

# Preface

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We are delighted to present our Suffolk Growth Strategy which details the approach that local authorities in Suffolk will take to enable the growth of the county's economy. It outlines our goals to achieve economic growth and create stability and prosperity in Suffolk.

The public sector cannot create jobs and wealth in isolation but it can create the right environment for businesses to grow and flourish - from large multi-nationals to start-ups. We want to ensure that Suffolk is home to businesses with a long term future that can play a prime role in driving the sustainable growth of the UK economy. This is why this strategy focuses on green economic growth.

We are looking to invest in the building blocks that will allow businesses to grow; ensuring we have the right skills, encouraging international business links and trade, promoting the opportunities for investment that exist within the county and providing the necessary infrastructure.

Following the publication of this strategy we will develop a three year delivery plan which will identify resources and determine specific activities, milestones and targets. This plan will help to provide agreement on investment priorities across Suffolk.

We are working together to provide an environment in Suffolk for our private sector to flourish and grow across the county as a whole. We are proud of this forward-looking document and the work that will be achieved as a result of its production.

Signed;

Leaders of the Councils.

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# 1 Our Strategy

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- 1.1 Suffolk's future prosperity depends on business growth and how we create added economic value. Local government can help to establish the conditions to enable growth – but does not, itself create prosperity.
- 1.2 *The Suffolk Growth Strategy* defines our ambitions and how we will achieve them. Our strategy provides the broad framework showing how the county, district and borough councils – working together – intend to do “whatever they can” to enable business to be successful.
- 1.3 Collaboration will be key to delivering economic growth. District councils have a strategic planning role and collaboration between councils will be instrumental in efforts to increase economic activity.
- 1.4 *The Suffolk Growth Strategy Delivery Plan* sets out, in a separate document, the detailed targets, milestones, actions, timetable, and resources that will be needed to implement it. This will be available by early summer 2013. In addition, each district and borough council is preparing a detailed district economic growth plan during 2013; Ipswich Borough Council published their Economic Development Strategy for consultation in 2012.
- 1.5 We recognise that the quality and range of Suffolk's housing offer is key to the future prosperity of the County. Our short, medium and long term proposals for housing development are outside the scope of *The Suffolk Growth Strategy*. Each district council and borough council set out their housing proposals in their Local Development Framework documents.
- 1.6 We envisage that the strategy, the delivery plan and the individual plans being prepared for each district will be of interest to business and third sector leaders, local authority members and senior officials, government and other stakeholders – all those who are working together to enable Suffolk's growth.
- 1.7 Our Strategy is structured as follows: Section 2 sets our ambition: Green Economic Growth. Section 3 places Suffolk in the Global Economy and highlights our key growth sectors. Section 4: Suffolk Growth: Overview sets out the broad strategy and shows how the four principal components work together. Section 5 sets out our approach to Skills and Section 6 outlines our approach to Inward Investment and Enterprise. Section 7 identifies our Strategic Economic Growth Locations and Section 8 focuses on the Infrastructure investments required to enable this growth. Finally, Section 9 sets out our approach to Delivery.
- 1.8 This document is not a statutory plan. However, it is wholly aligned with approved and emerging statutory District and Borough Council Local Development Frameworks and *Transforming Suffolk: our Community Strategy*. It is also aligned with the plans and proposals

of the two Local Enterprise Partnerships (LEPs) which cover Suffolk: the New Anglia LEP and the the Greater Cambridge Greater Peterborough Enterprise Partnership.

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## 2 Our Ambition: Green Economic Growth:

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2.1 Our simple ambition is to strengthen the Suffolk economy: to create more, higher value, better-paying jobs, and more wealth. We will do this by building on our distinctive competitive economic and environmental advantages. We will do our best to ensure that Suffolk is home to businesses playing a prime role in driving the sustainable growth of the UK economy.

2.2 We first set out this ambition in *Transforming Suffolk: Suffolk's Community Strategy*:

***“By 2028, we want Suffolk to be recognised for its outstanding environment and quality of life for all; a place where everyone can realise their potential, benefit from and contribute to Suffolk's economic prosperity, and be actively involved in their community.”***

2.3 *Transforming Suffolk* is endorsed by all the local authorities and a very wide range of private and voluntary sector stakeholders across the county. Our shared ambition embraces four themes. First, Suffolk needs a prosperous and vibrant economy which inspires people to succeed. Second, Suffolk needs a high quality, responsive education and training system. Third, Suffolk wants to be an exemplar in tackling climate change. Finally, Suffolk needs all people to be kept safe from harm, to be able to live healthy lifestyles and to be valued. We set these ambitions out five years ago. They are standing the test of time.

2.4 More recently, our New Anglia Local Enterprise Partnership (the LEP covering Norfolk and Suffolk) articulated the partners' economic aims:

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

2.5 The New Anglia LEP has identified nine economic sectors that will drive the growth of the New Anglia economy: advanced manufacturing; energy; information and communications technology (ICT); ports and logistics; life sciences and biotechnology; digital and cultural and creative industries; food, drink & agriculture; financial services; and tourism.

2.6 West Suffolk is covered by both the New Anglia Local Enterprise Partnership and the Greater Cambridge Greater Peterborough LEP (GCGP). The GCGP Enterprise Partnership focuses on driving forward sustainable economic growth. The GCGP vision is to be an internationally renowned low-carbon, knowledge-based economy - with business strengths in key sectors (environmental goods and services, ICT, high-value engineering, biotech and life sciences, and agri-business) attracting both inward investment and increased indigenous growth.

2.7 *Leading the Way: the Green Economy Pathfinder Manifesto* further refines our ambition.

***“The New Anglia area is ideally suited to leading the UK’s transition to a green economy across three focus areas: low carbon, natural capital and social capital. The region’s growing population has the energy and commitment to build the green economy in a sustainable way ...”***

Fig. 1: Principles of green economic growth



2.8 In common with many European countries, we see *Suffolk Growth* as green economic growth. The Organisation for Economic Development and Cooperation (the OECD) provides a clear definition:

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

Ensuring a balanced and sustainable strategy requires a long term integrated approach which considers economic and environmental issues “side by side” right from the very outset. As such, our strategy identifies specific actions and approaches that we will be taking to ensure that we achieve growth in a sustainable way throughout the document.

## Our Vision: Suffolk in 2028

In the year 2028, Suffolk is home to 800,000 people 350,000 jobs – and with its beautiful landscapes and natural environment, independent surveys confirm that it offers the best quality of life in Europe. Employment rates remain above the national average and unemployment is low – under 4%. With many more high-value jobs in the county, far fewer residents commute elsewhere to work and our young people have good local work prospects.

Suffolk's economy has grown more than 60% since 2012 and is worth around £20bn per year. Its productivity (GVA) per head – and average earnings – now exceed that of anywhere in the Greater South East. Meanwhile, our carbon emissions have fallen 45% since 2012 – driven by clean energy, more resource-efficient industry, and an improved transport network.

Suffolk has a highly skilled population – with over 70% of its residents educated to advanced level and over 40% at degree level. This is because our primary and secondary school exam results are significantly higher than the national average. Our great schools give Suffolk a massive competitive advantage when talented individuals and companies are deciding where to locate. Suffolk's firms find it easy to find skilled employees from the local population, due to the close partnerships between our businesses and Suffolk's further education colleges and the expanded University Campus Suffolk. Start up rates are also high in the area, especially amongst young people keen to set up their own business.

With the low-carbon sector growing rapidly across the world, Suffolk companies are global leaders in renewable energy technologies. The recently-completed wind farm arrays off the Suffolk coast – maintained largely out of the Port of Lowestoft – have the capacity to generate over 5GW of clean electricity to the national grid. Employment in the energy sector has more than doubled since 2013 and provides some of the highest value-added jobs in the county. The original Enterprise Zone is now fully occupied and is an Enterprise Zone Expansion Area – with businesses in the sector benefiting from a well-developed business support infrastructure and strong links to local colleges. Building on this success, new Enterprise Zones have been set up in Bury and Newmarket. Meanwhile, the Sizewell C power station can generate over 1.6GW of electricity and employs more than 900 people.

Besides energy, Suffolk has a thriving hi-tech economy providing over 50,000 jobs in advanced manufacturing, ICT and biotechnology – concentrated in Martlesham and the Suffolk and Haverhill Business Parks, but spread throughout the county. Suffolk is also key to the growth and innovative output of Cambridge, one of the world's leading innovation and education centres. The Port of Felixstowe remains the country's leading port, with advanced logistics capabilities – and helping export

Suffolk's products to the world – while the A14 corridor teems with export-oriented firms.

Ipswich is a thriving cosmopolitan town. Compared to London, property prices remain attractive, and this has generated a significant resurgence in the financial and professional services sector in the town. The creative sector is also buzzing with lots of new businesses setting up in clusters across the area. Similarly, Suffolk's many market towns continue to thrive with a strong retail sector and many successful businesses – both large and small.

Suffolk still retains its rural identity. Suffolk's approach to growth has protected and enhanced its rich landscapes and wildlife. Its market towns have healthy and thriving communities. A buoyant agriculture and food and drink sector, with a reputation for high quality products, both supplies food locally and exports to 100 international markets and is at the cutting edge of future technologies to feed the increasing global population. Tourism remains a major employer – with Suffolk's growing profile boosted by quick links to London. Culture and the arts thrive especially in Suffolk's heritage towns, and the county is known for its full calendar of arts and music festivals.

Continued investment in infrastructure means that Suffolk businesses are well connected by an efficient transport network. The county is seen as a 'hop' away from London and travel – including by rail – between centres within the county is easy. Suffolk's firms and residents – both in and out of its urban centres – benefit from full wired and wireless connectivity with broadband speeds exceeding 50mbps across the county including rural areas. Meanwhile, innovative approaches to environmental challenges, good stewardship and unprecedented partnership working have conserved and enhanced Suffolk's high quality natural environment and enabled its continued contribution to green growth.

With the opportunity and quality of life found across Suffolk's villages, market towns and urban centres, the *Suffolk Growth Strategy* has successfully created places to live and work that meet the expectations and aspirations of all.



## 3 Suffolk in the Global Economy

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3.1 The main proposals in *the Suffolk Growth Strategy* are built from an understanding of:

- global economic drivers;
- the Suffolk economy today;
- Suffolk’s competitive advantage;
- Suffolk’s economic growth sectors; and
- the main barriers to economic growth.

### Global Economic Drivers

3.2 The UK is exhibiting many of the same problems of escalating debt and declining investment that face some other European countries. UK government debt has more than doubled since 2009. The December 2012 forecasts from the Office of Budgetary Responsibility suggest that overall **economic growth rates will remain low**; during 2013 the UK will grow by 1.2% and by 2% and 2.3% in the next two years.<sup>1</sup>

3.3 The prospects for the UK economy must be considered in the context of fundamental shifts in the structure of the global economy. As set out in the Annex, these include:

- **the ‘BRIC’ nations (Brazil, Russia, India and China) becoming key drivers of the global economy** – creating new opportunities, generating new sources of competition and providing new sources of inward investment for the UK;
- **shifts in the structure** of advanced economies, particularly the overall decline of manufacturing and the continuing growth of service industries ... yet with some high value added **manufacturing sectors** prospering in Europe and North America and some activities moving back “onshore”;
- the pace of **technological innovation remaining key to competitive advantage**, particularly strengthening the ability of businesses to commercialise new technologies.

3.4 It has been suggested that the convergence of digital technologies, dispersed manufacturing and renewable energy production could drive a new era of decentralised economic growth: a “**third industrial revolution**”.<sup>2</sup> The OECD and many European governments have endorsed a vision of **green economic growth** – combining growth driven by low carbon sectors, with efforts to reduce resource use across the economy.<sup>3</sup>

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

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

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

## The Suffolk Economy Today

3.5 The **total size of Suffolk's economy** (gross value added, or GVA) in 2012 was around £12.6 billion. This is projected to grow to £14.6bn through to 2017 (around 15% above current value).<sup>4</sup> Key features of the Suffolk economy include:

- In mid-2012 there were some 439,000 working-age residents in Suffolk, of whom around 364,000 were **economically active**. This is an economic activity rate of 83%, higher than the average across the East of England (79.6%).<sup>5</sup>
- Some 21,600 working-age residents (5.9% of the population) were **unemployed**. Unemployment fell after the height of the recession in mid-2010, but still remains almost twice the pre-recession rate. Unemployment remains slightly lower than the average in the East of England (6.8%), and nationally.<sup>6</sup>
- **Youth unemployment** (16-24 year olds) was at 16.9%, lower than in the East of England region.<sup>7</sup>
- In 2011, there were some 305,200 **jobs** in Suffolk – including both employees and those in self-employment.<sup>8</sup>
- The average **earnings** of full-time workers employed in Suffolk were around £24,800 per year. This lags behind the average in the East of England.<sup>9</sup>
- Suffolk has a **diverse employment base** with a broad mix of jobs. The largest proportion is in public administration, education and health with just over a quarter (26%) of total jobs. Manufacturing accounts for around 12% of jobs.

