

**STRATEGIC ECONOMIC PLAN**  
*Consultation Draft*  
January 2014



**NEWANGLIA**

Local Enterprise Partnership  
for Norfolk and Suffolk

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# 1. Our vision for New Anglia

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- 1.1 Our vision for New Anglia in 2025 is: more jobs, more businesses and more prosperity.
- 1.2 To achieve this we want to harness the strength of our world class sectors, our natural assets, and the competitive advantage our location gives us.
- 1.3 Our Strategic Economic Plan sets out our ambition and shows the steps we will take to turn that vision into reality.
- 1.4 By 2025 the New Anglia economy will:
- Have a highly skilled and flexible workforce that can respond to the changing demands of our leading technology sectors;
  - Be an international hub for renewable and offshore energy and its supply chains;
  - Host an internationally significant cluster for research and application of ICT and digital technologies and develop a new strength in agri-tech ICT applications;
  - Be recognised as a UK cluster for agri-tech, biotechnology and advanced manufacturing;
  - Have grown its already significant presence in the financial services industries, taking advantage of proximity to London;
  - Be a strong net contributor to the UK economy with high earning potential and low unemployment.
- 1.5 To achieve this we need to set clear and challenging goals for jobs and growth.
- In 2012 there were some 760,000 jobs in New Anglia. By 2025 we will have increased this number by at least 80,000.
  - In 2012 there were around 34 enterprises per 1,000 people and this was below the national average. By 2025 we will create a further 10,000 enterprises and we will exceed the national average.
  - In 2012 Gross Value Added per person in New Anglia was £16,700 per person, below the England average of £21,200. By 2025 we will exceed the national average.
- 1.6 This SEP builds on the tremendous progress already made by New Anglia LEP and its partners, including:
- The signing with Government of City Deals in both Ipswich and Norwich – the only LEP to have two Wave 2 City Deals;
  - Successfully bidding for and delivery of an Enterprise Zone and Centre for Offshore Renewable Engineering in Great Yarmouth and Lowestoft;
  - Successfully bidding for and delivery of £18m of Growing Places Fund to support capital investment for projects across Norfolk and Suffolk;
  - Successful bid for £3m from the Regional Growth Fund to establish the Growing Business Fund, followed by a further successful bid for £9 million to roll the fund out across the whole of Norfolk and Suffolk.

- Lobbying for and delivery of the Green Economy Pathfinder project – making New Anglia the national lead on Transition to a Green Economy with a Manifesto launched in Westminster;
- Successful bid for £3.9m of funding from the Regional Growth Fund to support the development of our Growth Hubs;
- Successful development and launch of our Skills Manifesto in November 2013 with Skills Minister Matthew Hancock;
- Development of a plan to support the growth of our key sectors.
- Assisted Area Status for Gt. Yarmouth and Lowestoft

## 1.7 Our SEP at a glance

- Chapter 2: Summary of our Growth Deal. This includes a summary of our main asks and offers as well as our initial requests around freedoms and flexibilities.
- Chapter 3: Building on our key strengths. We outline how we will capitalise on our area's assets and industrial strengths to create jobs and improve our economic performance.
- Chapter 4: Growth Sectors. In this chapter we present our key growth sectors and outline their strengths.
- Chapter 5: Growth locations. We have identified key areas and corridors for growth. This chapter illustrates why they are areas with significant potential.
- Chapter 6: Infrastructure. We set out specific asks of the Single Local Growth Fund (SLGF) here. In this chapter we are able to show how we're making substantial local contributions to developing our infrastructure, and hope our ambition is matched by government.
- Chapter 7: Enterprise and innovation. In this chapter we present 8 areas where we are already taking action to help our businesses and create jobs. We have asks of government in the first five areas.
- Chapter 8: Building a 21<sup>st</sup> century workforce. Our background work on the Skills Manifesto and Ipswich City Deal puts us in a strong position on skills, and our comprehensive offer, with asks, is set out here in detail.
- Chapter 9: Enabling housing growth. In this chapter we show the potential for housing growth and our asks and offers
- Chapter 10: Inward Investment. Our growth sectors are primed to attract inward investment, and in this chapter we set out how, as well as our asks and offers.
- Chapter 11: Governance. We outline how our SEP will be delivered building on the strong track record and robust governance of the LEP and partners.
- Chapter 12: EU SIF proposals. We outline how our EU SIF will align with the priorities outlined within this document.

