Norfolk & Suffolk Unlimited

NEWANGLIA
Local Enterprise Partnership for Norfolk and Suffolk

BEIS Committee Super Inquiry on Post-Pandemic Economic Growth

New Anglia Local Enterprise Partnership works with businesses, local authority partners and education institutions to drive growth and enterprise across Norfolk and Suffolk.

We welcome the opportunity to contribute to this post-pandemic economic growth inquiry.

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

Norfolk and Suffolk has a strong record of working together across the public and private sectors to deliver sustainable growth. We are committed to working with government to get the economy back on its feet rapidly, in a way that makes it more resilient and innovative and benefits all our people.

Norfolk and Suffolk has global strengths in sectors critical to achieving a more resilient, sustainable economy and society - agri-food, energy and ICT. As the UK's Clean Growth Region, we are committed to remaining at the forefront of tackling the challenges and opportunities of climate change.

The LEP and partners have led the local economic response to the pandemic. The Norfolk and Suffolk Economic Recovery Restart Plan, the first of a two stage economic recovery plan, was published at the end of June. It sets out the actions that local partners are taking in the next 6 months to restart the Norfolk and Suffolk economy and supplements plans from individual partners. This plan aligns and supports the government's national recovery plan. It was developed with a wide range of partners – over 700 individuals and 100 organisations - and an evidence base which provides an analysis of the sectors which are the focal point of the Economic Recovery Plan.

The key messages from this analysis include:

- The UK economy has entered a period of historic decline. It is far from certain when, or how well, it will recover. All places and sectors are affected: Norfolk and Suffolk's GVA could contract by -35.9% in Q2 2020, which mirrors the expected contraction in the UK economy of -36% in Q2.

- Norfolk and Suffolk appear to have avoided the worst of the health impacts of the crisis with lower infections and death rates than the national average, though there still remain significant challenges ahead.

- All sectors are affected, with the most affected including HE / FE and the visitor economy. One bright spot is that the three sectors which are the centrepiece of Norfolk and Suffolk's local industrial strategy (agri-food, clean energy, ICT and Digital) should be well poised to recover.

- Young people may be particularly affected. Around 30% of employees aged under 25 work in a sector most affected by the shutdown, compared with 13% of those over 25.

Across Norfolk and Suffolk:

- Universal Credit claims rose by 41% in April compared to March – (33% of new claimants were under the age of 29)
- 1 in 3 workers were furloughed in May
- Apprenticeship starts are down by 5% compared to the same time last year, with starts in Autumn 2020 potentially down by 50%
- 1 in 3 businesses have less than 3 months cash reserves. 4% of Norfolk and Suffolk's businesses have no cash reserves at all.

We have examined three different scenarios to help with recovery planning which are set out in the evidence base. In all scenarios the projections are stark. Even the best-case scenario shows unemployment has the potential peak at just over 50,000 jobs in the last quarter of 2020. It is considered that the middle case is most likely with an unemployment peak of just over 123,000.

Summary of our response

- Inclusive, clean, and productive growth are key principles that must be front and centre of government's recovery package.
- The focus on places is important as each area has been impacted differently and will require tailored support.
- Given the need for speed and to ensure support is tailored, government should look to and build on local investment mechanisms that can lever in private match funding.
- Better alignment of capital and revenue funds will enable swift actions and investments to have a quicker impact.
- People are the key to ensuring a speedy recovery and most investments to support people and ensure inclusive recovery require revenue funding such as reskilling, upskilling, business support and innovation.
- Investment in digital infrastructure is critical and a focus on increasing digital skills across the UK and Norfolk and Suffolk will ensure that job opportunities are seized on as they become available.
- Rather than prioritising support to specific sectors, the support should be targeted to need and opportunity.
- The Industrial Strategy and the Norfolk and Suffolk Local Industrial Strategy remain relevant, providing the building blocks to both national and local economic recovery plans.
- The strength of local public and private collaboration should not be underestimated. Local partners have played a vital role in understanding need and flexibly responding at pace, from ensuring people receive vital supplies, to swiftly administering grants to support local businesses.
- To rebuild the economy, multi-year investment in the organisations that will help to deliver on the ground is needed. Providing longer term assurance of core funding for LEPs, Growth Hubs and local councils would ensure delivery of recovery and growth of local areas.

1. What core/guiding principles should the Government adopt/prioritise in its recovery package, and why?

Inclusive - Ensuring recovery and growth that is distributed fairly across society and creates opportunity for <u>all</u> is vital to ensure the social and economic inequalities gap does not widen further.