**Fig. 2: Employment in Suffolk by Sector**

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<sup>4</sup> Oxford Economics, East of England Forecasting Model (2012)

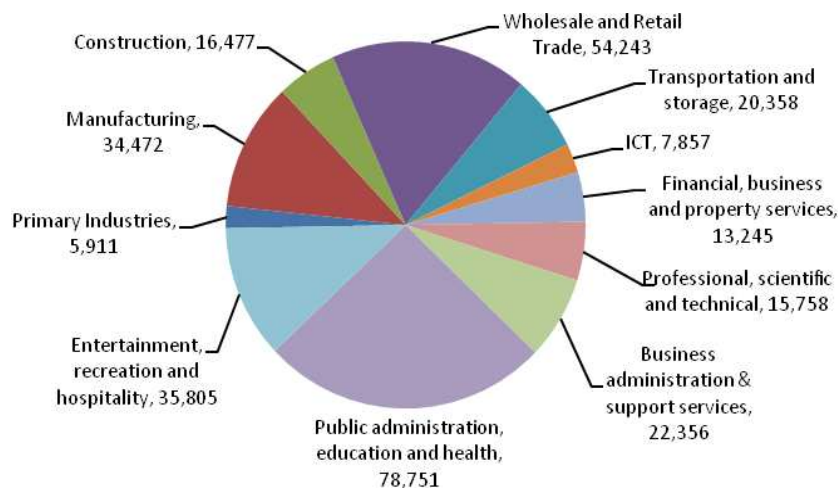
<sup>5</sup> ONS, Annual Population Survey (June 2012)

<sup>6</sup> ONS, Annual Population Survey (June 2012)

<sup>7</sup> ONS, Annual Population Survey (June 2012)

<sup>8</sup> ONS, Business Register and Employment Survey (2011)

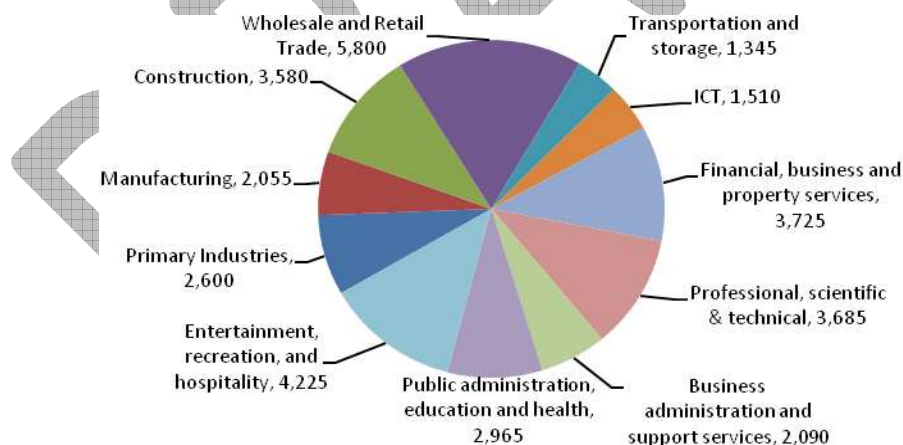
<sup>9</sup> ONS, Annual Survey of Hours and Earnings (2012)



Source: ONS, Annual Population Survey (2011)

3.6 In 2012 there were around 31,500 local business units in Suffolk. Compared to the average across England, a higher proportion of business units are in agriculture, forestry and fishing (8.3% versus 4.2%); construction (11.4% versus 10.5%); and production (6.5% versus 5.8%). A smaller proportion were in sectors including retail trade; information and communication technology; finance and insurance; and professional and technical services.<sup>10</sup> The number of businesses in Suffolk has been falling since the recession. Between 2008 and 2012 the number of units in Suffolk fell by around 1,570, or 4.7%.<sup>11</sup>

Fig. 3: Businesses in Suffolk by Sector



Source: ONS, UK Business: Activity, Size and Location (2012)

3.7 The most recent Government figures (for 2010) show energy use in Suffolk creates 5.57 million tonnes of carbon emissions each year. The Climate Change Act requires the nation to reduce these emissions by 34% (on 1990 levels) by 2020, on the road to an 80% cut by 2050. The recently published *Suffolk Climate Action Plan* calls for programmes to be developed

<sup>10</sup> ONS, UK Business: Activity, Size and Location (2012)

<sup>11</sup> ONS, UK Business: Activity, Size and Location (2008, 2012)

and implemented in Suffolk that will deliver a 0.76 million tonne cut (or over 13% of current emissions) by 2020.

## Suffolk's Competitive Advantage

- 3.8 First, Suffolk offers a **high quality of life**. With its rich cultural heritage and natural landscape, and its variety of urban centres, thriving market towns, and small communities, Suffolk is an attractive place for people to live, to work, and to visit.<sup>12</sup> As a result the health of people in Suffolk is generally better than the England average. Life expectancy is good (83.6 for females and 79.9 for males) and higher than the average for the East of England.<sup>13</sup> **Housing costs** are relatively low. While some areas have more expensive housing than others, the average house price in Suffolk is lower (£153k in August 2012) than that in the East of England (£174k), as well as in neighbouring Essex and Cambridge.<sup>14</sup> Suffolk's landscapes, beaches and heritage are the foundation for the County's tourism industry. Suffolk's attractions have been enhanced by a longstanding commitment to protecting the environment in the county, reflected in the county council and partners' aspiration of "Creating the Greenest County".
- 3.9 Second, Suffolk is **well-connected** to the rest of England, Europe, and the world. Ipswich and other key Suffolk towns are little over an hour from London by rail. Good trunk roads and motorways connect Suffolk to the rest of the UK. It is easy to access a wide range of European and long-haul commercial centres via Stansted Airport. Proximity to Cambridge brings huge advantages to Suffolk, especially the West. Access to London and Cambridge was the factor most widely cited among businesses as an advantage of locating in Suffolk.<sup>15</sup>
- 3.10 The **Ports** of Felixstowe – the busiest container port in the UK – as well as Lowestoft and Ipswich provide world class sea transport facilities. Suffolk's sea connections to Scandinavia, Northern Europe and the rest of the world including the BRIC nations – alongside its road and rail connections, and inland transportation businesses – give Suffolk's firms an exceptional competitive advantage.
- 3.11 Third, the shallow seas, high winds, and oil and gas resources off the North Sea coast give Suffolk a crucial advantage in the **energy sector**. The Lowestoft-Great Yarmouth corridor is a centre for servicing of offshore oil and gas, and the design, construction and maintenance of offshore wind farms. These support a broader ecosystem of firms around renewable energy technology and manufacturing, making Suffolk well-placed to benefit from the shift to green economic growth. This is supported by the new Lowestoft-Great Yarmouth **Enterprise Zone**.
- 3.12 A fourth asset (as well as a weakness) are the **skills of some of Suffolk's resident population**. While Suffolk has a lower proportion of workers with high-level qualifications than the national average, there are over 216,000 Suffolk residents educated to Level 3 and

<sup>12</sup> For example, in the 2012 Halifax Rural Areas Quality of Life Survey, four out of Suffolk's seven districts and boroughs were ranked in the top 50 rural districts in the country in terms of quality of life.

<sup>13</sup> Health Profile 2012, Suffolk, English Public Health Observatories

<sup>14</sup> Land Registry, House Price Index (2012)

<sup>15</sup> Suffolk County Council (2012), Inward Investment Survey

above, and 113,000 educated to Level 4 and above. Many residents commute to jobs outside the county, including many high-skilled residents who may prefer to work locally if appropriate jobs were available.<sup>16</sup>

- 3.13 **University Campus Suffolk** based in Ipswich with five other centres, is rapidly becoming a strong higher education centre. Lowestoft College is one of the UK's leading providers of training to the maritime and offshore industries, Otley college serves the agriculture sector; and West Suffolk College and Suffolk New College provide a wide range of courses.
- 3.14 Finally – and of most importance – Suffolk has a **strong and diverse business base**. Suffolk is home to major national and international businesses, including BT, Huawei, Birds Eye, Greene King, Muntons, British Sugar, Genzyme, Avent, Bosch, Ransomes Jacobsen, Ipsos Mori, Willis, AXA, Liverpool Victoria, and the East of England Co-operative Society. SMEs are an equally important asset to the Suffolk economy with over 90% of businesses in the county employing less than twenty people.
- 3.15 Of Suffolk's approximately 26,000 businesses, around 75% have fewer than five employees. Our 2012 business survey shows that around 60% have been operating in Suffolk for at least five years, and around 67% had plans to expand in Suffolk.<sup>17</sup>
- 3.16 *The Suffolk Growth Strategy* sets out our proposals to build on these advantages to create a strong, entrepreneurial, green economy.

### Suffolk's Growth Sectors

- 3.17 We see significant potential for the growth of the Suffolk economy. Working closely with the New Anglia LEP we see potential in nine key sectors:
- Advanced manufacturing and technology (AMT);
  - Energy;
  - Information and communication technology (ICT);
  - Finance and insurance;
  - Food, drink and agriculture;
  - Ports and logistics;
  - Biotechnology and bloodstock;
  - Tourism;
  - Creative and cultural industries.
- 3.18 We are **sharpening our focus** on how we enable investment from companies in these sectors – both from inside and outside Suffolk. More detailed consideration of these sectors is set out in New Anglia LEP's *Sector Growth Strategy*. Investments in companies in all of these sectors can contribute to our ambition of achieving green economic growth. Our views on each sector are as follows.

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<sup>16</sup> The ONS estimated that in 2008, over 15% of Suffolk residents worked outside the county (ONS, Commuting from the Annual Population Survey, 2008).

<sup>17</sup> Suffolk County Council (2012), Inward Investment Survey

- 3.19 **Advanced manufacturing and technology (AMT)** comprise companies applying cutting-edge technology to manufacture innovative and high-value products. This sector is poised to grow strongly in the UK, and Suffolk is well placed to capture some of this growth. There are at least 15,000 jobs in advanced manufacturing across Suffolk, representing around half of the manufacturing sector as a whole. The sector includes important concentrations in low carbon and energy technology, around Lowestoft; biotechnology and chemical products, in St Edmundsbury; automotive products, in Babergh; and healthcare engineering. The most important challenge for advanced manufacturing firms is securing the specialised engineering and technical skills they need.
- 3.20 **Energy** is one of Suffolk's major sectors with over 8,000 energy-related jobs.<sup>18</sup> The Lowestoft-Great Yarmouth corridor is a major centre for the servicing of the offshore oil and gas industry; and for the design, construction and maintenance of offshore wind and tidal energy. Another focus is the nuclear industry around the Sizewell B power station. Looking ahead, there is potential to strengthen Lowestoft as an internationally competitive energy cluster. Expansion in offshore wind capacity – including the new East Anglia Array, covering over 6000 km<sup>2</sup> – will create significant opportunities for the area's wind industry. Proposed new nuclear power stations at Sizewell C, and across the Essex border in Bradwell, could create substantial new employment. The most important concern for this sector is skills.
- 3.21 **Information and Communication Technology (ICT)** includes hardware, software, consultancy, data and telecommunications activities. There are around 1,400 ICT companies in Suffolk, employing nearly 6,500 people, concentrated in Waveney and Suffolk Coastal. A major focus of this activity is Adastral Park, BT's global centre for innovation. In recent years, the Innovation Martlesham initiative has successfully created an "open innovation ecosystem" in the area, including many innovative telecommunications businesses. Huawei, the world's largest telecommunications company, recently located its UK headquarters in Adastral Park. In coming years ICT will continue to be a fast growth sector across the UK. The expansion of Adastral Park will help to ensure that Suffolk shares in this growth. Key constraints on growth are a lack of fast and affordable broadband and shortages of technical skills.
- 3.22 Suffolk has significant advantages for the **finance and insurance** sector through relatively cheap property costs and wages, close proximity and easy access to London, good availability of related training and education, plus an experienced workforce. Ipswich is a regional sector 'hub' with two insurance firms each employing in excess of 1,000 people – AXA and Willis – along with sizeable offices for other local and national players such as Baker Tilly, Call Connection, Ensors, Ipswich Building Society, LV and Ryan Insurance. In addition, Haverhill and Newmarket are home to smaller offices. There are niche markets around marine insurance, linked to the county's ports, as well as farm and crop insurance servicing the rural economy. In the last 18 months Suffolk has seen a significant increase in the number of businesses in the finance and insurance sector.

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<sup>18</sup> Suffolk County Council (2011), *Suffolk Local Economic Assessment*

- 3.23 As a large rural county, **food drink and agriculture** are important to Suffolk. Agriculture employs over 10,000 people and food and drink processing employs a further 9,000 people. Major employers include Aspalls, Adnams, Greene King, Muntons, British Sugar, Birds Eye and Copella. There is also particular potential for growth in Suffolk's specialist food and drink offer, driven by national demand for high-quality, locally sourced food. Key constraints which may limit growth include the availability of technical and marketing skills, and water supplies.
- 3.24 Suffolk's **ports and logistics** sector employs over 13,000 people and indirectly supports many more jobs. Suffolk's ports provide our firms with a distinct competitive advantage when exporting their products. The Port of Felixstowe is Britain's largest container port and the 7<sup>th</sup> largest container port in Europe; while the Ports of Ipswich and Lowestoft are ideally located to service traffic to and from the industrial heartlands of Northern Europe, Scandinavia and the Baltic States. Lowestoft serves as a major supply centre for the North Sea offshore oil and gas industry; and for the development, construction and maintenance of offshore wind farms.
- 3.25 UK container traffic is likely to grow steadily over the next 15 years and there are opportunities for further growth through diversifying its bulk-breaking and post-processing capabilities. Meanwhile, Lowestoft is poised for growth related to the expanding energy sector. However, Felixstowe's position as the UK's dominant deep-sea container port could be threatened by competitors – especially London Gateway port. The sector also requires significant amounts of employment land.
- 3.26 **Tourism** is worth over £1 billion annually to the Suffolk economy, providing nearly 30,000 jobs in 2,800 workplaces. Suffolk has a strong profile as a tourism destination including its heritage coast, historical market towns, areas of natural beauty, spectator sports (including the Newmarket Races and Ipswich Town Football Club) and other tourist attractions; alongside its reputation for good quality food and drink. Key sites include the historic towns on the Suffolk Coast, Southwold and Aldeburgh; Forest Heath, including Newmarket; Bury St. Edmunds; Stowmarket with the Museum of East Anglian Life; Ipswich, including its recently regenerated waterfront; and Babergh including the historic towns of Sudbury and Lavenham. Suffolk also offers ever more popular internationally recognised festivals, including the Aldeburgh Food and Drink and Music festivals, and the Latitude Festival. By developing a strong tourism strategy for the region, there is potential to increase growth still further. This strategy should consider how we can; encourage visitors to make more overnight stays; extend the tourist season and promote our region more effectively to visitors by working closely with the wide network of local partners who have an interest in this area from NALEP to "Tastes of Anglia". Consideration should be also given to developing the green tourism sector, maximising benefit from this growing market as more people look to holiday at home, and minimise their carbon footprint. Building on our aspiration to become "the Greenest County", Suffolk is well placed for this, with a wide range of eco-tourism businesses and natural attractions.
- 3.27 **Biotechnology and bloodstock** is a small but growing sector in Suffolk. Suffolk is within the top 25% of UK counties in terms of employment in the biotechnology sector, with over 3,000

people working in the field.<sup>19</sup> West Suffolk is close to the world-leading biotechnology cluster and research strengths of Cambridgeshire, but with lower property costs and business rates. Some of the research-focused firms located here specialise in stem cell research and regenerative medicine. There is also an important cluster of firms specialising in horse breeding, bloodstock and health, close to the horse racing and equine industry in Newmarket. Lowestoft is home to DEFRA's Centre for Environment, Fisheries and Aquaculture Science (CEFAS).