Map 1: New Anglia area



## 2. Summary of Growth Deal

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- 2.1 This document proposes a deal with Government. It is the first stage of negotiation and the beginning of a process which aims to deliver the very best outcomes for both LEP and Government. Our final Strategic Economic Plan will build on the detail presented in this draft submission.
- 2.2 Our emerging offers and asks are summarised below, including a summary of our resource requirements.

### Key sectors

- 2.3 In Chapter 4 we outline our progress in developing and growing our key sectors, which are an integral part of our overall approach. Our interventions are targeted towards sectors with high potential for growth in GVA:
- Energy, including low carbon;
  - Advanced manufacturing/engineering ;
  - Food and agri-tech;
  - Life sciences; and
  - ICT and digital creative.
- 2.4 Our sector interventions are tied in with the offers and asks set out in **chapters 5, 6, 7, 8, 9 and 10**.

### Infrastructure

- 2.5 Successful development of New Anglia's infrastructure and, in particular, its transport network, will be instrumental in unlocking growth potential across the area. For example key interventions along the A47, the vital east-west link from Great Yarmouth to Peterborough, along with the completion of dualling along the A11 together with the Thickthorn , junction improvements on the A12, improvements to the Thickthorn Junction
- 2.6 We wish to see a joined up approach from national agencies for investment on our strategic routes complementing and supporting our proposed programme of delivery for our local road network. Our commitment to this can be seen by the very significant amount of local contributions to the cost of the overall programme.
- 2.7 Improvements to our rail infrastructure are crucial, with East Anglia suffering from a legacy of under-investment compared with other regions. Our East Anglia Rail Prospectus, now supported by Government, made the case for investment, and our priorities for investment are outlined in **chapter 6**.

### *Our offer*

- 2.8 We will work together with government, the Highways Agency and Network Rail to co-ordinate our approach to planning, investment and the prioritisation process for our national rail and road networks.
- 2.9 New Anglia's local authorities have worked together to develop a detailed programme of interventions across our road network, totalling some £415m. **We are offering around £150m in local contributions.**

### *Our ask*

- 2.10 At a national level, we ask that the Department for Transport, the Highways Agency and Network Rail work with us on the prioritisation process for the national road and rail networks set out in **chapter 6**.
- 2.11 In order to carry out our local programme of £415m, we ask it to make up the balance of the required funding from the SLGF – a sum of around **£265m**.

## **Enterprise and Innovation**

- 2.12 Our City Deals have already laid the foundations for the success of our extensive package of support for business, comprising eight components, **which together make up our offer**.
- 2.13 The eight segments of *our offer* are:
- expanding and developing our **growth hubs** to provide more direct advice and support to businesses;
  - enhancing businesses' **access to finance** at all stages of development;
  - developing our **support for start-ups**;
  - improving the **business resource efficiency** of our businesses with a particular focus on medium-sized businesses;
  - **encouraging innovation** through enhancing our network of innovation centres;
  - providing more **support for our rural businesses**;
  - providing more **support for exporting companies**; and
  - **improving local procurement**.
- 2.14 Nationally, under half of SMEs seek business support and advice, but those that do are more likely to grow. The growth hubs offer a menu of support including enterprise awareness events, one-to-one support and surgeries.
- 2.15 This builds on the work of our Business Information Portal, set up to help entrepreneurs and small businesses access information to set and grow their businesses.
- 2.16 We are helping SMEs access the finance they need, from incubation stage right through to funding for specific projects, boosting exports and furthering innovation.
- 2.17 Across New Anglia, there is already a substantial network of innovation centres/clusters, and many are seeking to expand. We will help innovators develop links with other HE

institutions by creating a New Anglia 'Innovation Vouchers' scheme, supported by 'Innovation Co-ordinators' to create better connections both locally and nationally.

### *Our ask*

- 2.18 We are committed to helping businesses start and grow and we are asking for around **£46.5m of SLGF funding** to help us achieve this, as detailed in **chapter 7**, to match the contributions made by local authorities, enterprise agencies, the LEP, universities and other partners.

## **Building a 21<sup>st</sup> century workforce**

- 2.19 We know that we need to develop New Anglia's skills for the future. The interventions described in the SEP build on the success of our City Deals in Greater Ipswich and Greater Norwich, published in October and December 2013 respectively. We have placed the development of a locally responsive skills system at the heart of offer.
- 2.20 In November 2013 the New Anglia Chair Andy Wood successfully launched our Skills Manifesto, supported by the Minister for Skills and Enterprise, Matthew Hancock. In the Manifesto, we set out the strategy and actions needed to provide our businesses with the skills they need now and in the future.
- 2.21 We have established a dedicated LEP Skills Board which will ensure the actions and commitments in the Skills Manifesto are delivered. The Board will also lead the programme of work which will enable our local skills system to become more responsive to the needs of the future economy.
- 2.22 Our skills programme has been designed to complement New Anglia's substantial package of support for businesses and innovation, which is set out in **chapter 8**. For businesses to thrive in New Anglia they need access to the right skills.

