular focus on funding decisions. Develop a scheme of delegation for the Board, sub-boards and committees and the executive team. Review the annual Board planning calendar to establish key decision points for the Board, while ensuring flexibility for decision making is maintained. (Recommendation repeated in Governance section)</p>	<b>Medium</b>	Exec	<ul style="list-style-type: none"> <li>• Determine scope and timeframe of decisions to include on register</li> <li>• Prepare register of decisions</li> </ul>	Complete	Register of decisions now standing item at board meetings. Board forward plan a standing item at all Board meetings

## Agenda Item 12

### Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
5. Ensure that there is a process in place to <b>escalate and address issues of persistent non-attendance</b> and lack of engagement, that may result in skills shortages at the Board. Deputisation should continue to be considered unacceptable.	Medium	Board	Chair to prepare paper for Board discussion on deputisation.	Complete	
6. <b>Develop a Board Member handbook</b> that would provide new Board members with guidance on the operations of the Board and NALEP, the governance structures and decision making. This should include the explanation of NALEP duties for meeting the requirements for appropriate spending of public funds and ensuring value for money, and the list of the Nolan principles.	Medium	Exec	<ul style="list-style-type: none"> <li>Discuss current process with new Board members and incorporate lessons learnt into process going forward</li> </ul>	Complete	Handbook complete
7. You may also wish to consider a rehearsal or implementation of standard <b>Board effectiveness training</b> as well as a practical training session for those in a scrutiny role. This could ensure greater consistency of understanding between members from differing backgrounds (private / public / education).	Medium	Exec	<ul style="list-style-type: none"> <li>Review need for Board effectiveness training once new organisation, committee and reporting structure is in place</li> </ul>	On track	Training programme will be developed following outcome of LEP Review
<b>2. Governance</b>					
8. <b>Undertake a comprehensive review of the Assurance Framework</b> to ensure that it reflects the organisational structure and provides a clear and transparent view of the decision making process at NALEP.	High	Board/ Exec	Once economic strategy published in October <ul style="list-style-type: none"> <li>Review committees, sub-board and groups to ensure they align with priorities and update Assurance Framework</li> </ul>	Complete	Updated Assurance Framework published
9. <b>Formalise the reporting process from the sub-committees, boards and groups to the Board</b> on the activities undertaken by those bodies. Such updates can range from a regular formal update papers with request to scrutinise and approve decisions, to an annual or bi-annual presentation on activities undertaken by the sector groups.	High	Board/ Exec	Once economic strategy published in October <ul style="list-style-type: none"> <li>Review committees, sub-board and groups to ensure they align with priorities</li> <li>Design reporting structure for committees, sub-board and groups</li> </ul>	On track	Partially completed with tier one review. To continue through tier two structure review

## Agenda Item 12

### Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
<b>10. The formal risk management process, as outlined in the Assurance Framework, should be validated by the Board.</b> This will include clarity over the aggregation and escalation of risk. A routine and dynamic assessment of risk should be implemented (quarterly reviews by the Board are considered good practice). Part of this exercise should include horizon scanning and the identification of current and future mitigation activities as well as assurances obtained. The annual development of a risk derived assurance map will allow the Board focus resources as required. A succinct format of reporting risks should be developed and agreed with the Board to ensure strategic focus is maintained.	High	Board	<ul style="list-style-type: none"> <li>Review risk register in light of new economic strategy</li> <li>Create a task / finish group to include members of the Executive and Board to agree format of risk reporting</li> </ul>	On track	Audit and Risk committee established to take action forward. Risk Register to be split into Corporate and Operational. Corporate owned by Audit and Risk Committee. Operational by Management Committee
<b>11. Clearly define a NALEP scheme of delegation.</b> Articulate the change management process, including the need for re-submission to the Board in case of significant changes to the approved Growth Deal schemes.	Medium		Component part of reviewing committees, sub-board and groups to ensure they align with priorities	Complete	Scheme of Delegation approved at March board
<b>12. Review the governance arrangements for NALEP representation on the New Anglia Capital board,</b> and the feedback mechanism to update NALEP Board on the New Anglia Capital activities on regular basis (currently monthly).	Low		Component part of reviewing committees, sub-board and groups to ensure they align with priorities	Complete	Approved at January board
<b>13. In future, NALEP may wish to consider opening the Board meetings to public,</b> or operating a public forum system enabling public to ask questions relevant to the Board agenda. However, any such changes need to be assessed, and may require a restructure of the Board agenda and papers in order to protect confidential information.	Low		Chair to prepare paper for Board discussion on transparency	On Track	Board discussion to follow outcome of LEP Review
<b>3. Organisation</b>					
<b>14. While we appreciate there are differences between the different types of funding provided by NALEP, the existing appraisal processes should be reviewed</b> in order to seek synergies and improve efficiency. The existing funding appraisal documentation should be reviewed and further developed to identify clear criteria for the bids assessment, including clear requirements for assessment of value for money.	High	Exec	New appraisal mechanism being developed as part of Economic Strategy implementation	Complete	Changes introduced as part of Capital Growth Programme Investment round.