The recovery package must have a positive impact on those that are in the labour market, those actively looking for jobs and those furthest from the job market. It needs to support businesses in local areas, rather than a generic one size fits all approach. Opportunities for training, reskilling and upskilling should be available to all, drawing on local evidence of need.

To deliver its levelling up agenda, government must drop down to a more granular level to ensure success. For example, Norfolk and Suffolk have some concentrated pockets of quite severe deprivation with some localised areas amongst the most deprived in the UK – 12.9% of lower super output areas in Norfolk and Suffolk are in the most deprived fifth nationally.

The area is the most deprived LEP area in the Greater South East. However, when this area is combined with other areas in the East of England i.e. Cambridgeshire, Bedfordshire, Hertfordshire, overall productivity levels increase, deprivation levels reduce and it does not reflect the true picture at a local level. So **the levelling up agenda must take into account intra-regional imbalances** as well as imbalances between regions.

Locally we have developed a Norfolk and Suffolk Inclusive Growth framework to assess inclusive growth impacts.

Clean – The focus on clean growth as set out in the Industrial Strategy must be maintained. This will drive economic recovery and growth in the right direction to meet the Net Zero goals, which are essential for ensuring a sustainable, resilient future where the UK can continue to compete globally.

Sector groups, industry councils, education providers, VCSE and local authorities across Norfolk and Suffolk have agreed that there needs to be a stronger focus on the environment and ensure clean growth is at the heart of economic recovery.

As the UK's clean growth region Norfolk and Suffolk is at the forefront of tackling the challenges and opportunities of climate change. Strengths in energy generation and usage, and high-tech, sustainable agri-food present major opportunities, in particular the cross-sector opportunities which will have a major contribution to building a sustainable, resilient economy and the UK's transition to a post-carbon economy.

Productivity – Ensuring the economy is using resources effectively to produce goods and services is not just important for short-term recovery, but for long-term economic growth. The focus on productivity as set out in the Industrial Strategy must be maintained, whilst the context has changed due to the pandemic, it remains a vital principal.

There is an opportunity to achieve faster digitisation as businesses have rapidly changed ways of working, including an overnight shift to online working and lower contact methods of doing business. Many businesses have recognised the benefits and attitudes have shifted. Traditionally digitisation has been seen as a way of increasing productivity, however the pandemic has also highlighted the importance technology plays in increasing a business's resilience.

It is important that interventions do not lead to a decline in market forces, which could increase the numbers of inefficient businesses and financial institutions ('zombie firms').

Health and wellbeing is also an important factor and is well evidenced on its direct links to productivity. Emerging evidence of the impact on people of the pandemic highlights concerns of mental health and how it is affecting some groups much more than others. The IFS analysis found that mental health has worsened substantially and that young adults and women have been hit hardest. It is important to ensure health and wellbeing is embedded in the government's recovery package.

Place - The focus on places is important as each area has been impacted differently and will require tailored support. A place focused approach will enable improved access to skills and employment which recognises the different requirements of its towns and urban, coastal and rural areas, connecting pockets of deprivation which exist alongside the largest future opportunities of an area.

Places have played an invaluable role in the response which is evidence in the work done by local authorities and LEPs in ensuring local mechanisms to support business and individuals were mobilised quickly and tailored to local need.

Capital and Revenue - Better alignment of capital and revenue funds is important and will enable swift actions and investments to have a quicker impact. Much of the activity that is needed to support people and business require revenue funding which is scarce. Currently the main source of revenue funding is European Structural Investment Funds. Therefore certainty of how the UK Shared Prosperity Fund will work is urgently needed.

Flexibility of intervention rates and the ability to support a project with both capital and revenue funds would assist in quicker returns on the investment. Speed of recovery is important to ensure both businesses and skills are maintained, and that people are encouraged and able to enter the labour market.

2. *How can the Government borrow and/or invest to help the UK deliver on these principles?*

Investment needs to focus on sustainable job creation. Government should follow an invest to save principle. A review of major investments should take place to judge if they remain sound investments and safeguard/generate jobs in particular, given patterns of people's movements are radically shifting, and more people are using ICT to work, learn and do business.

The recovery package should consist of adaptions to regulations where growth can be accelerated as well as capital and revenue investments. Better alignment of capital and revenue funds will enable investments to have a quicker impact.

People are the key to ensuring a speedy recovery and most investments to support people (and ensure inclusive recovery) require revenue funding such as reskilling, upskilling, business support and innovation.