- 3.28 Looking ahead, there is potential for Suffolk to grow its biotechnology sector through strengthening its capacity in cutting-edge research and development. University Campus Suffolk (UCS) has recently opened state-of-the-art laboratory facilities. There is potential to attract new firms in the northwest of the county and around Ipswich. Given Newmarket's international reputation for horse racing, the area's equine biotech and bloodstock industry offers significant growth prospects.
- 3.29 In 2011, the **creative and cultural industries** employed approximately 8,400 people in Suffolk, equating to 2.8% of the total workforce. (However, the large number of very small enterprises and independent artists may mean this sector is much larger – up to 5% of the total workforce according to some estimates).<sup>20</sup>
- 3.30 A large proportion of Suffolk's creative sector is made up of businesses in software consultancy and supply – primarily in Suffolk Coastal and around Adastral Park – with particular potential for growth. Suffolk is also home to a wide variety of artistic and creative activities, drawing on its rich cultural heritage. These include: the internationally-renowned Aldeburgh Festival and many visual artists, photographers and independent galleries, notably in coastal areas such as Southwold and Aldeburgh. Gainsborough House, the museum and gallery at the birthplace of painter Thomas Gainsborough, is in Sudbury. Suffolk is increasingly popular as a filming location – with over 200 registered locations, and recently featured in major films including the *Harry Potter* series. There are diverse prospects for further growth in the creative and cultural industries. However, poor broadband service is a key challenge across the sector.
- 3.31 **Alongside these key sectors we also see some broader opportunities for growth in other parts of the economy.**
- 3.32 Construction employs 16,000 people across Suffolk. A healthy construction and commercial property sector is crucial to growth in other parts of the economy by meeting the demand for new homes and workplaces. The health and care economy is also likely to expand in the longer term with the ageing of the population. There is a crossover with the biosciences sector and potential to develop niche specialist capabilities in the health sector based on expertise at UCS and Suffolk hospitals.
- 3.33 Low Carbon & Environmental Goods and Services (LCEGS) are another prospective growth area with the potential to create thousands of additional high value and highly skilled jobs

<sup>19</sup> Suffolk County Council (2011), *Suffolk Local Economic Assessment*

<sup>20</sup> Suffolk County Council (2011), *Suffolk Local Economic Assessment*



in the county. Globally, LCEGS is already worth over £3.3tn and forecast to grow to £3.9tn by 2015 - larger than the airline industry or pharmaceuticals sector. The UK is the 6<sup>th</sup> largest Low Carbon Economy – worth over £122bn, and forecast to grow by over 5% pa to 2015.<sup>21</sup> Suffolk is well placed to benefit from this market, with an established offshore wind centre at Lowestoft, high renewables potential and strong links in the west to the Greater Cambridge Cleantech hub.

- 3.34 Finally, retail is a very important activity. Despite high street activity experiencing a decline in growth nationally, 5800 companies in Suffolk are in the wholesale and retail trade, making it one of the largest business sectors in the region.

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<sup>21</sup> Low Carbon Environmental Goods and Services (LCEGS): Report for 2010/11 (May 2012) – Kmatrix commissioned by BIS

## Barriers to Growth

- 3.35 Even with these competitive advantages, Suffolk faces key barriers to growth. First, Suffolk's economic base is weighted towards **lower value-added activities, with lower potential for growth.**<sup>22</sup> This is reflected in **lower productivity rates** (in terms of GVA per head) compared to the national average.<sup>23</sup> Meanwhile, some sectors with potential for high value-added, green growth remain a relatively small part of Suffolk's economy.<sup>24</sup>
- 3.36 Second, the **skills and qualifications** of some young people and the adults are a barrier to growth. Provisional results for 2011-12 show only 50% of pupils leave year 11 with at least 5 A\*-C GCSEs including English and Maths compared to 58.6% nationally. This places Suffolk ten places from the bottom of England's 152 local authorities in terms attainment rates.<sup>25</sup> Moreover, in 2012, 26.1% of Suffolk's working-age residents were qualified to NVQ Level 4 or above – below the regional (29.2%), and national averages (32.7%). As set out above, our skilled workforce is an asset. Many who commute to work out of the county would find local jobs attractive. However, boosting educational attainments and the skills of our adult workforce is a major challenge facing Suffolk.
- 3.37 Third, it has become harder to start up a new enterprise in Suffolk in recent years. The **number of business starts** has reduced from over 3,000 per year in 2007, before the recession, to less than 2,500 in 2011. Failures increased during the recession, from 2,500 in 2007 to nearer 3,000 in 2010, though in 2011 they dropped to pre-recession levels.<sup>26</sup>
- 3.38 Finally, despite Suffolk's generally good connectivity, 80% of businesses say they have been adversely affected by shortcomings in the transport network.<sup>27</sup> Important parts of the **strategic road network** (notably the A14 corridor) can become congested at times.<sup>28</sup> The **rail** corridor connecting the Port of Felixstowe to the Midlands needs to deal with increasing freight volumes. Such deficiencies could erode the position of Suffolk's ports, and the competitive advantages offered by easy access to markets. As such improvements to this rail corridor are part of a long-term investment programme by Network Rail on the Felixstowe - Nuneaton route which will help remove up to 750,000 lorries from the roads each year by 2030. Poor **digital connectivity in some areas** is a key factor deterring expansion among affected businesses, particularly in rural areas. The average broadband speed in Suffolk for consumers and small businesses is under 5Mbps, but nearly one fifth get less than 2Mbps, and some areas have no broadband coverage at all. Planned investments will address these gaps, delays risk further hurting businesses.
- 3.39 ***The Suffolk Growth Strategy aims to directly address these barriers to growth.***

<sup>22</sup> ONS, Annual Population Survey, Workplace Analysis (June 2012)

<sup>23</sup> £17.3k, compared to £20k across England, or £18.4k across the East of England. Source: Oxford Economics, East of England Forecasting Model (2012)

<sup>24</sup> For example, direct employment in the energy sector still accounts for around 2.6% of Suffolk's employment base, ICT accounts for around 2.6%, and biotechnology for less than 1%.<sup>24</sup>

<sup>25</sup> Suffolk Observatory (2011), *State of Suffolk Report*

<sup>26</sup> ONS, Business Demography (2010)

<sup>27</sup> *Suffolk Local Transport Plan 2011*

<sup>28</sup> Network Rail (2008), *East Coast Main Line: Route Utilisation Study*

## 4 Suffolk Growth: Overview

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4.1 Realising our ambition for the Suffolk economy – green economic growth – will be achieved if we harness the main drivers of change in the global economy, recognise Suffolk’s competitive advantages, and overcome the barriers to growth. As set out above, we see significant opportunity in our nine growth sectors: advanced manufacturing and technology (AMT); energy; information and communication technology (ICT); finance and insurance; food, drink and agriculture; ports and logistics; biotechnology and bloodstock; tourism; and creative and cultural industries.

4.2 In different ways each will drive green economic growth. Realising growth in these sectors – and our ambitions more generally – entails focusing on four main elements:

- strengthening the **skills** of our workforce and young people starting work;
- attracting inward **investment** and promoting **enterprise**;
- focusing investment in our principal **economic growth locations**; and
- improving transport, digital communications and other **infrastructure**.

4.3 Weaving these four elements together will mean that Suffolk is doing “whatever it can” to enable private investment to drive economic growth.

### **Skills: Stimulating Growth**

4.4 First, we must ensure that Suffolk’s existing workforce and young people entering the workforce meet the needs of those companies already located in Suffolk, those considering moving here, and those starting up. Our ambition is to transform skills from a **growth barrier to a growth stimulus**. We will know we have achieved this when individuals are well prepared for work and qualified, employers are active partners in skills improvement, local education and training provision fully meets the needs of the economy and the potential of UCS as an economic driver has been fully realised .

4.5 To achieve our ambition, we must focus on four objectives. We will create a **locally led skills system** where investment decisions are taken by those who understand the needs of employers and the needs of learners – now and in the future. As **apprenticeships** are a powerful tool to meet existing and future skills challenges, we will increase the number of apprenticeships, significantly, across the Suffolk economy. Third, we will expand our *Raising the Bar* programme to boost educational **attainment, aspiration and “employability”** to make sure that every young person successfully moves from education into work. Finally, we will tackle **youth unemployment**. Together, achieving these four skills objectives will enable Suffolk’s companies to recruit the talent that they need to expand.

### Inward Investment and Enterprise

- 4.6 The growth of the Suffolk economy relies on: established Suffolk businesses becoming more competitive and expanding their markets beyond our borders; more companies investing in Suffolk; and creating new companies with high growth potential. To enable this to happen, we will concentrate on achieving five objectives in partnership with UKTI and Suffolk's existing network of business support agencies. First we will secure **more inward investment** particularly from non-UK based companies and into companies already in Suffolk. We will do this by strengthening our enquiry response team and setting up a Suffolk Account Management Service (SAMS). Second, we will enhance support for **exporting** companies and those planning to export. Third, we will **accelerate the rate of business start-ups**. Fourth, we will create a coherent network of **business support to promote innovation** and the expansion of small and medium sized enterprises (SMEs). Fifth, we will encourage public agencies to **procure more from local firms** (whilst complying with EU requirements) and enabling these firms to win, competitively, these contracts. Finally, we will work to improve **business resource efficiency** to enable green economic growth. Together, these activities will enable the faster growth of companies across the county.

### Principal Economic Growth Locations

- 4.7 For companies to expand, they need modern offices, factories, and warehouses in locations well connected by road, rail, sea, and air to their key markets and suppliers. The county council and the seven district and borough councils have agreed the principal locations for economic growth. Our **"best offer"** to companies planning to invest in our growth sectors, and more generally, comprises sites in: Greater Ipswich; Felixstowe; the Lowestoft and Great Yarmouth Enterprise Zone; West Suffolk (Haverhill Research Park, Bury St Edmunds and Newmarket) and the Key Market Towns of Sudbury, Stowmarket, and Hadleigh. There will also be opportunities driven by the construction of the new facilities at Sizewell C. Together, these sites offer an exceptional range of choice for potential investors.

### Infrastructure

- 4.8 To serve the needs of expanding companies and to ensure that our principal economic growth locations are indeed competitive, we must continuously improve our infrastructure. We have identified those investments **which are of key importance to Suffolk's future prosperity**: enhancing our **digital communications** networks; strengthening the **strategic rail network**; **improvements to the strategic road network** and key local improvements; and improving our **water and other utilities networks**, to ensure reliable supply and reduce environmental impact.

### Components of the Strategy Working Together

- 4.9 Realising Suffolk's full economic growth potential will only happen when we make progress with each of these components working together. Strengthening the skills of Suffolk's workforce, will make Suffolk a more attractive location for investment and make it easier for existing Suffolk companies to expand. In turn, globally competitive companies offering a wider range of jobs, with better prospects, raises the aspirations of our young people.

Expanding companies expect a choice of high quality locations well served by transport and broadband networks. Our approach to each of these elements is set out in the rest of this strategy.

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## 5 Skills: Stimulating Growth

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- 5.1 Enhancing the skills of the adult workforce and young people entering the workforce is the first element of our efforts to enable economic growth. Suffolk employers most often cite skills shortages as a **barrier to expansion**. Businesses considering moving into an area need to be confident that appropriately skilled workers are available. For individuals, having the right skills is the key to their job and financial security.
- 5.2 **Low skill levels**, and the **mismatch** between supply and demand has long been a particular barrier to growth in Suffolk. Nationally, one in five high-growth firms report that getting the right staff is the most important barrier to success that they face, whether due to difficulties in recruitment or shortage of skills.<sup>29</sup> From energy through to tourism, Suffolk's **key growth sectors** are dependent on a range of specialised skills; a growing number of opportunities – for example, technical jobs in sectors such as ICT, biotechnology, and the energy sector – require high level qualifications.
- 5.3 Successive governments have adopted strategies to tackle this – ranging from free market approaches to highly managed systems, and from nationally controlled to locally led. None of these approaches have effectively addressed the core issue of truly linking the demands of the economy to the skills of the workforce.
- 5.4 Our proposals build on our approach to skills as set out in our *Skills for the Future Strategy 2011-2013*. This strategy was endorsed by over 30 organisations from across the public, private and third sectors. It continues to be the driving force for our work.