## Agenda Item 12

### Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
<b>15. The creation of a new structure</b> should be considered in order to provide total focus on the design and implementation of the strategic vision. In turn this will enable the Board to move away from input into LEP operations and re-focus on strategic leadership of the organisation. (also recommended in team section)	High		Organisation to be reviewed – CEO / COO roles to be agreed	Complete	
<b>16. Develop a more detailed (and where feasible, standardised) methodology for the project identification, commissioning, appraisal and prioritisation</b> , including clear criteria for ensuring value for money is robustly scrutinised during the project assessment. Review the existing project pipeline to ensure the proposed projects clearly identify how they meet value for money criteria. Develop methodology for benefits realisation assessment for projects that have been completed for Growth Deal but also for projects funded from other LEP funds.	Medium	Exec	New appraisal mechanism being developed as part of Economic Strategy implementation	Complete	Changes agreed as part of Capital Growth Programme investment round
<b>17. We recommend NALEP executive team:</b> <ul style="list-style-type: none"> <li>Reviews the format of the Business Performance reporting in order to summarise and simplify the programme reporting, with a succinct report for the Board supported by further detail in the report appendix.</li> <li>Develops an integrated business dashboard which will provide overview of the project positions and outline key matters for the Board to focus on. It which would include information on the Growth Deal and other funding programmes, but also on the status of the project pipeline and the outputs measured for the funded projects. The dashboard should be linked to the strategic objectives, and could provide further analysis for the high profile programmes (such as the Growth Deal transport or skills projects).</li> <li>Develops a financial dashboard could show the financial position of NALEP and performance against the budget, but also show available funding and future spending profiles.</li> </ul>	Medium	Exec	Chair to work with exec team on format of new board papers and integrated dashboards	On Track	New board papers begin being introduced during remainder of 2017 and 2018. COO to focus on new dashboards
<b>18. Develop a more detailed methodology for RAG rating and escalation of issues with individual projects.</b> The methodology should include robust quantitative assessment of changes such as delays to key milestones and impact on completion, changes to spend profile and re-profiling of funding across financial years, changes to outputs and predicted benefits, and cumulative impact. Linkage to the risk management system is encouraged for good practice.	Medium		New appraisal mechanism being developed as part of Economic Strategy implementation	On Track	Under development by new COO

## Agenda Item 12

### Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
19. Confirm with the Board the methodology for escalation of slippages to the Board's attention.	Medium		Component part of reviewing committees, sub-board and groups to ensure they align with priorities	On Track	Under development by COO
20. The Board and Exec team should consider both the skills mix and backgrounds of individuals as part of any new recruitment exercises to ensure a mix of private and public sector experience is achieved. Whilst there are wider issues with recruitment from the private sector (e.g. pay rates), this should help to ensure that there continues to be a rich mix of experience within the Executive team as the LEP grows further.	Medium	Exec	Approach to recruitment already in place with a policy recruitment policy designed to attract recruits from a mix of backgrounds	Complete	
21. The Board and Executive team should continue to explore opportunities to share skills and collaborate on strategy delivery with other LEPs.	Medium	Exec	Work already underway. Executive already regularly meets with neighbouring LEPs and LEP MD and senior team playing a key role in the LEP Network – sharing best practice with fellow LEPs.	Complete	