Given the need for speed and to ensure support is tailored to local need, government should look to and build on local investment mechanisms that can lever in private match funding. Examples include:

New Anglia Capital a co-investment which helps early stage and high growth businesses pitch to experienced angel investors and provides match funding for successful projects.

Growing Places Fund an evergreen fund which provides loan-funding to help kick-start and support development projects.

Growing Business Fund which offers grants of up to £500,000 to help grow business and create jobs. These capital grants can cover up to 20% of the total project costs.

New Anglia Business Resilience and Recovery Scheme has been established to support businesses during the COVID-19 pandemic and during the economic recovery. It will provide grants to support short-term business resilience projects and longer-term recovery and diversification projects.

Both Norfolk & Suffolk Leaders are developing local plans for recovery in the short, medium and longer term. These will consider local solutions and funding allocations, including best use of local pooled business rates.

Norfolk Strategic Fund has been announced. It has been devised to be a responsive, agile and dynamic fund with the ultimate purpose of moving forward strategic projects and supporting where the evidence suggests with the economic recovery of Norfolk post the COVID-19 pandemic. A total of £5.75m has been allocated to the fund, through a mixture of future Business Rates Pool income and county and district council contributions.

New Anglia Skills Deals is a successful co-investment in new innovative skills provision responding directly to employer need. The programme provided opportunity for employers, alongside training providers, to put forward project proposals that addressed a gap in barriers to accessing, or lack of, training provision.

3. What measures and support will businesses need to rebuild consumer confidence and stimulate growth that is sustainable, both economically and environmentally?

Building confidence in the workplace will in turn build consumer confidence. The Norfolk and Suffolk Restart plan recognises that the coming months are crucial as we help to successfully rebuild consumer and business confidence. We want to maximise the opportunities linked to new local supply chains and take the opportunity to enhance productivity and growth through new innovations. The support businesses need varies from sector to sector.

Business Support – The majority of businesses will need support of some kind as they recover and grow. This includes access to finance and advice on exiting furloughing, staff safety and dealing with staff self-isolation to support in reshaping business plans and identifying opportunities for new products and services.

In general, businesses will need support in cash flow forecasting and to support their overall business resilience. This is vital in the event of further spikes and/or a no deal

Brexit. Measures include: business continuity plans; agility; innovation; leadership and management practices; and regularly reviewing their supply chain to ensure it is robust, as local as it can be and taking an approach that works for their own business.

In Norfolk and Suffolk we have launched an integrated business support campaign to ensure every business knows how to access the support they need to restart, renew and sustain, with confidence. Thousands of businesses have already accessed this support via the New Anglia Growth Hub or their local authority.

Growth Hubs - **There is an urgent need to ensure that Growth Hubs have the funding to continue providing the bespoke, free and impartial advice beyond August 2021**. The Growth Hub in Norfolk and Suffolk plays many roles and is integral to the local economic recovery plan.

One example of the added value is the scale up mentoring scheme which we have recently piloted. A scheme working with a local large business to provide a range of support to scale up local SMEs which has proven very successful. This scheme has minimal public sector costs as the time and resources are provided directly by the large business and the Growth Hub manage the scheme matching the SMEs to the large company support. We are looking to scale the scheme up and widen it out to more SMEs.

Networks – Well-connected networks where people can easily and informally access the right expertise, and collaborate and share knowledge, are essential. During the pandemic 'business networks' have proven to be invaluable to businesses where they have been able to knowledge exchange, share challenges and identify solutions. They have also produced some local collaborative business opportunities. Support for these networks would enable them to enhance and grow.

Innovation and digitisation - With many businesses facing cash flow constraints (one third of Norfolk and Suffolk businesses have less than three months of cash reserves) and higher operating cost, it is likely that investment in staff training and R&D will be the area where budgets are cut. Both of which will have an impact on productivity and ability to compete.

Local evidence shows that businesses who want to innovate require support, advice and access to finance to diversify and connect with the right people and businesses to make it happen. Expanding the cohort of local business advisers to include innovation and technical advisers or ambassadors would provide the support local businesses need.

Leadership and Training - Prioritising leadership support and training to help educate the next generation of digitally competent engineers, business leaders and entrepreneurs, through further accelerator support and business mentorship, will provide the ecosystem that new entrepreneurs need to succeed.

Universities play a vital role in helping to upskill, provide CPD and help businesses to innovate. Two of the three universities in Norfolk and Suffolk are at a disadvantage in fulfilling their full potential as they do not receive HEIF funding. **Providing such small amounts of funding to universities would enable them to support businesses using their expertise and knowledge, for free, to help them innovate.**

Access to initiatives to support in work training and upskilling of the workforce is also important. We have provided more on this in question six.