### Our Ambition: Skills Stimulating Growth

- 5.5 Our ambition is **to transform skills from a growth barrier to a growth stimulus**. We will know we have achieved this when: **individuals** are well prepared for work and appropriately qualified; **employers** are active partners in the skills systems and access to a plentiful supply of skilled local people; local **education and training providers** are responsive to the needs of the economy; and **local leadership** for skills is strong.
- 5.6 Boosting skills starts with **individuals**. In Suffolk too many young people have a limited understanding of work, the economic opportunities in Suffolk and how to be well prepared to secure employment. Employers state that one of the most critical factors to their business is being able to recruit people with the right personal skills for employment: literacy, numeracy, responsibility, communication and problem solving abilities. According to the Federation of Small Business, eight in ten businesses don't believe school leavers are ready

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<sup>29</sup> NESTA (2011), *Barriers to Growth: The views of high-growth and potential high-growth businesses*, Research Summary

for work.<sup>30</sup> This is echoed by national research from the CBI which shows that that over two thirds (70%) of employers see employability skills as a top priority.<sup>31</sup>

- 5.7 Through ‘**Raising the Bar**’, our coordinated response to the challenge of educational attainment, employers have made it clear that they want to see the employability skills of school, college and university leavers improved. Often those who advise young people – particularly parents and guardians – need better access to good quality information so they can help young people make informed choices. (One in five parents feel out of their depth advising their children about careers, and almost a third say they only feel comfortable talking about jobs with which they are familiar).<sup>32</sup>
- 5.8 Recent research in Suffolk shows that young people have **high aspirations but often do not know how to realise those ambitions**.<sup>33</sup> Many have a strong desire to stay in their community. Too often, a lack of understanding of job prospects, combined with the desire to stay in Suffolk, leads to making the wrong career choices, disillusionment, and wasted investment in training. Balancing the needs of the individual with the needs of the economy starts with helping young people to have a better understanding of career options.
- 5.9 We do face an **attainment** challenge in Suffolk. As noted in Section 3, Suffolk is underperforming in basic attainment, with just 50% of pupils achieving 5 A\*-C GCSEs including English and Maths compared to 58.6% nationally. Suffolk has too few residents qualified to NVQ Level 3 and above – just under 50% compared to 53% nationally. At NVQ Level 4 and above, the gap widens – 26% in Suffolk compared with 33% nationally. Level 3 is the minimum attainment required to access higher level jobs; the proportion of jobs requiring this standard **will** continue to rise. The last ‘Annual Business Inquiry’ produced in 2008 showed that ‘knowledge intensive jobs’ – those in sectors with at least 50% of staff educated to Level 4 or higher – grew by 9.4% in Suffolk over the previous five years.<sup>34</sup>
- 5.10 To realise our growth ambitions we also have to address the challenges that **employers** face. Already we have skills shortages that are stopping some companies expanding, resulting in loss of productivity. For example, engineering companies are reporting that skills shortages are limiting growth. The projected 75% increase in jobs in the energy sector will need to very strong demand for relevant qualifications and skills.<sup>35</sup>
- 5.11 Currently there are too few employers playing a role in driving skills and holding the system to account. Research shows that 43% of employers have no links with schools or colleges.<sup>36</sup> Many of those employers who do try to contribute find the system complex, impenetrable and perverse: 15% of companies surveyed by the CBI found schools were not interested in engaging with them.<sup>37</sup> The National Education and Employers Taskforce found employers that were connected with schools, colleges, universities and other training providers

<sup>30</sup> Federation of Small Businesses, News Release Wednesday 22 August 2012

<sup>31</sup> CBI (2011), *Building for growth: business priorities for education and skills (Education and Skills Survey 2011)*

<sup>32</sup> Association of Colleges (2012), *Research on Careers Advice (for Colleges Week 2012)*

<sup>33</sup> Keystone Development Trust (2012), *Aspirations Escalator – A Final Report*

<sup>34</sup> ONS, *Annual Business Inquiry, 2003 and 2008*

<sup>35</sup> Suffolk County Council *State of Suffolk Report 2011- Economy & Employment*

<sup>36</sup> CBI (2012) *Learning To Grow: what employers need from education and skills (Education & Skills Survey 2012)*

<sup>37</sup> CBI (2012), *Learning To Grow: what employers need from education and skills (Education & Skills Survey 2012)*,

benefitted from improved retention, increased staff motivation, and value derived from work by students on their placement.<sup>38</sup>

5.12 **Education and training providers** across the county also face major challenges. Today, there are many quality programmes and good outcomes for learners; much of the provision is of good or better quality in terms of Ofsted grading. Yet there is still too much provision that does not enable learners to develop the skills needed to secure sustainable jobs. National research found that there is too much emphasis in post-16 vocational programmes on meeting popular demand of learners rather than industry need. In 2011 nationally, 94,000 people completed courses in hair and beauty with 18,000 new jobs becoming available, whereas in building and engineering 40,000 were trained for 72,000 vacancies.<sup>39</sup>

5.13 We also must address a **leadership challenge**. To link economic growth and skills we need focused local leadership – where the key players have a commitment to a set of goals for skills, understand their contribution and are ready to play their part. We need a unified voice with a single message to lobby government effectively for the system changes to secure the necessary investment to make provision more responsive to our local needs.

5.14 Realising our ambition – to **transform skills from a growth barrier to a growth stimulus** – will require us to meet these challenges. To do this, we have set out four key objectives:

- growth through local skills leadership;
- economic development driven by apprenticeships and higher education;
- *Raising the Bar* – growing ambitions and preparing for work;
- tackling youth unemployment.

5.15 Our county-wide approach to each of these is set out below.

### Objective One: Growth Through Local Skills Leadership

5.16 We need a new way to plan our investment in skills in Suffolk. To do this we will create a **locally led skills system** where investment decisions are taken by those who understand the needs of employers and the needs of learners – now and in the future. This will ensure that every pound of investment in skills achieves the maximum benefit for individuals and our economy, avoiding duplication and provision which does not meet individual or business needs.

5.17 **Employers will take a more central role** in the local leadership of skills working alongside a co-ordinated college and training provider community – supported by the public sector as needed. We envisage that the New Anglia Local Enterprise Partnership will play a central role and we will build on existing mechanisms.

5.18 Thus we will **establish a local Skills Taskforce for Suffolk in partnership with NALEP**. This employer led group will determine our skills investment priorities, steer the LEP views, and ensure that delivery and funding decisions take full account of these requirements. The

<sup>38</sup> UK Commission for Employability & Skills (2009), *The Employability Challenge*

<sup>39</sup> Centre for Economic and Social Inclusion on behalf of the Local Government Association 2012(2012), *Skills Mismatch Analysis – Hidden Talents*



Taskforce will draw on the expertise of the LEP sector sub-groups. It will work with national Sector Skills Councils to meet local needs. In return for this influence over provision, employers will be asked to invest more in local provision. We will develop a local skills covenant between employers and the Skills Task Force that commits both parties to align their investment in skills and levers greater value from current public expenditure.

- 5.19 The Skills Taskforce will **prioritise skills investment in sectors that will drive growth**. Working in partnership with NALEP we will secure more influence over how the Skills Funding Agency and Education Funding Agency commission learning particularly regarding provision to meet the needs of our growth sectors. This will include an element of payment by results linked to employment progression. We will work with NALEP to ensure future European Social Fund programmes also support these priorities. Our proposed City Deal for Greater Ipswich will also pioneer significant devolution of funding.)

## Objective Two: Economic Development through Apprenticeships

- 5.20 Apprenticeships are a powerful, but under developed, **tool to address skills challenges** and thus drive growth. They allow learners to acquire both complex practical skills *and* work experience, providing a route into skilled work, while meeting the needs of employers. Over half of companies that already recruit apprentices believe that they offer greater value than hiring university graduates.<sup>40</sup> Apprenticeships are also well-suited to **meet the skills needs of key growth sectors** – such as energy, manufacturing and construction.
- 5.21 Suffolk's Apprenticeship provision hit a high in 2007 when exceptional efforts were made to promote the programme. This quickly gave way to decline; the introduction of the National Apprenticeship Service had no impact locally. More recently, a renewed local focus led by the county council has caused a steady increase against the regional and national benchmarks. However we are only scratching the surface. There is still a lack of awareness about Apprenticeships amongst employers, young people and unemployed adults; too many parents and teachers do not see Apprenticeships as a positive progression route.
- 5.22 Our aim is to increase significantly the number of apprenticeships, targeting sectors including energy, manufacturing, engineering, construction ICT, Coding and Digital Media, Advanced Logistics, finance and care - including types of business where take up has been low such as in small companies and rural areas. By comparison with current performance, we intend: to increase the number of apprenticeship starts (at all ages) by at least 33% by 2015/16, from 6,272 currently to 8,342; and to increase the number of 16-18 year olds in apprenticeships by 50% from 1,613 currently to 2,477.
- 5.23 To achieve this we will **make it easier for employers to get involved** by creating an Apprenticeship Service for Suffolk working with the National Apprenticeship Service. This will promote apprenticeships and provide an impartial service for employers, particularly SMEs, who would like to introduce apprentices, or utilise the programme to develop existing staff. This will be wholly focused on increasing apprenticeship numbers and will support training providers and careers guidance staff in schools and colleges.

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<sup>40</sup> City and Guilds, (2011), *Building Business through Apprenticeships*

- 5.24 We will also ensure we are making **full use of the funding available for apprenticeship training nationally**. Suffolk has a mix of public, private and third sector providers. Some make considerable efforts to create new apprenticeships which meet the needs of employers, while others do not. We will work closely with local providers to drive the growth of high quality apprenticeships. Good providers will be supported and where necessary new providers will be encouraged into the county to introduce additional investment and apprenticeship frameworks. We will also **secure additional funding** to deliver flagship programmes (such as financial incentives, group training associations or apprenticeship training agencies) in our main growth sectors and other large employment sectors.
- 5.25 Higher education also has an important role to play to drive economic growth. We will work with UCS to support the development of new higher education pathways that support our growth ambitions within key sectors and enable UCS to develop its role as a driver of the economy in its own right.
- 5.26 As large employers, the **local authorities** will increase the number of apprenticeships and work experience opportunities. We will systematically embed apprenticeship and other training requirements into our **procurement** practices. We will also support **vulnerable young people** into apprenticeships.

### **Objective Three: Raising the Bar: Growing Ambitions: Preparing for Work**

- 5.27 Launched in June 2012, **Raising the Bar** is our Suffolk-wide initiative aimed at boosting educational attainment, aspiration and employability, and making sure every young person in Suffolk has the best possible chance to succeed in education and achieves successful and sustainable employment. This aims to ensure **every young person makes a successful transition into high quality sustainable work** at the appropriate time. To achieve this we need to create an environment where all young people, whatever their background, can aspire to and achieve the very best that they can.
- 5.28 Suffolk's employers want to see the **employability skills** of school, college and university leavers improved. This includes developing the softer skills that employers need, such as communication, team work, initiative, responsibility and a positive attitude.
- 5.29 To do this, we will develop a Suffolk **learning framework for employability**. Whilst most schools are very willing to engage with employers, there is often no explicit focus on employability skills within a school's curriculum. Sometimes, teachers can lack the confidence or knowledge to incorporate these skills into their lessons. We will develop a learning framework for employability which provides a shared understanding between schools, employers and learning providers about the skills needed for work and how we will collectively support children to develop these. The framework will build progressively from the primary years onwards and help schools embed the development of these skills into their curriculum. For employers the framework will provide greater clarity regarding the most useful help they can give and will be centred on: communication, responsibility, initiative and teamwork.

- 5.30 **Strong links between schools/colleges and employers** are a vital part of effective education. Young adults who experience four or more employer contacts are five times less likely to become NEET and a 2010 survey of primary and school heads showed that 75% of respondents believed that the involvement of employers had a positive impact on attainment.<sup>41</sup> A large proportion of Suffolk's employers are already engaged in education and we know there is a great deal of willingness on both sides to do more. We will establish a mechanism to support employers and schools to work together more effectively: providing a single point of contact for educators to access quality assured work related learning programmes, and find employers to deliver, support or enhance their activities.
- 5.31 Young people, parents and their advisors need much better access to coherent and credible **information** on how the economy is changing, the career opportunities that exist and how to access them. We have this information, but we do not always make it easily available. We will establish an easily accessible web-platform and a programme of outreach that brings together this information and celebrates the great careers that exist across the county.
- 5.32 If we are to achieve our ambitions we need to achieve a change in people's perspectives on preparing for work and adulthood across the whole community. So we will develop a countywide "hearts and minds" campaign to ensure that educators, young people, parents, and employers are aware of the importance of **personal skills and preparing young people for work**, alongside gaining qualifications. This will inspire all groups in Suffolk's communities to make the contribution they can to help young people to realise their ambitions and be well prepared to move into sustainable high quality work.

#### Objective Four: Tackling Youth Unemployment

- 5.33 In recent years, youth unemployment has increased across the county. At the end of 2012, around 3,800 16-24 year olds were claiming job seekers allowance; over half live in Ipswich and Waveney.<sup>42</sup> Over the past four years, this represents a 71% increase; there is a significant risk that youth unemployment will continue to increase during 2013 and beyond.
- 5.34 Many young people, particularly those that have been unemployed for more than a year, will have faced multiple disadvantages during childhood and, by extension disrupted education, and require more specialised support and guidance. Groups particularly affected include young people in the care system, and young people in the justice system.
- 5.35 The most effective support for unemployed young people is likely to comprise a mixture of **work experience, internships and opportunities to re-engage in full-time learning**. We will strengthen our approach to youth unemployment as follows.
- 5.36 First, we will develop a **co-ordinated all-Suffolk approach** to providing support and resources, targeted at areas where they are needed most. Through our new approach to shared leadership of skills we will produce a coherent strategy for enabling every

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<sup>41</sup> Education and Employers Taskforce (2012), *It's who you meet: why employer contacts at school make a difference to the employment prospects of young adults*; KPMG (2010), *Evaluation of Education Employer Partnerships*

<sup>42</sup> ONS, Claimant Count (Age and Duration), November 2012

unemployed 16-24 year old to access the help they need. This will include ensuring all available resources are focussed on those sectors which offer the best employment prospects for young people.