## Summary

This report provides an overview of LEP team activities since the April board meeting

## Recommendation

The board is asked to note to contents of the report

### LEP Programmes Delivery

#### Growth Deal

The Growth Deal team are focussed on delivering outturn of £12m in Q1 of the 2018/19 financial year. Discussions are ongoing with delivery partners to ensure that this level of spend is delivered on projects before July 2018.

The team have also completed the follow-up review of the Capital Growth Programme and made recommendations to the LEP Board to allocate the remaining funding from the October 2017 Call for Projects.

The remaining Growth Deal funding will then be allocated through a further call in the autumn of 2018, with all funding to be spent by projects by March 2021.

#### Progress of current Growth Deal projects

There are 24 live Growth Deal projects/programmes. No projects have Red status and 11 have Amber status.

Amber means projects are delayed either in terms of spend against original profile or against their original delivery timeframe.

Amounts given below in brackets refer to the total Growth Deal grant amount and then the provisional budgeted allocation for 2018/19 (currently being reviewed to ensure accuracy).

**Amber: Attleborough Sustainable Transport Package** (£4.6m - £2.055m) – major slippage occurred due to delays associated with the public consultation, with £1.2m of funds moved backward into the 2018/19 financial year.

**Amber: Great Yarmouth Transport Package** (£8.875m - £2.690m) – delivery of cycle and pedestrian schemes has improved following delays due to extensive consultation. There was significant slippage of spend in 2017/18.

**Amber: A47/A1074 Longwater Junction, Norwich** (£2m - £0.252m) – the project has been further delayed by land acquisition, but it is scheduled for delivery by 2019 with the remainder of the LEP funding being claimed early this financial year.

**Amber: Norwich Area Transportation Strategy - City Centre Package** (£7.350m-£2.85m)– Although we anticipate an overall overspend, the project is ‘amber’ as delivery of Phase 3, the Prince of Wales Road and Rose Lane gyratory, was delayed pending public consultation, and requires further extension to the funding timeline.



**Amber: Norwich Area Transportation Strategy - A11 Corridor** (£3.825m- £1.85) – work is in progress. The project is ‘amber’ as there has been slippage in delivery due to an unexpected requirement for land acquisition (for cycle way) & changes to parking restrictions.

**Amber: Beccles Southern Relief Road** (£5m - £1.285m) – works started in August 2017 and is expected to take one year to complete. Project delivery was delayed in early 2018 due to conditions, but has now accelerated and is expected to claim all remaining grant by summer 2018. Rated as amber as delayed from original timetable.

**Amber: Lowestoft Flood Alleviation Scheme** (£10m - £4m) - the project is in progress, although the delivery schedule and expenditure had slipped. Detailed design is underway with a further outline business case to be submitted to the Environment Agency in Summer 2018. Progress has been made with the Grant Agreement, which should be in place in Spring 2018.

**Amber: Ely Area Rail Enhancement Scheme** (£3.3m -£2.148m) - The legal agreement is now in place and the first grant claim is paid. Despite some delays the project is back on track timewise and therefore next month should be reclassified as green.

**Amber: Enterprise Zone Accelerator Fund** (£15m -£3.5m) – The funding will support a variety of projects including the construction of the new headquarters for Proserv at Beacon Park Enterprise Zone. Loan Agreement for this should have been in place by the end of April 2018. Second project in development phase. Amber as may not spend all allocation in this financial year.