Entrepreneurs and Start-ups **–** In recent weeks we have seen a doubling of people seeking advice on starting their own business. Interventions and support should be available to both entrepreneurs and start-ups which will enable new and sustainable businesses to develop.

Financial Support and investment – A wide range of financial instruments and improved access is critical, including grants, loans, venture capital, angel funding, rates and tax cuts.

Extension of furloughing for some sectors, such as tourism, hospitality and leisure, are facing a huge drop in revenues and given the nature of this sector, an extension of the furloughing scheme at least in part to Easter 2021 would help to minimise job losses.

Investment in innovation and technology – Investing in innovation and technology will help to ensure the UK continues to be at the forefront of shaping the resilient businesses and markets of the zero-carbon future. As recognised in the Industrial Strategy, public investment in research and development has an important role in simulating private spending.

Further investment in local funds such as the New Anglia Growth Through Innovation Fund would provide the pump priming businesses require and leaver in private investment. This fund has proven successful having been launched during the pandemic. It provides grants up to £25,000 to help businesses invest in innovation, research and development.

Cut in taxes and rates – We welcome the recent announcement on VAT cuts to 5% for most tourism and hospitality-related activities. A 3 month period of business rate cuts to drive their growth (which could be extended to 6 months) and temporary suspension of NI contributions for employers are also measures that we would encourage consideration.

A return to austerity to pay off the debt is not an option in the short term as it could turn the recession into a depression and take the UK a lot longer to recover.

Infrastructure - Investment in digital infrastructure is critical to ensuring behaviour changes such as a homeworking can be captured, technology to support smart homes can be implemented and digital information can support the transport networks. Deployment of the shared rural network should be prioritised. Norfolk and Suffolk are in a prime position to show how full and partial not spot coverage can be achieved.

New and existing infrastructure must be future proofed and adaptable to events such as the pandemic and climate change. The Norfolk and Suffolk Local Industrial Strategy sets out how Norfolk and Suffolk intend to develop next-generation innovation infrastructure, including an exemplar assisted living community for an ageing society, and plans for the Port of Felixstowe to becoming an exemplar for blue tech.

Building confidence - Building confidence in the workplace will in turn build consumer confidence. Many of the above measures would support businesses to put in place the

requirements and tools to help. Government should consider investing in new technology and innovations which will help build confidence.

For example, Rainbird are a Norwich based start-up AI/Machine Learning business and have worked with NNUH and one of the UK's leading Occupational Health Experts to ensure that the NHS Trust could confidentially and accurately assess the suitability of workplace activities specific to each employee's own health risk level to Covid19. NNUH as a result managed their workforce more effectively than any other Trust and did not breach any health confidentiality issues of their employees and management.

This has been so successful it is now being rolled out to every NHS Trust in the UK.

With a small investment, this service could be rolled out across the country to support businesses and provide bespoke advice and guidance on the suitability of workplace activities specific to each employee which, in turn, will boost confidence.

From a consumer confidence perspective, the greater businesses can demonstrate a high standard of safety measures in place, the more likely they are to attract customers. There is a local leadership role for public sector leaders, working in partnership with businesses and LEPs in building confidence based on understanding of local communities.

4. Whether the government should give a higher priority to environmental goals in future support?

Yes.

Clean growth is at the heart of the Norfolk and Suffolk Local Industrial Strategy and the recently published Economic Recovery Restart Plan both of which were developed by a wide range of partners.

Sector groups, industry councils, education providers, VCSE and local authorities across Norfolk and Suffolk have agreed that there needs to be a stronger focus on the environment and ensure clean growth is at the heart of economic recovery.

Norfolk and Suffolk are leaders in renewable energy. Planned investment in renewable and nuclear power generation will make the area the leading supplier of renewable energy to the UK, providing power for 58 per cent of the UK's homes. The Norfolk and Suffolk Local Industrial Strategy sets out the actions needed to innovate and transform the energy sector.

A key priority for government should be the acceleration of the UK energy system to a low carbon and smart future.

Investment in clean energy including the electrification of the transport network and retrofitting of existing homes will require a skilled workforce, which will support job creation and provide opportunities for upskilling.

The industrial sector accounts for 34% of all carbon dioxide emissions in Norfolk and Suffolk, offering a significant opportunity for decarbonisation.

The Government should ensure clean growth is central to the recovery focus and further support businesses (including our largest emitters) in mitigating impacts. There is an opportunity that must not be missed to renew the economy so that it is more sustainable and resilient.