### *Our offer*

- 2.23 Led by our local employers, our LEP Skills Board will oversee our ambitious programme, which is built around three key priorities:
- Creating a skills system that will meet our future economic needs:
    - we are setting up a LEP-wide Industrial Skills Partnership involving all our employers and led by the Skills Board;
    - we will establish a New Anglia Skills Investment Fund that will give employers more control over how skills funding is spent.
  - Growing talent in our priority sectors and supporting businesses:
    - some of our sector groups are already developing sector-specific skills plans, and we are supporting those that haven't started to do so.
  - Helping people get into work:
    - we are trialling a range of approaches to embed learning about work into the curriculum and bringing employers into the classroom;



- we are developing an open access web platform to help young people, their parents and advisers to understand more about our local economy.

#### *Our ask*

- 2.24 We are working with our providers to develop a plan for capital skills investment across New Anglia to enable our skills ambitions to be achieved; the early findings of which will be included in our SEP submission in March 2014. Currently, we estimate a need for an initial £10M - £12M for capital skills investment in 2015/16 and a similar figure per annum for the following five years.
- 2.25 Further details of our ambitions to build a skilled workforce for the 21<sup>st</sup> Century and specific asks around this are included in **chapter 8**.
- 2.26 We estimate our total ask for capital skills investment from 2015 to 2021 to be around **£72m from SLGF**.

### **Enabling Housing Growth**

- 2.27 The right housing offer for Suffolk and Norfolk is essential to support and grow the economy. At present, lack of movement in the housing market constrains choice, and access to mortgage finance, while improving, remains challenging. In New Anglia, our housing strategy targets building the right homes in the right places available at the right prices.

#### *Our offer*

- 2.28 We have strong support for housing growth across New Anglia, and major schemes and initiatives are already contributing to delivery.
- 2.29 Local authorities are innovating through their Housing Revenue Accounts, and our two county councils are investing in brownfield redevelopment and planning.

#### *Our ask*

- 2.30 We need to develop more homes, faster. We want to work with the Homes and Communities Agency to test different types of model/intervention to find the most suitable ones for our developments.
- 2.31 We also want to explore further freedoms and flexibilities with government around further lifting of HRA caps as well as other innovative forms of accessing finance.

### **European Structural and Investment Strategy (ESIFS)**

- 2.32 **Chapter 12** details how New Anglia intends to allocate its European funding against its objectives. We estimate at this stage we require a minimum of **£5m per year from the SLGF (£30m)** to match New Anglia's allocation of European funding. The actual funding requirement from the SLGF will be known by the end of January upon submission of New Anglia's final version of its European Investment Strategy.

## Our resource requirement

2.33 **New Anglia is pitching for a total of £413.5m from the Single Local Growth Fund.** This will be refined as our draft plan is refined and in the light of negotiations with Government. This is based on the following:

**Table 1: overall SLGF resource requirement for 2015/16 and the five years 2016/17 to 20/21**

Description	Amount
Six-year transport programme	£265m
Capital Skills Investment	£72m
Enterprise and innovation offer	£46.5m
EU Structural and Investment Strategy	£30m
<b>TOTAL</b>	<b>£413.5m</b>

## Freedoms and Flexibilities

2.34 LEPs have been asked to consider what freedoms and flexibilities they would like to see as part of their Growth Deals. New Anglia will develop a firm set of proposals as part of our final submission in March. However we would welcome a discussion with Government in the following areas:

- Greater flexibility on use of the Single Local Growth Fund resources. The fund as presently constrained has very limited flexibility and there is a danger of LEP SEPs being built around available funding pots not local aims and ambitions.
- Local Transport Fund. We would welcome a discussion regarding greater flexibilities in the usage of this funding and the necessity of such detailed and costly DfT appraisal methodology.
- Investment in unlocking sites. We are concerned with the Government's focus on large development sites and would like flexibility to enable a portfolio approach so a package of sites can be considered.
- A real commitment from Government agencies to align their priorities and where possible timelines to those of local partners.
- Access to enterprise and innovation funding. We are disappointed that the SLGF has no revenue funding for enterprise and innovation, which remain national programmes. We would be interested in ensuring greater alignment between local and national funding streams.
- We would like to discuss with Government departments opportunities to align other funding streams with the SLGF process, helping ensure better value for money and to reduce duplication.