**Amber: West Suffolk College Engineering and Innovation Centre** (£7m- £3m) – Phase One is complete, the premises & site has been acquired using Growth Deal funds. Phase Two is now focusing on refurbishment of the building. After a delay to occupation, the detailed application has been developed for consideration by the LEP Board. Development has been slower than anticipated following queries arising during the LEP appraisal hence amber rating.

**Amber: East Coast College Energy Skills & Engineering Centre** (£10m -£8.443m) – the LEP Board approved this project in May 2017. Works began in Autumn 2017 and an initial drawdown of grant has taken place, but delivery has been delayed and the completion is not now expected until summer 2019, at least 6 months behind the original schedule. Hence amber rating.

## New Anglia Growth Programme

The Growth Programme continues to deliver well against the programme outputs. The Growth Programme includes the New Anglia Growth Hub, New Anglia Small Grants scheme and start up programmes run by NWES and MENTA.

Recent highlights include:

- The Growth Hub has now engaged with over 7,200 businesses since the Growth Programme began.
- Total value of small grants now awarded through the programme now stands at £1.76m, an over-commitment of £229k.



- Private match funding generated by the Small Grant Scheme is now forecast to exceed £7.27m
- Payments made on the grant scheme now total more than £775k.

Progress on payments on the grant scheme is of particular importance as this was lagging behind target and a cause for concern.

Whilst the target for awarding grants to businesses had been exceeded – there has been a delay in businesses claiming this funding.

Following a focused effort by the team working more intensively with applicants, payments have now ramped up to a rate which now puts the programme back on track for delivery. It will be critical to maintain this momentum which has been achieved by close working with claimants.

Government has now confirmed that New Anglia LEP can submit a Project Change Request (PCR) for the extension to the programme. The information required for the PCR has been defined and the delivery team are preparing the submission to allow the extension of the programme beyond August 2018.

The change request will cover 3 further years of operation of the programme, but if approved, the project will be reviewed after 1 year, with the subsequent years subject to satisfactory performance. The required funding for these years will be ring-fenced to the Growth Programme.

### **Growing Places Fund**

The Winerack in Ipswich continues to progress and is now showing significant signs of development, with scaffolding and a new tower crane now in place.

Chris Starkie and David Ellesmere joined representatives from the Homes and Communities Agency including Chief Executive Nick Walkley at an event at the site on 11 May, with many of the guests scaling the tower for photos at the top.

The project continues to draw against its Growing Places Fund loan allocation, with £2.1m of the £5m award requested to date and a further £2m expected to be drawn down during this financial year.

Also in Ipswich, the Malthouse project near the railway station is now covered in scaffolding and the development of the site into a new business incubator unit supported by a £600k Growing Places Fund is underway. A further loan proposal is due for consideration under item 10.

### **LEP Governance**

#### **Audit & Risk Committee**

Members of the LEP Board and executive team were asked to consider the appointment of an independent Chair. An introductory meeting was held with Nick Banks of Scrutton



Bland on 10 May and the committee would now like to recommend his appointment to the role of Chair, Audit and Risk Committee.

The first meeting of the Audit and Risk Committee has been scheduled for late June. At this meeting the auditors will present the Financial Statements to the committee for review with the objective that they be presented to the LEP Board in July for approval. A proposal on Risk management will also be taken to that meeting.

At the April Board meeting a review of the LEP’s auditors was agreed. A process for this exercise has now been proposed. The LEP team will invite between 4 and 6 audit firms to submit proposals and quote.

The shortlisted candidates (2 to 3) will then be asked to present to members of the Audit and Risk Committee – and a recommendation will then be put to the LEP Board for approval at the Annual General Meeting.

### **LEP Strategy Team**

#### **Eastern Institute of Technology**

Work has continued to develop the Eastern Institute of Technology proposal in preparation for stage two for the competition. An announcement on stage one of the competition has been delayed but is expected by the end of May. Those bids who are successful will be invited to submit detailed business plans in the summer with an announcement of successful bids expected by the end of the year.

Momentum has been built over the last couple of weeks through a variety of meetings and the development of a proposal brochure. Easton and Otley College are the fifth college to join the partnership and providing strength the Agri-Tech offer of the EIoT.