The New Anglia Clean Growth Action Plan sets out actions that would contribute to this, including improved access to and use of sustainable modes, developing an electric vehicle strategy and driving transport innovation through local SMEs.

Investment now in electric vehicle charging infrastructure will ensure future demand can be met and that the deployment of EVs is not stalled due to a lack of necessary charge points.

Revenue and capital funding streams should be aligned, so businesses and local government can access both together, rather than one or the other to support environmental initiatives.

5. Whether the Government should prioritise certain sectors within its recovery package, and if so, what criteria should it use when making such decisions? What conditions, if any, should it attach to future support?

The speed and degree of recovery will vary by sector and geography. Regions will have seen different sectors impacted according to the makeup of their local economy and business base.

To be most successful it is vital that **support has a local angle** to ensure the right support is provided for all regions to recover. Any criteria used to make decisions should be based on local data at a level that reflects the true picture as outlined in the response to question one.

Foundation industries will need support to stabilise, adapt and renew but those sectors who have managed to thrive through the lockdown will play a vital role in growing new businesses and job opportunities and will require support to continue to do so.

Sectors such as ICT, advanced manufacturing and engineering and clean energy can and will also play a vital role supporting the foundation sectors in their recovery.

Rather than prioritising support to specific sectors, the support should be targeted to need and opportunity. For example, sectors that have been most impacted – where a return to viable levels of trading is limited or not possible - whilst social distancing measures are in place e.g. retail, tourism, culture and hospitality. Consideration of an extension of the furloughing scheme for these sectors would help.

The Oxford Economics Report commissioned by the Creative Industries Federation talks about a ‘cultural catastrophe’ of 400,000 creative industries jobs lost in the UK, and £1.4 billion a week lost in 2020.

The report states that the East of England is projected to lose 25% of its creative jobs (42,000) and see a 31% drop (£1.9 billion) in creative industries GVA. The cultural and creative sectors play an important role in making our region an attractive place to live,

work, learn and invest and so a loss would impact on the ability of other businesses to attract talent and investment.

Sectors such as the ICT sector could help other sectors in recovery and move to a more innovative, productive and sustainable business model. The tourism sector is a very large employer, but with poor productivity. Given the right support and investment, this sector could be encouraged to innovate, adopt new technology and practices to raise its productivity and make a much larger contribution to GDP.

Sectors which contribute towards the stability and resilience of the UK should also be prioritised, including energy generation and food and drink production. The renewables sector could play a large contribution to economic recovery and the transition to zero carbon.

With the oil and gas sector's decline exacerbated by the pandemic, businesses could be supported to diversify into the renewables sector, reducing the impact on jobs and economic output. Large developments, such as offshore wind farms, will benefit a whole supply chain of businesses, providing jobs and growth in an area that is in demand around the globe, providing the right support is in place to ensure this goes to UK businesses.

In Norfolk and Suffolk we are working to ensure we increase social value through procurement and planning. Government should consider mirroring this throughout the recovery package. The need to support the recovery of the economy and specific sectors in particular is obviously required but there is an opportunity to do it in a way that secures additional value for our people and places and perhaps engenders behaviour within businesses going forward.

6. How can the Government best retain key skills and reskill and upskill the UK workforce to support the recovery and sustainable growth?

Education establishments need to be better financed and have flexibilities and incentives to deliver what the local areas need, such as with the Adult Education Budget. This has been a long-standing challenge but is now even more pivotal. The AEB should be devolved to local areas as a priority.

Large scale redundancies have starting to come through. Locally we are putting in place **an Employment Support Programme** to support businesses and individuals working with DWP. Early inclusion of local stakeholders in design and implementation of new programmes will ensure both national and local support will be complementary and reach those who need it quickly.

Individuals being made redundant may have a Level 3 Customer Care qualification but providers are unable to fund additional intermediate level qualifications (Level 3) for those looking to retrain in high demand sectors such as health and social care, engineering and advanced manufacturing, agriculture and construction – areas of demand in the town and wider area.

East Coast College has launched a Retrain, Reskill and Restart Fund - 1,000 free adult course places to help people get back to work after the coronavirus pandemic. This is utilising a range of funding sources but being able to expand on this over the coming

months is fundamental to one of the most deprived parts of the country. The Great Yarmouth campus sits in the 25th most deprived local authority districts.

Adult Education has been undervalued for too long. We need more than ever for those people who have been economically inactive and those being displaced from positions with low or no skills to be able to undertake courses to support them into the workplace. All adult learning provision across Norfolk and Suffolk has been moved to online.