- 5.37 Second, through our **procurement practices** we will ask every company in receipt of a major public sector contract to produce a training and apprenticeship plan that delivers tangible benefit to young people in local areas. In addition, we need to harness the talents and creativity of young potential entrepreneurs. We will work to support organisations which enable young people with **entrepreneurial ambition** to succeed.
- 5.38 Finally, this means we will focus on reducing the number of young people who are **not in education, employment or training (NEET)**. At 6.4% more of Suffolk has a higher proportion of young people who are NEET than regionally or nationally. The continuing and persistent nature of the problem suggests that we need to consider innovative approaches.
- 5.39 Moreover, government is mandating full participation in education or training among 17 year olds by 2013; and among 18 year olds by 2015. This will require local authorities across the country to expand education and training opportunities, and support NEET young people into work. We are determined to reduce the proportion of young people becoming NEET to below the regional and national averages by 2015/16.
- 5.40 In order to do so we will introduce **pre-16 work clubs**. These will be school- and community-based and aimed at ensuring all 15 year olds who are seeking work as a destination at 16, identified as at risk of becoming NEET, or who have no clear plans for progression can access appropriate support to help them make a successful transition into apprenticeships, further education or employment with training. We will also work closely with employers and training providers to ensure young people can access high quality traineeships and are supported to develop the skills they need to access apprenticeships and sustained employment. This practical approach will also help to ensure that Suffolk's meets government mandates.
- 5.41 We will also improve foundation learning and support providers to make the transition to the new study programmes for students studying below Level 2. We will work with the Education Funding Agency to improve the learning offer in Suffolk to ensure young people with basic skills gaps can make the first step to gaining qualifications and securing sustainable employment. Our focus will be ensuring every young person can access high quality provision with a track record of helping young people into work. Where necessary we will bring additional providers, with a recognised pedigree, to the county.
- 5.42 Finally, we will **boost the capacity of third sector organisations** to work with young people that are NEET. There are a large number of third sector and other small organisations who are working with young people to engage them in non-formal education, training and/or voluntary work. Many have a long and successful track record in providing support and we need to do more to scale-up this provision and spread best practice.

## 6 Inward Investment and Enterprise

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6.1 The growth of the Suffolk economy relies on:

- established Suffolk businesses becoming more competitive and expanding their markets beyond our borders;
- more companies investing in Suffolk;
- creating new companies which have high growth potential.

6.2 We see opportunities to enable this growth in every sector of the Suffolk economy. As set out earlier we see particular opportunities for businesses of all sizes in nine key growth sectors. However, we will seek to boost the competitiveness of enterprises, and attract new investment, across the whole of the Suffolk economy. To enable this growth, we will focus on activities that will create new sustainable jobs as well as retain existing jobs.

6.3 Our plans for inward investment and enterprise are evolving in light of the changes in how government is supporting these activities. Over the decade to 2012, the East of England Development Agency made very substantial investments in inward investment and enterprise support programmes; these have now ceased completely. Our two Local Enterprise Partnerships have identified their key priorities but resources available to deliver programmes have been extremely limited. In December 2012, the government announced that it intended to make modest increases in the resources available to the LEPs from 2013 onwards with the prospect of further resources from 2015 onwards. As will be apparent below, we are proposing to establish a new enterprise and innovation network as part of our City Deal negotiations with government; implementation will be contingent on securing devolved funding.

6.4 Our six inward investment and enterprise objectives are:

1. securing **inward investment**;
2. accelerating small **business start ups**;
3. enabling Suffolk companies to **increase their exports** to the rest of the world;
4. supporting small businesses and encouraging **innovation**; and
5. increasing green economic activity arising from public agency **procurement**; and
6. improving **business resource efficiency**.

6.5 We will achieve each of these objectives as follows.

## Objective One: Securing Inward Investment

- 6.6 Our inward investment activities embrace both efforts to attract **foreign direct investment** and working with **companies large and small that are already based in Suffolk** to support their efforts to invest in expansion. These activities will be led jointly by the county council and the district and borough councils working together.
- 6.7 In recent years, there has been a steady, albeit modest, stream of foreign direct investment in Suffolk. Suffolk has also been remarkably successful in attracting mobile Chinese foreign direct investment and is in a strong position to build on these gains. Huawei, the communications technology giant, opened a facility in Adastral Park last year. Likewise, the Port of Felixstowe’s Chinese parent company has recently made hundreds of millions of pounds of investments in the port’s expansion.<sup>43</sup>
- 6.8 Through the New Anglia LEP, Suffolk and Norfolk County Councils have entered into a Memorandum of Understanding with UK Trade and Industry and the National Investment Service (the NIS) setting out the balance of responsibilities for foreign direct investment. The NIS is mainly responsible for generating inquiries from foreign investors. We mainly rely on “leads” from UKTI from their “national pipeline”. In common with most (but not all) areas, Suffolk does not invest resources in generating its own leads from various overseas markets – with the exception of China, as described in section 6.10.
- 6.9 Suffolk County Council has taken on the mantle for the coordination (but not all of the delivery) of inward investment activities across the county. This coordination role entails receiving enquiries from the NIS, collaborating with districts and other local partners (such as universities) to ensure a quality response, managing inward visits, maintaining an up to date premises and sites register, managing relationships with landowners and developers and preparing appropriate print and web based information setting out Suffolk’s “offer”. In early 2013, the county council launched a suite of documents aimed at potential investors in our target markets. The county council is also strengthening the enquiry response team on behalf of Suffolk as a whole and there are dedicated resources focused on attracting inward investment from the energy sector, including a joint director post with NCC to stimulate inward investment in energy. In performing this work (and the activities below) the county council works closely with district and borough council, and private sector, colleagues through such groups as the Investment Task Force and the Suffolk Growth Group.
- 6.10 Building on our established relationships with China, Suffolk County Council has been working in partnership with Essex County Council for the last ten months to explore the energy trade links between Suffolk and the Jiangsu province in China.
- 6.11 Turning to **investment by companies already in Suffolk**, the Memorandum of Understanding with the NIS specifies that the county council should perform a much stronger role. This “investor development” or “aftercare” work focuses on ensuring that companies

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<sup>43</sup> Suffolk County Council (2012), *Strategy for China Friendly Suffolk*

continue to invest in Suffolk. It is likely that this will continue to be a fruitful source of inward investment in Suffolk.

- 6.12 To perform this role better, the county council is establishing — with the district and borough councils -- a new **Suffolk Account Management Service (SAMS)** to focus on the top **100 largest businesses** as well as **fifty SMEs with growth potential**. These will be both foreign and UK owned companies. The purpose of this work is to ensure that local and central government are doing “whatever it takes” to ensure that these companies invest to expand their operations in Suffolk. This will include (but is not limited to) identifying how best to address skills shortages with local colleges and training providers, ensuring that land and property is available for expansion, and ensuring that planning policies promote growth and are administered efficiently. It will also include assisting with supply chain development (see below) and ensuring that the firms gain access to various grants and loan facilities offered by government (including EU funds).
- 6.13 The county council recently asked companies already in Suffolk what they found attractive about the county. Apart from a personal connection to Suffolk, the most commonly cited factors were Suffolk’s quality of life, location in the UK, and customer base. The factors frequently cited as restricting expansion in Suffolk were a lack of qualified staff and poor broadband; as well as a lack of customers, transport links, and poor quality premises. Asked what information they would need to help them make an investment decision, nearly half identified skills, training and work force; other common areas were on existing business networks, transport connections, and industry-specific research.<sup>44</sup>

### Objective Two: Increasing Exports

- 6.14 Suffolk’s exporters are performing well. In manufacturing, the **export delivery balance** of Suffolk’s firms – the difference between the net value of their exports and imports – has led the national average in most quarters since 2007. In Quarter 3 2012 export values led import values by 42% in Suffolk, compared to 13% nationally. In services, the picture is even more positive, with Suffolk’s export deliveries balance soaring to an all-time-high of 70%, compared to 17% nationally.<sup>45</sup> Currently, the Chamber of Commerce knows of 52 Suffolk companies that export to China – including St Peter’s Brewery, Ipswich Hydraulics, and Aquaterra. Education and tourism are also important markets.<sup>46</sup>
- 6.15 We see Suffolk as a hotbed of small and medium sized companies who could exploit the growing opportunities overseas to trade their products. In a world where quality and lifestyle goods are at a premium, Suffolk’s companies are well placed to prosper. The Suffolk Chamber of Commerce provides a service to support businesses seeking to export more. Business fairs, such as those hosted by MENTA and ISSBA also provide an important channel for showcasing export opportunities for a wide range of local firms.

<sup>44</sup> Suffolk County Council (2012), Inward Investment Survey

<sup>45</sup> Suffolk Chamber of Commerce (2012), *Quarterly Economic Survey: Q3 2012*

<sup>46</sup> Suffolk Chamber of Commerce (2012), *Quarterly Economic Survey: Q3 2012*

- 6.16 We are currently considering how best to enhance support for **exporting companies, and those planning to export**, in partnership with the Chamber. This includes targeted trade missions, Suffolk Investment and Trade Group meetings, training and a coordinated package of services (export documentation, letters of credit, marketing overseas, foreign exchange, Chamber translations). We are working with the Chamber to support their 2013 campaign *Exporting is Good for Business*. More generally, we are also considering how best to enhance the service to ensure training and awareness is enhanced on the BRIC countries and other emerging economies. We will be considering how best to provide trade support for companies in our key growth sectors. This could include more collaboration with UCS, West Suffolk College and Lowestoft College on nuclear and renewable energy, and life sciences.
- 6.17 Alongside our efforts to stimulate demand for “green” goods, services and management processes, we also need to explore ways of supporting the continued development of a strong local supply chain of LCEGS companies. This is likely to involve ensuring that local business support and training providers are geared up to work with the sector. There may also be a case for raising the profile of our inward investment and export offers to companies operating in this arena - with China being a key market.

### Objective Three: Accelerating Business Start-ups

- 6.18 The great large employers of the future may well be hidden in the small start ups of today. For this reason, we recognise that it is important to nurture our small businesses and we will work together with our partners across the county to ensure that Suffolk SMEs have access to comprehensive local business support services.
- 6.19 Suffolk generates **new businesses** at a significantly lower rate than the national average. In 2009 (the latest date for which full figures are available), one new business was formed for every 302 Suffolk residents. In the same year, one new business was formed for every 245 residents across the East of England, and for every 261 residents across the UK.<sup>47</sup>
- 6.20 However, Suffolk’s businesses have a slightly **better chance of survival** than the national average. In 2008 (the latest date for which full figures are available), 94.4% of businesses survived after a year, compared to 92% across the UK; and 78.3% made it into their second year, compared to 74% across the UK.<sup>48</sup>
- 6.21 Overall, the environment for new businesses has been getting more difficult. From 2007-2010 the number of start-ups fell from over 3,000 to 2,200 – or almost 30%. The rate of **business closures** is fluctuating but generally increasing. From 2007 to 2010 the number of closures increased from 2,600 to 2,950 – over 14%.<sup>49</sup>
- 6.22 In recent years, county, district and borough councils have supported a range of initiatives to support new business start-ups. These have included supporting the growth of the

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<sup>47</sup> ONS, Enterprise Births, Deaths and Survivals (2012)

<sup>48</sup> ONS, Enterprise Births, Deaths and Survivals (2012)

<sup>49</sup> ONS, Enterprise Births, Deaths and Survivals (2012)



Enterprise Hub for young entrepreneurs. We have pump primed the establishment of the Suffolk Investor Club, the Angel Network for Suffolk; in due course this scheme will be self-financing and self-managed, by the angels.

- 6.23 The county, district and borough councils are **now considering how best to accelerate the rate of business start-ups**. This is likely to include developing a stronger partnership with our enterprise agencies and joining up with national service providers such as “Start-up Britain”. We will also explore whether access to finance is a problem for start ups in our region and investigate different models for providing loans for new businesses such as the Cambridge and Counties bank model. This will also include gaining a better understanding of the accommodation needs of start-ups, assessing whether gaps exist, and working with the private sector to address these gaps.

### Objective Four: Promoting Innovation and Supporting Small Businesses

- 6.24 **Smaller enterprises** make up most of Suffolk’s businesses. 67.3% of business units in Suffolk employ four people or less, slightly below the English average. A further 24% of business units employ between 5 and 20 people, slightly above the English average. Suffolk has a lower proportion of larger businesses (employing 100 people or more) compared to the English average.<sup>50</sup> Mid Suffolk and Suffolk Coastal had the highest proportion of smaller enterprises (87% and 84% with 10 employees or less); while Ipswich had the lowest proportion of smaller enterprises (77%), and more large employers.<sup>51</sup>
- 6.25 In recent years, the seven district and borough councils and the county council have funded initiatives to support the expansion of small businesses and start-ups. These have included the provision of incubator units, providing business loans and grants, promoting subsidised training to businesses, developing a B2B trading platform, facilitating business events such as the ten day business festival in Bury St Edmunds and pump-priming the Suffolk Business Women’s Network. We are developing local supply chains. The most advanced of these is the energy sector, where we have agreed, through the Norfolk and Suffolk Energy Alliance, a supply chain strategy for the two counties covering all energy. The county council owns OrbisEnergy, the business centre for the Offshore Renewable Energy sector and home for up to 35 businesses.
- 6.26 The Suffolk Climate Change Partnership (SCCP) offers a package of support to support businesses improve resource efficiency and reduce energy usage. The SCCP offers a range of services that tackle the most common problems faced by SMEs. These include free resource efficiency audits (so far identifying £2m of annual revenue savings from 400 SMEs); the Suffolk Carbon Charter & Greenest County awards; interest-free loans to help with the initial costs; and bespoke services including mentoring, workshops, and advice on renewables.
- 6.27 Businesses in our area still face difficulties accessing finance and the county, districts and borough will need to work together to ensure that businesses (especially SMEs) are effectively signposted to all relevant sources of grant funding. In conjunction with the

<sup>50</sup> ONS, Business Population Estimates for the UK and Regions (2012)

<sup>51</sup> ONS, Business Population Estimates for the UK and Regions (2012)

private sector we are developing a range of funding solutions. For example NALEP has secured £3m from the Regional Growth Fund to provide business expansion grants, leveraging in £12m in private funding and creating 250 jobs. We are also working with the LEP to create a £4m fund to invest in low carbon businesses as part of the LEP green pathfinder initiative.