On the 9<sup>th</sup> May West Suffolk College hosted a dinner, chaired by Doug Field, which brought together all EIoT partners to discuss how the collective expertise can be used to develop the proposition into a compelling case for Government ready for the next stage of the competition.

An Employer Expert panel has been set up which has representatives from each of the anchor employers. The panel will provide technical expertise to help with developing the business plan. The proposal team consisting of representatives from the five colleges and is led by the LEP are already working on the enhanced business plan.

#### **Economic Strategy Summit**

Just over 70 representatives from local authorities and business intermediaries attended the Economic Strategy Summit on 2<sup>nd</sup> May. The aim of the session was to seek input from partners on the development of the Economic Strategy high level delivery plan.



The event was energised, and some good ideas were identified. The delivery plan will continue to be developed over the coming weeks and will be presented to the LEP board in September.

### **Local Digital Skills Partnership Pilot**

The LEP is leading on the development of a proposal to become one of government’s Local Digital Skills Partnership pilots. The department of Digital Culture Media and Sport are looking to work with a handful of LEPs to set up Local Digital Skills Partnerships - a collection of organisations and people with the desire and great ideas to help everyone in their area get the digital skills they need.

We are well placed to secure pilot status as we already have partnership in place. The New Anglia Digital Tech Taskforce was set up because of the LEP’s Sector Skills Plan, it is led by TechEast and has representatives from industry, education and public sector.

Securing a LDSP pilot would enable us to accelerate the work of the taskforce and provide a small amount of funding to appoint a co-ordinator and pilot interventions.

Deadline for proposals is 18<sup>th</sup> May with outcomes expected in June.

### **Careers Hub Bid**

We are developing a bid to run one of the Careers and Enterprise Company’s (CEC) Careers Hubs. A Careers Hub is a group of 20 to 40 schools and colleges in an area, working with education and training providers, employers and career professionals to deliver the Gatsby Benchmarks ([www.gatsby.org.uk](http://www.gatsby.org.uk)).

20 areas will be selected to become Hubs. Each Hub will be supported with a Hub Lead, Enterprise Coordinators and other resources.

Our model is a virtual hub linking up and expanding on the two Opportunity Areas in Norwich and Ipswich. It includes schools and colleges along the A140 and A14 catchment area. The Hub will work enable the sharing of best practice in careers advice, accelerating the work of the Enterprise Adviser Network and strengthening the reporting structures set up and monitored by the CEC.

Deadline for submissions is May 25<sup>th</sup>, followed by an interview of which ours is on June 11<sup>th</sup> with a decision made at the end of June. It is expected the work of the hub will then start in the summer.

### **Opportunity Area summit**

Chris Starkie, along with LEP board member Nikos Savvas, participated in a summit for the three East of England Opportunity Areas – Ipswich, Norwich and Fenland/East Cambs.

It was an opportunity to consider more opportunities for collaboration between the three areas, with a particular opportunity for greater working between the colleges.

### **Brexit Action Plan**

Work continues on developing the Brexit Action Plan with the two County Councils. The action plan builds upon the 8-point action plan that was agreed at the LEP’s Board meeting in February.

James Allen, Growth Manager, has liaised with local authorities and business intermediaries to gather the latest intelligence and evolve the intelligence log to ensure relevant information is being captured and shared.

### **LEP Innovation Activity**

#### **Strength in Places Fund**

UK Research and Innovation (UKRI) are expected to launch the ‘Strength in Places Fund’ any day now. The £115m competitive fund was announced in the Industrial Strategy White Paper in November 2017.

The fund aims to support collaborative programmes based on research and innovation excellence in places right across the UK, which can demonstrate a strong impact on local productivity and enhance collaboration between universities, research organisations, businesses, local government and LEPs in England and relevant agencies in the devolved nations.

The LEP will be working with partners to develop bids however it is not expected that LEPs will be the lead applicants. UKIR are holding an event in Norwich on 24<sup>th</sup> May where they will provide more information on the competition and expectations on bids.