Norfolk County Council's Adult Education service ensured that all its 1,257 current learners were moved onto online classes. There are now 2,935 people learning online due to further promotion of courses, many free of charge. Norfolk and Suffolk County Councils are two of a handful of councils which has kept its adult learning service fully operational during lockdown and other local authorities are being supported to achieve this by the council.

Suffolk County Council has recorded 3,967 course starts so far in 2019 -2020 with all sub-contractors moving learning online and delivering a range of Adult Skills and Community Learning courses, with a current pass rate of 96%. Courses have been adapted to provide remote learning to support the development of adult skills but also assist to break down barriers such as mental health, social isolation and health and wellbeing.

Suffolk County Council has also provided pastoral support to over 200 Suffolk residents who were not able to access an adult learning course.

Our Digital Tech sector skills plan written in 2017 showed that we need to fill 10,000 digital vacancies by 2024. Our evidence indicates that this sector has been less impacted than others in Norfolk and Suffolk so we are confident that there will be continued growth.

A focus on increasing digital skills across the UK and Norfolk and Suffolk will ensure that job opportunities are seized on as they become available. During the lockdown, some businesses have seen a major boost in e-commerce sales and have taken the decision to downsize the number of premises they operate as they can attract a wider customer base online. This ties in with other businesses that have adapted/innovated during lockdown, with potential positive effects on their productivity moving forward.

Many of our residents have digital inclusion challenges, either through lack of skills or accessibility issues to ICT due to broadband challenges and/or financial barriers. This impacts their ability to study, access benefits, carry out job searches or progress into and through the workplace.

Any 'levelling up' policies should include support mechanisms and incentives to address these inequalities and to grow the sector.

Historically Norfolk and Suffolk have not been impacted as much as other parts of the UK during economic downturns and recessions. However, given the extent of the impact of the pandemic, our analysis predicts that in the next quarter, as the furlough scheme ends, our unemployment rate could realistically rise to 15.9% (123,200). And in the worst case, the rate reaches 26.1% (202,150).

We are fortunate that we have a number of LEP area programmes funded through mechanisms such as the European Social Fund in Norfolk and Suffolk supporting those who are unemployed or at risk of redundancy. We are initially prioritising these to support those currently out of work but the interventions will be limited over time due to restrictions on participants that can be supported over the lifetime of the project and capacity of the delivery organisation.

Therefore, we will need a greater capacity in our area to support redundant people, deliver work and health programmes, incentivise apprenticeship uptake and to develop a 'job protection scheme' which subsidises wages as proposed by the Resolution Foundation.

The European Social Fund appraisal and approval process takes a significant amount of time. We have to plan a year lead-in time. Given the depth of the economic challenges this is not acceptable and ESF funding and approval processes should be devolved to LEPs to speed up delivery. There are a number of projects currently in the ESF appraisal process which are invaluable to the economic recovery and support to the workforce, therefore agility to turn these projects around and implement them is vital.

Young people will be particularly affected. Around 30% of employees aged under 25 work are in a sector most affected by shut down, compared with 13% of those over 25. The Resolution Foundation estimates that those leaving education this year will be less likely than previous cohorts to have a job in 3 years' time, with graduates being 13% less likely and those with fewest qualification 37% less likely to have a job.

Work inspiration, internships and work experience have all been significantly impacted. More incentives for businesses and employers to ensure work inspiration is central to our skills agenda – which links to earlier comments made on the conditions needed for support.

The New Anglia Youth pledge brings local partners together through a commitment that every young person in Norfolk and Suffolk will have the support they need to get into high quality education, employment, training, or an apprenticeship – and the initiatives behind it are integral to supporting young people, but will require additional support and funding to address a growing need.

Apprenticeship start numbers have also tumbled – during March and April, there were 13,020 reported starts versus 26,330 for the equivalent period in 2019. Under 19s were particularly impacted. A recent survey carried out jointly by Norfolk and Suffolk County Councils and the LEP showed a worrying number of apprentices have been made redundant, furloughed, and/or had a break in learning. There are also challenges with many apprentices not being able to complete their training as their end point assessments require face to face conditions. The recently announced support for apprentices is welcomed. Norfolk and Suffolk County Councils are developing a programme that will enhance this support locally.

The LEP is continuing to promote the use of apprenticeship levy transfer successfully securing over £2m to support training needs across SMEs. Both Norfolk and Suffolk County Councils have apprenticeship teams promoting the value of apprenticeships and are implementing a top up scheme that will complement the recently announced apprenticeship grant scheme.