- 6.28 Looking forward, we are now considering how best to support small business expansion across Suffolk. This includes assessing the feasibility of establishing a network of **Innovation and Enterprise Centres (i3 Partnership)** providing premises, kick-start funding and expert business support across Suffolk. The Innovation Centres would be targeted at small companies with the potential to expand. We also recognise the need for such businesses to secure ‘second stage’ premises as they grow. The network would also build on (and ideally incorporate) Innovation Martlesham at BT’s Adastral Park site and Orbis Energy.
- 6.29 These interventions must be delivered with, and by those organisations, on the front line of enterprise delivery which have the skills and technical knowledge to do so – but perhaps not the targeted resource. We will need to continue to work closely with the Suffolk Chamber of Commerce, MENTA, the Eastern Enterprise Hub, the Federation of Small Businesses, Suffolk ACRE, the FSE Group, the NWES and a wide range of other partners.
- 6.30 We are strongly committed to supporting the expansion of **social enterprises** throughout Suffolk. UCS is home to the School for Social Enterprise, and we envision that this will play a central role. The county council has also recently set up a Social Enterprise Investment Fund.
- 6.31 More generally, we are considering how best to **promote supply chains** in our key sectors, improve **access to private finance** and government grants and loans, develop stronger capacity to **commercialise the results of academic** research, and ensure that there is a ready supply of **incubator and “grow-on” space**.

### **Objective Five: Increasing Economic Activity from Public Sector Procurement**

- 6.32 Together, Suffolk’s local authorities, the NHS, and other public bodies, are significant commissioners of goods, services and works. By “leading from the front”, public agencies can demonstrate that there are significant benefits of “buying local” to businesses.
- 6.33 For example, more of the county council’s requirements are being outsourced through divestment and commissioning and it spends in the region of **£430m** each year in goods, services and works from third parties. A large proportion of this has already been spent in Suffolk but the Council believes there are opportunities to increase the net volume of its spend with Suffolk based firms – and still comply with UK and EU guidelines. The county council publishes details of its expenditure online and the ‘Suffolk Sourcing’ site provides information regarding procurement opportunities with all local authorities in Suffolk, allowing businesses to view and download any current tender, mini-competition and quotation opportunities advertised by any of Suffolk’s local authorities.
- 6.34 The county council will work with groups in the voluntary and private sectors, specifically the Suffolk and Ipswich Chamber of Commerce, the Suffolk Federation of Small Businesses and

the VCS Suffolk Congress, to embed good practice in commissioning, procurement and contract management, promote early engagement, simplify processes, and improve access to opportunities throughout the supply chain and in particular to SMEs. This activity will help Suffolk to structure its contracts so that they are attractive to the local business community.

- 6.35 The county council is not in a position to directly influence the procurement practices and strategy of other public sector procurers but will seek to promote best practice, including environmentally friendly business practice and the development of local sources of supply, when engaging in joint commissioning activity.

### **Objective Six: Improving Business Resource Efficiency**

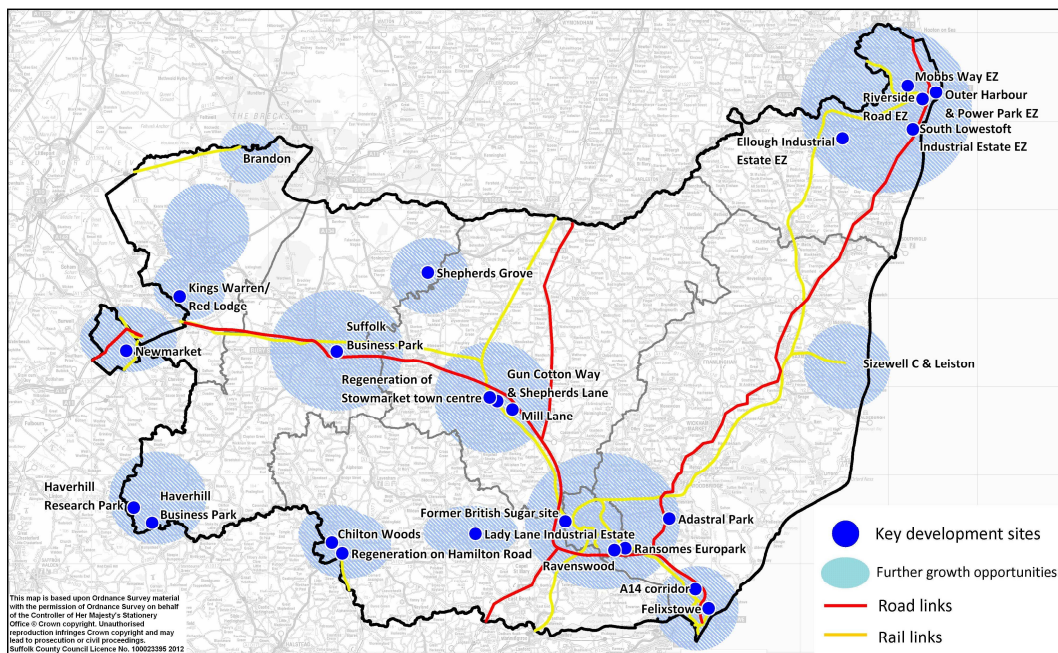
Improving the cost, energy and resource efficiency of Suffolk's businesses will improve their profitability, enable greener economic growth, and relieve some of the strain on Suffolk's infrastructure. In keeping with the priorities of the New Anglia LEP's Green Economy Pathfinder we will work alongside the LEP, business and government (in particular BIS and Defra) to develop a clear route map for a business resource efficiency (BRE) process, establishing a common vocabulary on the drivers for realising associated business benefits (reduced costs, comparative advantage, business growth and resilience). Alongside the LEP, we will also support the roll-out and replication of **best practice in BRE and BRE support services**: evaluating, communicating and applying key learning for a responsive 'green business services' approach across the county – and shared with Norfolk – that builds support where it's actually needed.

# 7 Principal Economic Growth Locations

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- 7.1 Today, Suffolk offers a diverse, strong mix of vibrant towns and cities and is well served by two international airports, the UK's most important seaport, and the national motorway, trunk road and rail network. Developing the best locations for growth is key to ensuring that Suffolk is successful in the global competition for investment.
- 7.2 The seven district and borough councils and Suffolk County Council have agreed the principal locations for economic growth. In particular, these comprise our “best offer” to companies planning to invest in our growth sectors. These locations are as follows:
- Greater Ipswich;
  - Felixstowe and the A14 Corridor;
  - Lowestoft and Great Yarmouth Enterprise Zone;
  - West Suffolk: Haverhill Research Park / Bury St Edmunds / Newmarket / Brandon;
  - Key Market Towns: Sudbury / Stowmarket / Hadleigh.
- 7.3 We also identify opportunities driven by the Sizewell C Development.

**Fig. 4: Principal Economic Growth Locations and Major Road and Rail Routes**



- 7.4 These opportunities are of **county-wide** or **national** significance as well as locally important. These locations are all suitable for investments by globally-competitive companies that will help drive the growth of Suffolk and the UK economy as a whole.
- 7.5 All of the growth locations contained herein have undergone a sustainability appraisal. To achieve sustainable development economic, social and environmental gains must be sought jointly. Economic gains; ensuring that land of the right type is available in the right places and at the right time to support growth. Social gains; ensuring that the built environment meets the needs of present and future generations and supports the health, social and cultural well-being of the community. Environmental gains; contributing to protecting and enhancing our natural, built and historic environment and thus helping to improve biodiversity, use natural resources prudently, minimise waste and pollution and mitigate and adapt to climate change including moving to a low carbon economy.<sup>52</sup>
- 7.6 As well as these principal growth locations we recognise the significance of working in partnership to enhance the vitality of **town centres across Suffolk** which, as transport interchanges, remain excellent areas for employment growth. Town centres are retail, cultural and recreational centres which it is important to preserve. The Portas report makes a number of recommendations for town centre management and we will work with

<sup>52</sup> Communities and Local Government (March 2012), *National Planning Policy Framework*

partners such as town teams, business associations and Business Improvement Districts to help implement town centre plans.

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## Greater Ipswich

### Potential for Growth

Ipswich is a dynamic and prosperous urban centre and Suffolk's largest centre of economic activity and employment. The wider Ipswich Policy Area has a population of over 150,000, and supports over 80,000 jobs.<sup>53</sup>

- 7.7 Ipswich is **Suffolk's county town** and its major centre of public administration, retail, and business and financial services. These sectors together account for a majority of the town's employment. Ipswich has a significant **port**, handling over 3 million tonnes of cargo a year, and supporting adjacent container terminals and warehousing facilities. Ipswich is a centre for **tourism, heritage and culture**, attracting up to two million visitors a year, and home to a wealth of diverse heritage and cultural assets; and a centre for **education**, including University Campus Suffolk (UCS) which offers teaching and research in key sectors including medicine and public health, tourism, business, technology, and the creative industries.
- 7.8 Ipswich has strong growth prospects in **business and financial services**, especially **insurance** – where its reputation for relevant skills and expertise, and major established employers, are driving continued expansion. Another is **information and communication technology (ICT)** sector – centred on BT's Research and Development Division at Adastral Park and the cluster of firms which has grown around it supported by the Innovation Martlesham initiative. A third area is the **energy sector – in particular** for associated services such as professional financial and legal support, transport and logistics, health and safety, and brokerage and sales.

### Priorities for Action

- 7.9 Our priorities for the Ipswich Policy Area are to:
- strengthen Ipswich as a thriving urban centre with improved retail and office offers, enhanced cultural and visitor attractions and strong focus on the creative sector;
  - focus on the ICT sector based mainly on Innovation Martlesham;
  - create an offer in terms of suitable, available and serviced strategic sites to support growth at the level required, especially in these priority sectors;
  - deliver a well co-ordinated plan for business support and the supply and management of small business premises e.g. incubation space, for the SME sector;
  - build a stronger partnership with UCS and the colleges, to support enterprise and innovation in these priority sectors and to develop an appropriate local labour supply for their expansion.

### Key Development Sites

- 7.10 We will work to bring forward investment at key development sites, including:

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<sup>53</sup> Incorporating the Ipswich Borough Council boundary area along with 19 electoral wards in the adjacent districts of Mid Suffolk, Babergh, and Suffolk Coastal.

- **Ransomes Europark Expansion:** 19 hectares of mixed brownfield and greenfield land, immediately available, adjacent to an existing major industrial estate with 90 hectares of space, and some vacant units.
- **Ravenswood:** 2.45 hectares of land in Southeast Ipswich.
- **Futura Park:** 11 hectares of serviced brownfield land in Southeast Ipswich, available in the short term, and bordered by other retail parks to the east and north and a business park to the west.
- **Former Sugar Beet Factory:** 50 hectares of brownfield land on the A14 west of Ipswich, with 36 ha allocated to employment use which could accommodate a mix of building types and floor space configurations (estimated at around 160,000 square metres of industrial floor space). The site may require significant investment in associated infrastructure to open it up to development.
- **Adastral Park Expansion:** A potential 2000 additional homes and 60,000 square metres of new employment floor space.

## Felixstowe and the A14 Corridor

### Potential for Growth

- 7.11 The Port of Felixstowe is a key economic asset for the county, the East of England, and the UK as a whole.<sup>54</sup> It is the UK's largest deep-water container port, and the only port to offer berths for the largest container ships. The port supports a major logistics and distribution sector – extending up the A14 corridor to Ipswich, and beyond – and gives Suffolk businesses a significant advantage when exporting their products to the world.
- 7.12 There are significant opportunities for growth at Felixstowe and the A14 corridor – which will be a catalyst for growth across the Suffolk economy. The port is undergoing a major expansion, which will grow its processing capacity from around 3.5 million TEUs (twenty-foot equivalent units) to 6 million TEUs by 2020 – and creating at least 600 direct and 800 new indirect jobs. The global economic recovery and increasing volumes of trade with emerging economies are likely to drive continued growth in port traffic.
- 7.13 Driven partly by new technology, there is a trend to undertake more bulk-breaking, goods processing and trans-shipment ('dry port' activities) in and around ports themselves, rather than sending goods in bulk to processing facilities in other locations such as the Midlands. This could increase the size and profitability of the ports and logistics sector.

### Priorities for Action

- 7.14 Our priority is to retain Felixstowe Port's status as a European "hub" in the face of competition from London Gateway and other ports; and create more jobs from increased capacity and upgraded capabilities. We will tackle infrastructure gaps, including developing a

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<sup>54</sup> See Haven Gateway (2011), *Driving the Haven Gateway Forward: The Economic Impact of the Ports and Logistics Sector*



coherent plan for A14 improvements; dealing with the lack of lorry parking; and working with government to bring about the required rail infrastructure improvements. We will seek to bring forward employment sites for port-related use, recognising and adopting the EU Ports Hinterland Model. We will work with partners to identify key sites for port-related activities.