#### **Innovate UK**

New Anglia LEP participated in the Innovate UK event at Adastral Park on 20 April 2018. The focus of the event was on how BT’s global research hub could facilitate Innovation and Investment as the economy moves to the Fourth Industrial Revolution (or Industry 4.0).

Tim Whitley spoke on ‘purposeful innovation’, an approach which combines science and engineering with a specific problem-solving purpose. He also highlighted some of BT (an anchor tenant for Adastral Park)’s achievements, including ranking 3<sup>rd</sup> in the UK for spend on Research & Development, and how their patent portfolio has reached nearly 5,000. Various sessions focused on developing Innovation allowing for world-leading advantage for the UK, demonstrating sectors and strengths from the Science & Innovation Audit for the East of England, which could further progress with the right funding and investment for Norfolk and Suffolk.

Innovate UK hosted the event at which it launched the new ‘Innovation Loans’ which provide low-interest loans between £100,000 - £1m to companies to fund ‘game changing’ later-stage R&D projects, which can evidence a clear path to commercialisation



and business growth. Hannah Smith represented Anglian Capital Group and the LEP, explaining the types of funding and support available.

Various investors and businesses attended to learn about benefitting from funding as well as how they might innovate and be part of a solution to deliver new technologies and underpin investment in the UK.

## **LEP Stakeholder Engagement**

### **Ely Rail Summit**

Doug Field and Chris Starkie spoke at the Ely Rail Summit organised by South West Norfolk MP Liz Truss.

The event was attended by other MPs, George Freeman, Sir Henry Bellingham and Jo Churchill as well as Mayor James Palmer and other representatives from the rail industry, DfT, local authorities and businesses.

The event was focused on progress being made on the business case for improvements at Ely rail junction, which is being developed by Network Rail and funded by New Anglia LEP, the Cambs & Peterborough Combined Authority and the Strategic Freight Network.

Work is scheduled to be completed by Spring 2019, together with work on related rail issues. The MPs agreed to seek a meeting with the chancellor and commissioned the LEP and the combined authority to develop an economic manifesto highlighting the importance of the scheme to the regional and national economy.

### **Meeting with George Eustice**

Chris Starkie was asked to attend a meeting between Norwich North MP Chloe Smith and food and farming minister George Eustice.

The meeting was organised to discuss the implications of the Unilever and Britvic closures in Norwich and opportunities for wider growth in Norwich and Norfolk & Suffolk’s food manufacturing sector.

Mr Eustice agreed to visit the area and reiterated the key role of LEPs in supporting economic growth in local areas.

### **Recommendation**

The board is asked to note to contents of the report and confirm the appointment of Nick Banks as chair of the Audit and Risk Committee







## **New Anglia Local Enterprise Partnership Board**

**Wednesday 23<sup>rd</sup> May 2018**

### **Agenda Item 14**

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#### **Finance Report**

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Author: Keith Spanton

#### **Summary**

This report provides board members with an update from the finance department on the LEP's finances to the period ending 30 April 2018. The report includes **confidential** appendix A:

Appendix A - core management accounts year ended 30 April 2018

#### **Management accounts**

The LEP's core income and expenditure account for the period ended 30 April 2018 is shown in confidential appendix A.

#### 30 April 2018

Headline figures for the period are: Total income £122,853 of which £62,333 represents core contribution with recharges and other income of £60,520 making up the balance. Costs to 30 April total £99,950 leaving a surplus of £22,902, ahead of budget by £11,823.

The majority of the LEP's income is known and is therefore being accounted for in 12 equal amounts whereas the LEP's monthly costs vary. This will give rise to variances in the actual v budget throughout the year which may be favourable or adverse.

#### **Audit and statutory accounts – 31 March 2018**

The majority of the audit file has been completed and sent to the auditors. Arrangements are in place for Lovewell Blake to carry out the on-site audit week commencing 28 May 2018. This is in line with the agreed timetable. It is expected that the draft financial statements will be ready to present to the Audit and Risk committee in late June with the objective that they be presented to the LEP board in July for approval.