7. Is the Industrial Strategy still a relevant and appropriate vehicle through which to deliver post pandemic growth?

Yes.

It provides the building blocks to develop local economic renewal plans which should be led by LEPs and MCAs. The Norfolk and Suffolk Local Industrial Strategy already sets out several interventions that will help both the local and national economy recover and renew. The ambitions set out in the Industrial Strategy are still extremely relevant to driving economic recovery.

Building the best possible environment for businesses to start up, grow and increase their productivity makes enormous sense both pre and post-Covid.

Innovation is extremely important as those that have the capacity to adapt and innovate have shown their resilience during the pandemic.

Infrastructure is fundamentally important as we look to recover, increase employment, and drive growth – from clean energy to the need for broadband investment and significant road and rail infrastructure improvements.

The focus on people is vital as skills at all levels will become even more important, with re-skilling, mental health, and wellbeing of significant importance.

The focus on places is important. Places has been impacted differently and will require tailored support. Places have played an invaluable role in the response, evident in the local mechanisms mobilised quickly by local authorities and LEPs to support business and individuals.

The grand challenges remain the key challenges of today. The pandemic has highlighted pertinent challenges for the ageing population. Clean growth needs to be at the heart of the economic recovery, as there will never be a better opportunity for this. The pandemic has highlighted various aspects of working life and the way people travel, so the future of mobility challenge needs to become higher up on the agenda. AI and data are major opportunities as businesses seek to enhance their productivity and move to digitisation.

8. How should regional and local government in England, (including the role of powerhouses, LEPs and growth hubs, mayoralties, and councils) be reformed and better equipped to deliver growth locally?

The strength of local public and private collaboration should not be underestimated. Local partners have played a vital role in understanding need and flexibly responding at pace, from ensuring people receive vital supplies, to swiftly administering grants to support local businesses.

The Norfolk and Suffolk Economic Recovery Restart plan was developed in partnership with over 700 individuals and 100 organisations in just three weeks, showing the power of collaboration across the private and public sector at a local level. This cross boundary and cross organisation collaboration will be invaluable as we implement the restart plan and develop the Economic Recovery Renew plan.

To rebuild the economy, multi-year investment in the organisations that will help to deliver on the ground is needed. Providing longer term assurance of core funding for LEPs and Growth Hubs and local councils would ensure delivery of recovery and growth of local areas.

The UK Shared Prosperity Fund needs to come into force as soon as possible. With enhanced local powers and distribution at a local level through LEPs and MCAs it would deliver significant impact on driving inclusive, productive, and local growth. Businesses have highlighted the need for more local powers to respond to the local business base and challenges such as Covid-19 and the threat of a no deal EU exit.

Additional funds will help to deliver the ambitious interventions set out in the Norfolk and Suffolk Local Industrial Strategy, the recently published Economic Recovery Restart Plan and to enable more ambitious proposals in the longer-term Renew Plan – which will support people in Norfolk and Suffolk's communities with skills and wellbeing; drive productivity and growth in the business base; and deliver the infrastructure requirements that are truly needed for communities and businesses to prosper.

There is an increased expectation from government departments that LEPs can provide match funding for project and programmes, for example Towns Deals and Careers Hubs.

In the short term we would ask government to allow local authorities to retain any unused funding that was awarded to them for small business and hospitality grants, to reinvest it in supporting business on the ground through recovery.

Additional resources and investment in analytical activity would be welcome, recognising the unprecedented range and diversity of data (Covid, Brexit, skills gaps, productivity, innovation, deficit, sustainability, net zero, inclusivity, etc) to ensure the evidence base directs investment where it is most needed.

There is a strong case to relaunch Enterprise Zones as a tool to assist regional economies' recovery and to support the levelling up agenda. A proven mechanism with structures in place and pipelines of development to help drive growth in less resilient rural and coastal locations such as Great Yarmouth, Lowestoft and King's Lynn as well as key commercial centres that are suffering such as Norwich and Ipswich.

With many EZ sites delayed by Covid19 and with the deadline for qualification of EZ business rates relief looming in March 2021, there is now uncertainty over whether build contracts will be concluded as businesses now risk missing out on the financial incentives.

The case for a refresh of EZs is pressing. Government is urged to provide an extension to the rates relief period which would have a significant positive impact and quickly enable development to restart on several key sites and help boost confidence to the local business market as well as potential inward investors. Reassessing the designation to allow for physical extensions, swaps of designations or even new EZs themselves would further maximise the potential.