#### Key Development Sites

7.15 We will work to bring forward investment at key development sites, including:

- **Felixstowe Business Park, Haven Exchange:** 5 acres of greenfield land adjacent to the Port of Felixstowe
- **Clickett Hill, Felixstowe:** 25 hectares of greenfield land adjacent to the Port of Felixstowe

To note – several sites mentioned in other growth locations in this document are situated along the A14 corridor such as the former sugar beet factory in Greater Ipswich and the Mill Lane site in Stowmarket.

### Lowestoft-Great Yarmouth Enterprise Zone

#### Potential for Growth

7.16 **Lowestoft** is the site of Suffolk's second-largest port and a major centre in northwest Suffolk, with a population of over 58,000.<sup>55</sup> In 2011, Lowestoft provided over 21,400 jobs.<sup>56</sup> Lowestoft is part of a larger economic sub-region incorporating Great Yarmouth across the Norfolk border; businesses do not recognise the county boundary and there are roughly equal flows of commuters daily in both directions.

7.17 The greatest opportunity for growth in Lowestoft surrounds the **energy sector**. Located close to the offshore oil, gas, wind and tidal energy resources of the North Sea, Lowestoft is a major base for the construction, maintenance and servicing of offshore energy production. These activities support a broader supply chain of energy-related businesses, including design, engineering and manufacturing for the renewable energy industry. Additional investment in wind energy – including the new 6,000 km<sup>2</sup> East Anglia Array – will significantly boost activity related to offshore renewables. Amid this and the broader growth of the low carbon economy, the Lowestoft-Great Yarmouth corridor is poised to become the UK's '**energy coast**', with global-leading strengths in low carbon goods and services. The area has been designated one of six Centres for Offshore Renewable Engineering (CORE), and will receive a comprehensive package of business support.

7.18 Beyond ports and energy, Lowestoft has a strong base in conventional **manufacturing** and **food and drink processing**, including large employers such as Birds Eye. Manufacturing has seen job losses over the last decade but there is potential to attract new investment in the

<sup>55</sup> Waveney District Council

<sup>56</sup> ONS, Business Register and Employment Survey (2011)

sector. Lowestoft also has an important **tourism and leisure** industry, built on a long history of seaside tourism, award-winning beaches, and key attractions. There is potential for growth in the tourism industry through promotion and developing the leisure offer.

### Priorities for Action

7.19 Suffolk County Council, Waveney District Council, the LEP and other partners will work to address barriers to growth in Lowestoft – including addressing deprivation and skills issues and meeting the needs of the energy industry. In July 2012, Suffolk, Norfolk and Essex County Councils signed a commitment to ensure skills are available locally to take advantage of new jobs in the East Anglian energy industries. The LEP and others have called for a new Energy Skills Centre in Lowestoft. A *Skills Plan* for the Enterprise Zone which will identify key gaps in provision of skills for the maritime and energy industry.

### Key Development Sites

7.20 To facilitate growth in the energy sector, we will bring forward investment in key sites in the Lowestoft-Great Yarmouth Enterprise Zone. This is one of 24 such zones created across England since 2011 in order to stimulate economic growth, through providing a portfolio of strategic sites with concessions offered to businesses that locate there.

7.21 Incentives include business rates relief worth up to £275,000 over five years; simplified planning regulations; and central Government support for the provision of super-fast broadband. Business rates growth within the Zone for at least 25 years will be retained by the LEP to support economic priorities. It is estimated that the Enterprise Zone as a whole (including sites in both Suffolk and Norfolk) will create up to 9,000 direct jobs and 4,500 indirect jobs by 2025.

7.22 There are five Enterprise Zone sites in Suffolk, designated for activities related to energy, offshore engineering, and ports and logistics.

- **Outer Harbour and PowerPark:** 24.5 hectare brownfield site beside Lowestoft Outer Harbour, and adjacent to Lowestoft railway station. This surrounds the Orbis Energy centre and is envisioned as a centre for the renewable technology cluster.
- **Riverside Road:** 4.5 hectare brownfield site beside Lowestoft Inner Harbour.
- **Mobbs Way:** 4.7 hectare greenfield site with easy access to the A12/A146.
- **South Lowestoft Industrial Estate:** 20 hectare brownfield site on the A12.
- **Ellough Industrial Estate:** 17 hectare greenfield site to the southwest of Lowestoft with access to the A146, adjacent to an existing industrial estate.

## West Suffolk: Newmarket / Bury St Edmunds / Haverhill

### Potential for Growth

7.23 Close to Cambridge and the M11, and including three important market towns – **Newmarket, Bury St Edmunds, and Haverhill** – West Suffolk has a number of distinctive strengths in which it is poised for further growth.

7.24 Proximity to Cambridge makes West Suffolk a focus for Suffolk's **biotechnology** sector – especially concentrated around **Haverhill**, which has established major biotechnology employers and a large industrial estate and business park. The area around **Newmarket** is known as the birthplace and global centre of thoroughbred horse racing, underpinning major economic sectors including horse training, breeding and bloodstock, and equine health (overlapping with the biotechnology sector), and a related tourist economy. The area is strong in **agriculture** and **food and drinks processing** – notably the brewing industry concentrated around Bury St Edmunds. West Suffolk also has an important **tourism and visitor economy** drawing on its historic towns and appealing rural landscape, and overlapping with its food and drink industry.

7.25 A high quality of life, and ready availability of housing and employment land, also mean there is strong potential for both **housing** and general **business growth** especially around the main market towns – including attracting further **manufacturing** activity, and regenerating the **town centres** which act as major service centres. In total, the borough of St. Edmundsbury and district of Forest Heath as a whole provide over 94,000 jobs, forecast to increase by nearly 8% over the next 10 years to more than 101,000 jobs in 2022.<sup>57</sup>

#### Priorities for Action

Our priorities for West Suffolk are to:

- strengthen our market towns and improve their resilience to economic shocks and to continue to enhance the cultural and visitor attractions ;
- ensure there are a range of appropriate sites and premises including a network of incubation/innovation spaces to enable companies to locate here, start up or expand;
- deliver a well co-ordinated plan for business support and continue to work with West Suffolk College and others to support enterprise and innovation in young people, small and expanding companies and to develop an appropriate local labour supply for their expansion; and
- work in partnership with others to ensure the right conditions exist for growth including superfast broadband, strong road and rail connections, and available utilities.

7.26

#### Key Development Sites

7.27 We will enable future growth by bringing forward investment in key development sites:

##### At Newmarket:

- No specific large scale sites or locations have yet been defined. However a visioning exercise with key stakeholders is currently in progress, and may lead to identification of potential sites and partners.

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<sup>57</sup> Oxford Economics, East of England Forecasting Model (2012)

#### At Bury St Edmunds:

- **Suffolk Business Park:** 68 hectare greenfield site on the A14 west of Bury St Edmunds, adjacent to existing employment land, with a confirmed developer (Churchmanor Estates) and approved masterplan. Development is dependent on the Eastern Relief Road (ERR) and A14 Junction 45 Upgrade. This is also a potential location for a new Enterprise and Innovation Hub.

#### At Haverhill:

- **Haverhill Business Park:** 22 hectare greenfield site (of which 12 hectares already developed) close to the A11 with easy access to Cambridge.
- **Haverhill Research Park:** 7 hectare greenfield site targeted at the technology sector, and providing up to 41,800 square metres of office and technology space and supporting accommodation for a wide spectrum of companies from start-ups to global players. Development currently underway with funding from New Anglia LEP, Greater Cambridge Enterprise Partnerships and St Edmundsbury Borough Council. Proposals are also being worked up for the park to include an Innovation Centre.

#### At Brandon:

- Opportunities exist on the existing **London Road Industrial Estate** at Brandon for B1, B2, B8 uses. Other sites in Brandon have not been specifically identified at this stage however work is continuing to progress the Brandon Relief Road project which will include employment and residential land.

#### Outside the towns:

- **Shepherds Grove Industrial area, Stanton:** 95 hectare green- and brownfield site (formerly an airfield), of which 53 hectares are currently available. The site will require infrastructure improvements – including roads, drainage and electricity.
- **Kings Warren / Red Lodge:** 14 hectare existing business park with extension possible, capable of accommodating over 60,300 square metres of office space and business units.

### Key Market Towns: Stowmarket / Sudbury / Hadleigh

#### Potential for Growth

- 7.28 These three key market towns and their hinterland are poised for employment growth, with easy access to Suffolk's major ports, and a supply of potential employment land. They are well-suited to accommodate expanding Suffolk businesses in areas such as **manufacturing**, **food processing** and **logistics**, and **ICT**. Currently over 34,000 people live in these three

towns, which provide over 21,000 jobs.<sup>58</sup> Together, these towns have the potential to deliver over 11,000 additional jobs in the next 15 years.

### Key Development Sites

7.29 We will bring forward investment in key development sites, including:

#### At Stowmarket:

- **Mill Lane Site:** 79 hectare site adjacent to junction 50 A14, suitable for B class uses ranging from large B8 storage to support the Port of Felixstowe, to quality B1 offices for local business growth.
- Greenfield industrial sites at **Gun Cotton Way** and **Shepherds Lane** that could deliver another 12 hectare of land for B class use as well as leisure and hospitality uses.
- Regeneration of the **town centre**, including redevelopment of Ipswich Street.

#### At Sudbury:

- **Chilton Woods:** 15.7 hectares of greenfield land, part of a mixed use development of 1050 homes, and suitable for a range of uses including business park, research and development, manufacturing, and graduation space. This site has the potential to deliver around 2500 jobs.
- Regeneration on **Hamilton Road**, near the town centre.

#### At Hadleigh:

- **Lady Lane Industrial Estate:** 6.5 hectares of greenfield land, part of a mixed use development with housing which is already underway. This will provide over 700 jobs. A second phase of 6.5 hectares has also been identified.

## Opportunities from the Sizewell C Development

### Potential for Growth

7.30 There are some specific opportunities for growth driven by the nuclear energy sector at Sizewell. Government has now granted preliminary approval for EDF to construct a new 3.2MW nuclear power station, Sizewell C, adjacent to the existing Sizewell B reactor. This would create as many as 5,600 direct construction jobs during the peak of its 7-9 year build period as well as supply chain opportunities from its £10 billion construction budget. Upon completion the station would provide a further 900 permanent operational jobs for at least 60 years. There are also opportunities to develop associated activities related to nuclear energy, such as research and development, which could drive growth.

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<sup>58</sup> ONS, Business Register and Employment Survey (2011)

- 7.31 These opportunities will be concentrated in the areas surrounding Sizewell, particularly Leiston, but will also create economic benefits further afield including in Lowestoft, Ipswich and Felixstowe as part of the 'Energy Coast'. The main development site is the EDF owned estate at Sizewell.

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## 8 Infrastructure

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- 8.1 Infrastructure is crucial to future economic growth in Suffolk. Some of the county's key advantages stem from its location and existing infrastructure such as its ports. However, poor infrastructure is increasingly holding Suffolk back. Underinvestment and congestion in road and rail networks are a key obstacle for businesses looking to expand in Suffolk. The perception of poor infrastructure is deterring inward investors.
- 8.2 To attract and retain high-value businesses we will invest in a 21<sup>st</sup> Century infrastructure to meet the needs of Suffolk's key growth sectors and growth locations.
- 8.3 Here, we identify the projects of key importance for economic growth, in four areas:
- Digital communications
  - Strategic rail improvements
  - Strategic road improvements
  - Utilities and Demand Management
- 8.4 We will work to facilitate these investments – including prioritising investments, and lobbying and working with relevant agencies and with central government. We will also take a view on issues outside of the county with potential to impact on Suffolk's economic competitiveness.

### Digital Communications

- 8.5 Digital communications is our first priority to enable future growth in Suffolk. Digital connectivity has become essential to growth in modern economies, with businesses across the economy depending on broadband to communicate with customers, suppliers and partners; and key growth sectors such as ICT and the creative industries are particularly dependent on high speed connections.<sup>59</sup> Yet poor broadband connectivity has become a major obstacle to economic growth in Suffolk, identified by Suffolk's businesses as their most important infrastructure issue, and a key factor deterring expansion.<sup>60</sup> The broadband speed currently experienced by Suffolk's small businesses is under the UK average of 5Mbps,

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<sup>59</sup> For example, a study by Ericsson and Arthur D. Little (2010) suggested that on average, every 10% increase in high-speed broadband was worth one percentage point of GDP, and that connecting an additional 1,000 homes to broadband creates 80 net jobs

<sup>60</sup> Suffolk County Council (2012), Inward Investment Survey. Broadband was also one of three infrastructure priorities identified by the Suffolk Chamber of Commerce and it was the most important community services concern raised by Parish Council's to Suffolk ACRE in its 2012 review of rural services.

but this masks variations across the county, with rural areas in particular being poorly served.

- 8.6 We have developed the **Better Broadband programme** to provide fast, affordable broadband across Suffolk. Suffolk County Council has invested £11.4 million along with £300k from public sector partners to match £11.7 million committed from the government through BDUK. We aim to provide Superfast Broadband (both fixed and mobile), offering typical speeds of 100Mbps, to everyone (100% of homes and small business) in Suffolk by 2020. We believe this investment will bring benefits including economic growth of up to 20% (~£2 billion) over 15 years, and the creation of up to 5,000 new, full-time jobs.
- 8.7 Beyond the Better Broadband programme, there are likely to be future investments in communications infrastructure that could enhance and develop Suffolk's economy – including both new physical infrastructure and intangible measures which could reduce ICT costs for businesses.
- 8.8 Recent studies have shown that broadband technologies can help shift the global market to a more energy-productive and low-carbon economy.<sup>61</sup> It is anticipated that enabling greater online working through better broadband connectivity in Suffolk will save energy and cut CO2 emissions.