#### **Recommendation**

The board is invited to note the contents of the report.

## New Anglia LEP Board Forward Plan - 2018

Date	Venue	Forward Looking	Governance & Delivery
17 <sup>th</sup> January	Orbis, Lowestoft	<ul style="list-style-type: none"> <li>• Aims and Objectives for the Year</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Growth Programme projects</li> <li>• Voluntary Community Sector Programme</li> <li>• New Anglia Capital</li> <li>• The Malthouse</li> <li>• (WSC 2nd Phase Project)</li> <li>• Governance review new structure</li> <li>• Annual review of current operational plan.</li> <li>• ERDF bid</li> <li>• 2018/19 budget</li> <li>• Capital Growth Programme bids</li> <li>• Growing Places Fund bids</li> <li>• Scheme of Delegation</li> <li>• LEP Capital budget</li> <li>• Review of professional advisers</li> <li>• Decision Log</li> <li>• Growth Deal Quarterly Dashboard</li> </ul>
21 <sup>st</sup> February	Marble Hall, Norwich	<ul style="list-style-type: none"> <li>• Economic Indicator trajectories and targets</li> <li>• Brexit Analysis</li> </ul>	
21 <sup>st</sup> March	Jockey Club, Newmarket	<ul style="list-style-type: none"> <li>• Institute of Technology (IoT)</li> </ul>	
18 <sup>th</sup> April	Green Britain, Swaffham	<ul style="list-style-type: none"> <li>• Tri-Lep Local Energy East Strategy</li> <li>• Cambridge Norwich Tech Corridor</li> </ul>	
23 <sup>rd</sup> May	Co-op Education Centre, Ipswich	<ul style="list-style-type: none"> <li>• Transport strategy</li> <li>• Enterprise Zones</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Growth Programme Projects</li> <li>• PwC report – review of implementation</li> <li>• Data Dashboard</li> <li>• WSC 2<sup>nd</sup> Phase</li> <li>• Speculative Development</li> <li>• Growing Places Fund – Atex Park</li> <li>• Enterprise Adviser Network</li> <li>• Growth Deal Quarterly Dashboard</li> <li>• Eastern Agritech proposal</li> <li>• Tri-LEP Local Energy Strategy</li> <li>• Revenues Budget Framework</li> </ul>
20 <sup>th</sup> June	The University of East Anglia	<ul style="list-style-type: none"> <li>• Skills</li> <li>• Inward Investment Strategy and East proposition</li> </ul>	<ul style="list-style-type: none"> <li>• Draft accounts</li> <li>• Programme Performance Report</li> </ul>
18 <sup>th</sup> July	The Innovation Centre, Ipswich	<ul style="list-style-type: none"> <li>• Opportunity Areas</li> </ul>	
<b>August</b>		<b>No Board Meeting</b>	
19 <sup>th</sup> September	Aviation Academy	<ul style="list-style-type: none"> <li>• Sectors Update</li> <li>• Grand Challenges</li> </ul>	<ul style="list-style-type: none"> <li>• LEP AGM</li> <li>• LEP Review</li> <li>• Growing Business Fund and Small Grants</li> <li>• Data Dashboard</li> <li>• Brexit Action</li> <li>• Economic Strategy Delivery Plan</li> </ul>
18 <sup>th</sup> October	Sizewell, Suffolk		<ul style="list-style-type: none"> <li>• EEEGR</li> <li>• Capital Growth Programme Call</li> </ul>
21 <sup>st</sup> November	Keystone Centre, Thetford	<ul style="list-style-type: none"> <li>• Economic Strategy Review – LEP Board, Leaders and Sector Chairs</li> </ul>	<ul style="list-style-type: none"> <li>• Growth Deal Quarterly Dashboard</li> <li>• Data Dashboard</li> </ul>
<b>December</b>		<b>No Board Meeting</b>	