Enterprise Zones are a proven mechanism to leverage in private and public sector investment and the levels have been considerable. Local Authorities are also able to use the forecast rates expected as a way of supporting additional borrowing of finance

to invest in site servicing, infrastructure, property development and marketing. This investment is often then a catalyst for opening up sites, stimulating the market, through speculative developments, and attracting new commercial investment from outside the area.

We feel that the proposal would offer extremely good VFM to the Treasury. The retained rates assist LEPs and Council partners to reinvest in local economic development interventions.

9. What opportunities does this provide to reset the economy to drive forward progress on broader Government priorities, including (but not limited to) Net Zero, the UK outside of the EU and the 'levelling up' agenda? What should the Government do to ensure that delivering on these priorities does not exacerbate the vulnerability of businesses, consumers and communities/workers that have been impacted by COVID-19?

Delivery of Net Zero offers opportunities to develop a supply chain and skills "ecosystem" that delivers both large scale strategic energy production and fosters the development of dynamic flexible systems which minimise costs of energy to the end user. Therefore, particularly where support is offered to low carbon energy schemes, such as through Contracts for Difference, this should support truly local and integrated skills infrastructure to drive both local and national economic regeneration.

At a time when they are seeking to recover and rebuild, businesses need a clear policy and regulatory signal from government that this is an opportune moment for a turbo-charged approach towards their Net Zero ambitions. Clean growth should be incentivised as businesses receive support during this period. Obstacles to flexible power distribution systems dynamic pricing and local energy generation projects should be minimised or eliminated. Clear guidance for businesses is essential so that they can improve their sustainability at the same time as driving their economic growth.

Businesses need incentives to invest in skills and increase future capacity - something that many may have limited funds to achieve at this current time without assistance.

Whilst behaviours have changed during lockdown, various research identifies habits and attitudes as being barriers to change. Government should consider how it will engage consumers and raise awareness of their role in achieving net zero.

To decarbonise and localise the energy system, the government should support communities in developing energy solutions, encouraging learning to be shared and for skills growth in the supply chain. Promotion and exploitation of the Rural Community Energy Fund, an action of the New Anglia Clean Growth Plan and identifying the funding and resources communities require at a local level to implement energy solutions, such as heat pumps, could contribute significantly to net zero targets. Government should consider including green or clean objectives in the criteria for infrastructure projects.

By refocusing on the Industrial Strategy, recognising the new challenges posed by Covid-19, and adopting a more local approach to driving inclusive, productive and clean growth will assist those who are most vulnerable and resources can be directed where they are most needed.

Businesses are seeking clear and timely guidance from government to ensure they are well prepared for the new relationship with the EU and advice is sought on the opportunities and challenges from future trade deals with global trading partners.

10. What lessons should the Government learn from the pandemic about actions required to improve the UK's resilience to future external shocks (including – but not limited to – health, financial, domestic and global supply chains and climate crises)?

Digital infrastructure improvements - The ability of businesses and individuals to work from home is critical. This has helped many to react quickly and intelligence received reflects the positives of this. There is a need for digital infrastructure improvements across Norfolk and Suffolk to ensure access for all to fast speeds and the digital skills to ensure this can be accessed by plenty.

Supply chains - There is scope to maximise the opportunities linked to local supply chains and enhance productivity and growth through new innovations.

The pandemic has interrupted international supply chains, with some raw material redirected for the manufacture of PPE or stockpiled by other countries. There is concern that the disruption on the supply chain will be long-term as other nations seek to onshore more of their manufacturing base. The local PPE supply platform that we developed has proved a vital tool in connecting suppliers of PPE to the demands of local care homes and most recently return to work equipment to support the recovery efforts of our local economy.

We have supported several businesses in the region to diversify and manufacture PPE. Building on this work, resilient supply chains need to be developed in other areas by adopting a 'buy local' approach. Local businesses are keen to collaborate, share staff resources and find solutions to new market opportunities and challenges. We are keen to work with government on these opportunities which in turn will help provide future opportunities for UK business to export.

11. What opportunities exist for the UK economy post Brexit and the pandemic for export growth?

To support productivity, it will be important that export opportunities are highlighted to businesses. Local partners should strive to set this out to their business base determined by its profile and to enhance the ability of smaller and medium-sized businesses to innovate and export, learning from others that have done so and working closely with key growth sectors and markets. There is an opportunity for DiT to work more closely with Growth Hubs. The opportunity to establish Freeports will also boost export growth along with an extension to Enterprise Zones which could prioritise exporting businesses.

12. ***What role might Government play as a shareholder or investor in businesses post-pandemic and how this should be governed, actioned and held to account? -*** No response provided