### Transportation in Suffolk: Context

- 8.9 The key transportation priorities to enable green economic growth in Suffolk are:
- efficient passenger transport between growth locations and economic centres outside Suffolk, to meet the needs of a rebalanced economy;
  - efficient freight and goods travel and connections to Suffolk's ports;
  - efficient movement in and around major towns and employment sites;
  - reducing carbon emissions across the transport network.
- 8.10 Suffolk's transportation infrastructure is not currently meeting the needs of businesses – with over 80% saying they have been adversely affected by shortcomings in the transport network.<sup>62</sup>
- 8.11 While Suffolk is located within easy reach of London, there is a perception that it is less accessible than other parts of the East. The cross-county strategic road network – including the A11, A12 and A14 – is increasingly congested. An underdeveloped rail corridor is putting Felixstowe – the UK's largest container port – at a competitive disadvantage against competing ports, and forcing freight traffic onto roads where it increases congestion.

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<sup>61</sup> GeSI/ACEEE (2012) Measuring the Energy Reduction Impact of Selected Broadband-Enabled Activities Within Households, Executive Summary

<sup>62</sup> Suffolk Local Transport Plan 2011



- 8.12 Suffolk's current strategy for transportation improvements is set out in greater detail in the *Suffolk Local Transport Plan 2011* which is subject to its own sustainability appraisal. Here we set out the key projects that are most important to facilitate economic growth, in key sites and sectors, focusing on those that are deliverable over the next 5-10 years.

### Strategic Rail Improvements

- 8.13 The **Felixstowe-Nuneaton Rail Corridor** is of key strategic importance, not just to Suffolk, but to the country as a whole. It is the main route for freight traffic from the Port of Felixstowe to the North and Midlands including processing and distribution facilities in the Midlands. It is also an important route for cross-county passenger travel.
- 8.14 The line is struggling to meet increasing volumes of freight traffic from the Haven Ports – projected to grow from 28 trains per day to 58 trains per by 2031.<sup>63</sup> There is increasing conflict between freight and passenger services on the line.
- 8.15 Deficiencies on this line could potentially limit the economic competitiveness of the Port of Felixstowe, restrict economic growth across Suffolk, and force more freight-related traffic onto the road network (especially the A14), resulting in increasing congestion and higher carbon emissions. We will therefore support the long-term investment programme for the Felixstowe-Nuneaton route by Network Rail which will help remove up to 750,000 lorries from the roads each year by 2030.<sup>64</sup>
- 8.16 We will support improvements already proposed by Network Rail, including a new **rail chord at Ipswich (for which funding has been secured)**, new **loops at Ely**, and further improvements including **Ely north junction**. Together with improvements to the capacity, we advocate greater frequency and higher quality services running between Ipswich, Cambridge and Peterborough such as a half-hourly service to Cambridge and, at least, an **hourly frequency of passenger service between Ipswich and Peterborough**. In the long-term, we will advocate for **an electrified, 100mph two-track railway**, facilitating faster, more reliable and more frequent freight and passenger services, with lower carbon emissions.
- 8.17 **The Great Eastern Main Line (GEML)** is the crucial artery connecting Suffolk to the rest of the UK and Europe. Suffolk has suffered from chronic underinvestment in the GEML and is now at capacity at peak times, in spite of increased frequency and longer trains, leading to increased standing times and delays. Network Rail's Rail Utilisation Study projects that congestion will increase further through to 2030, with a capacity gap of 3,000 in peak hours.<sup>65</sup> A recent study suggested that a full package of projected improvements to GEML would create £3.4 billion of transport related economic benefits and £280 million of wider economic impact within the East of England.<sup>66</sup>

<sup>63</sup> Network Rail (2011), *London and Southeast Rail Utilisation Study*

<sup>64</sup> [www.networkrail.co.uk](http://www.networkrail.co.uk), February 2013

<sup>65</sup> Network Rail (2008), *East Coast Main Line: Route Utilisation Study*

<sup>66</sup> Atkins (2010), *Great Eastern Main Line Study: The Economic Case for Investment on the Great Eastern Main Line*

- 8.18 We will strongly advocate a **package of upgrades to GEML**: refurbishment or renewal of intercity carriages; faster trains and **increasing maximum line speed to 110mph**. Outside of Suffolk we also want to see early delivery of **track and station upgrades north of Chelmsford in Essex**; and **capacity improvements at Bow**, to increase slots into Liverpool St and connections to Docklands.
- 8.19 With projected growth in Lowestoft around the energy sector, **faster and more frequent passenger services between Lowestoft and Ipswich** is a key priority. We have contributed £1 million toward a £4 million project by Network Rail to construct the **Beccles Loop**, and associated line and signalling improvements, which has allowed an **hourly service** to replace previous two-hourly service from December 2012. We will support further increases and improvements to train and track quality, line speed and frequency on this line.
- 8.20 We are also promoting a **half hourly service between Norwich and Cambridge**, which would serve areas of projected housing and employment growth at Brandon.
- 8.21 Also crucial to improving service quality will be **securing the right deal** for the Greater Anglia rail franchise including a range of Government funded service improvements, along with a commitment to a long term programme of infrastructure and rolling stock investment.
- 8.22 Strategic rail improvements will serve to further enable a low carbon economy. Improvements to the Felixstowe – Nuneaton rail corridor will mean many of the increasing numbers of freight containers coming into Felixstowe can be transported by rail – one of the most environmentally friendly methods of transportation. Taking freight by rail rather than by road reduces CO2 emissions by 76%, helping the UK to improve its carbon footprint.<sup>67</sup>

## Strategic Road Improvements

### A14

- 8.23 The A14 is a route of national and European importance. It connects the Port of Felixstowe and key employment centres around Ipswich, Stowmarket, Bury St Edmunds and Newmarket to Cambridgeshire to markets in Suffolk and across the country. Traffic is increasing along the A14 especially with continued growth in freight traffic from the Port as a result of inadequate rail links.
- 8.24 A priority for the A14 is the **Copdock Mill Junction** with the A12 trunk road south of Ipswich. This is part of the main approach to Ipswich from Colchester and London, and handles goods traffic from the Port of Felixstowe. The junction is chronically congested with high volumes of HGV traffic and frequent tailbacks on both the A12 and A14. Government commitment to a significant improvement scheme over the next 10 years is needed now.
- 8.25 Many businesses in West Suffolk are particularly dependent on links to Cambridgeshire, but there is increasing congestion on the A14 across the border exacerbated by commuter volumes around Cambridge city. A government commitment to deliver **major improvements**

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<sup>67</sup> <http://www.networkrail.co.uk/asp/8512.aspx> , February 2013

**to the A14 in Cambridgeshire** is essential, although we have fundamental reservations about any solution which involves a toll road.

### A12

8.26 The A12 south of Ipswich is a national strategic route that connects Ipswich and East Suffolk to the economic areas of Essex, London and the channel ports. As noted above, a key priority for this route is commitment to an improved junction with the A14 at Copdock Mill. Besides this, to support growth northeast of Ipswich and around Adastral Park we will also prioritise new **signalised junctions for the A12** between its junction with the A14 at Seven Hills and the junction with the A1214 at Martlesham.

8.27 In addition, north of Ipswich the key strategic improvement identified for early delivery is a **Four Villages Bypass** of Glemham, Marlesford, Stratford St Andrew and Farnham, which will be necessary to accommodate construction traffic for Sizewell C as well as reducing journey times to Lowestoft and resolving existing difficulties in the villages.

### A11

8.28 The A11 links West Suffolk to Norfolk, and is also important for connecting many areas of West Suffolk to the A14 and M11 which in turn provide access to London and Cambridgeshire. Funding has been confirmed by Government, and work has commenced, to complete the **dualling of the A11 in West Suffolk and Norfolk**. We consider early delivery of this scheme to be vital to the prosperity of West Suffolk.

### Additional Strategic Projects

8.29 Traffic on radial roads around Ipswich is set to increase with the Port of Felixstowe expansion, housing and employment growth, and new development sites. Besides the crucial Copdock Mill Junction and improvements to the A12 northeast of Ipswich we will prioritise other improvements serving Martlesham and the surrounding areas including the **Foxhall Road and Woodbridge Road corridors** into the town.

8.30 With projected growth in **Lowestoft** driven by opportunities in the energy sector, road links in and around the town are crucial. We will prioritise the proposed **Spine Road Phase V**, providing much needed relief to through traffic. We will also work to advance planning for longer-term solutions including upgrades to Denmark Road, a Southern Access Road, and a potential Third River Crossing. Another priority at Lowestoft is the **Beccles Southern Relief Road**, which would provide a direct link from the A145 London Road at Weston, to Beccles Business Park and Ellough Industrial Estate (one of the Enterprise Zone sites marked for growth in the energy sector).

8.31 Also crucial are the **Eastern Relief Road** and upgrade to junction 45 of the A14 near Bury St Edmunds, which would unlock further development at Suffolk Business Park, as well as further homes and leisure facilities; and the **Brandon Relief Road**, which would alleviate traffic congestion in Brandon, open up connections to neighbouring economic areas, and support the regeneration of the town. Finally, around the key market towns of Sudbury,

Stowmarket and Hadleigh there is a particular need for the **Sudbury Western Bypass** to relieve the town of heavy traffic and improve its quality of life.

### Local Transportation

- 8.32 As well as improving strategic road connections, we will work to improve local transportation within key cities and towns to support economic growth and reduce transport-related emissions. A key part of our approach is more efficient management of traffic, reducing the demand for car travel and promoting more sustainable means of travel. In **Ipswich**, Suffolk County Council is currently delivering a £21.5 million scheme, **Travel Ipswich**, to support the forecast growth in the Ipswich area. In **Lowestoft** likewise, we have submitted a bid to the Local Sustainable Transport Fund for a **package of measures to support sustainable transport**.

### Utilities and Demand Management

#### Water and Sewage

- 8.34 The East of England is the driest part of the country and water supply is critically important, not only to agriculture but to some of the businesses currently located in Suffolk. Limited water availability and increasing demands means that much of the water resource in Suffolk is considered to be fully committed, if not over-committed, to existing users. With increased pressure from climate change, population growth and food security it is more important than ever that water resources are at the centre of planning for the future. Whilst growth may not be directly limited, meeting new demand may result in a significant increase in energy and the cost of water for the customer.
- 8.35 Even considering the impact of current climate change projections, it is likely there will be sufficient rainfall in Suffolk to satisfy demand – but not necessarily when and where it is needed. The key is to capture and store rainfall, and join up water resource planning with drainage and flood risk management where feasible. The Suffolk Flood Risk Management Partnership, working with the NFU, Internal Drainage Boards, Environment Agency, Anglian Water and landowners has instigated a pilot project to test the feasibility of this at a local scale.
- 8.36 The Government expects the regulator (OFWAT) and the water companies to challenge the cyclical pattern of investment and to put greater emphasis on long-term outcomes which investment will address.<sup>68</sup> This will need the active engagement of public and private stakeholders by the water companies, such as the project mentioned above.
- 8.37 With the potential introduction of a tradable system of abstraction rights, landowners and businesses could be incentivised to invest in measures, such as rainwater harvesting, that reduce water consumption or that provide additional storage of water.

#### Electricity

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<sup>68</sup> HM Treasury (2012) Smoothing investment cycles in the water sector, pages 24-40

- 8.33 Suffolk's businesses – especially in energy-intensive sectors such as manufacturing and food and drink – depend on cheap and reliable energy supplies. This will require both new infrastructure and demand management to both meet future demand and reduce emissions. Whilst Suffolk is both a generator and transmitter of power to the rest of the country, the national government frequently determines the policy and projects. At a sub-national level, the main challenge is the delivery of power requirements for large strategic developments that have already been incorporated into local plans.
- 8.34 As with the regulation of water, the electricity distribution industry is expected to address long-term investment and a move to low carbon energy in planning for investment over 2015-2023.<sup>69</sup> We will consider how best to ensure that the Distribution Network Operator (UK Power Networks) is informed by the growth in local plans, particularly the likely phasing of development, in preparing its Business Plan for submission in July 2013.
- 8.35 We will facilitate the development of programmes to significantly improve the thermal insulation of Suffolk's buildings and significantly increase renewable energy generation by 2020 (as per the Suffolk Climate Action Plan and the LEP's Green Economy Pathfinder).

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<sup>69</sup> OFGEM (2012) *Strategy consultation for the RIIO-ED1 electricity distribution price control*

## 9 Our Delivery Programme

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9.1 The *Suffolk Growth Strategy* outlines our vision, the key factors driving growth in the Suffolk economy and the four building blocks of our approach to realising our ambitions.

9.2 Each of the preceding chapters identifies the main objectives and elements of the Strategy that are being defined in the *Suffolk Growth Delivery Plan*. This will be available by Summer 2013 and will identify:

- the **principal activities** that will be undertaken during 2013/14 for each objective, programme and project;
- key **targets** which will be achieved and progress **milestones**;
- the main **responsibility** for the achievement of these targets; and
- the **resources** required and how these are being secured.

9.3 The process of preparing the *Delivery Plan* will be undertaken by the county, district and borough councils working together. It will take account of the results of consultations with the business community and other stakeholder on this *Strategy* document. The *Delivery Plan* will set the investment priorities for Suffolk.

9.4 It will be essential that the *Delivery Plan* is completely aligned with the growth plans being prepared by the New Anglia and Greater Cambridgeshire Greater Peterborough Local Enterprise Partnerships.

9.5 Ipswich Borough Council has already developed their economic development plan and the district and borough councils across Suffolk are now considering how best to prepare their respective economic development plans. These authorities are part of the process of preparing this county-wide *strategy*, and will be actively involved in preparing the county-wide *Delivery Plan*.