## 3. Building on our key strengths

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### The UK economy: getting back on track

- 3.1 Economic indicators for the UK economy are now looking up after a long period of stagnation, and the environment for business growth is improving. Productivity increased for the first time in two years in the second quarter of 2013<sup>1</sup> and the Office for Budget Responsibility's has revised its latest forecast for growth in 2013 has from 0.8% to 1.4%, quickening to 2.4% in 2014, and then continuing at 2.2%, 2.6% and 2.7% for the following three years.<sup>2</sup>
- 3.2 One of the most surprising features of the UK economy post-recession has been the strength of employment. Unemployment has not peaked to levels that would be consistent with previous recessions, and total employment has been sustained at higher than expected levels, with total UK employment reaching a historic peak in Q3 2013 at 29.95 million people in work. Comparing July-September 2013 with a year earlier, there were 378,000 more people in employment, 48,000 fewer unemployed people and 149,000 fewer people not in the labour force (economically inactive).
- 3.3 In the three months to September 2013, the joblessness rate stood at 7.6%, but is expected to fall quickly to 6% by 2017 as private sector hiring more than offsets public sector cuts. Recent announcements made by the Chancellor in the Autumn Statement on capping business rate rises and doing away with employers' national insurance contributions for those aged under 21 from April 2015 should also help business and job growth.

### New Anglia Today

- 3.4 The New Anglia area is made up of the counties of Norfolk and Suffolk. The main centres of population are Norwich and Ipswich, with significant economic centres in King's Lynn and Bury St Edmunds to the West of our area, and Great Yarmouth and Lowestoft to the East. The area is also characterised by a large number of market towns in both counties with their own economic catchment areas and home to a wide variety of businesses, including many SMEs active in some of our growth sectors, such as ICT and Digital Creative.
- 3.5 Our LEP area overlaps with the Greater Cambridge Greater Peterborough Local Enterprise Partnership which also covers West Norfolk and West Suffolk. We will work closely with them to ensure our SEPs align, particularly in our shared geography.
- 3.6 The total size of the New Anglia economy was around £27.5bn in 2011 – the fourteenth largest LEP area economy (of 39). However, in terms of GVA per capita, it ranks 22<sup>nd</sup> of the

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<sup>1</sup> UK Output per hour worked increased by 0.5% - ONS (2013) Labour Productivity, Q2 2013

<sup>2</sup> Office for Budget Responsibility, *Economic and Fiscal Outlook*, December 2013

39 LEPs, with just £17,300 compared with the national average of £21,200. Rates of economic growth across the New Anglia LEP have kept pace with the national rate of an average of 3.5% per year for the period 2001 to 2011.

- 3.7 There were 619,200 employees in the New Anglia LEP area in 2012, accounting for 2.7 per cent of employment in England. Of these 619,200 employees, 225,400 (or 36.4 per cent) of the total were part-time, which is slightly above the national average of 32.6 per cent. Including self-employed workers, the total number of jobs in New Anglia was around 760,000 in 2012.
- 3.8 New Anglia's priority sectors employed 208,400 people in 2012 – 34 per cent of the total employment. In total, these sectors experienced a slight decline in employment (a loss of 5,200 employees) since 2008. Of the nine priority sectors, food, drink and agriculture is the largest employer, accounting for 62,700 employees. The next largest sector in employment terms is tourism, with 61,400 employees.
- 3.9 There were 54,800 active enterprises in the New Anglia LEP area in 2011 according to official estimates (Office for National Statistics Business Counts). This equates to 34 enterprises per 1,000 population. This places the New Anglia LEP area on an equal footing with the national average, which is also 34 enterprises per 1,000 population.
- 3.10 The employment base in New Anglia showed resilience during the recession, with a drop from 2008 to 2012 of just 0.4%, compared with other comparable areas such as the Lincolnshire LEP (drop of 4.1%) and Northamptonshire (drop of 2.5%).
- 3.11 New Anglia is projected to experience faster than average job growth to 2020, with high demand for people to both replace those leaving the workforce and to meet new demand for professional, technical and managerial occupations. At least 80,000 new jobs are projected by 2025.

## Building on our strengths

- 3.12 Our growth sectors, and the wider New Anglia economy, are supported by key economic assets that influence our growth potential. These assets include:
- The Great Yarmouth/Lowestoft energy-related Enterprise Zone and the two towns' status as one of the UK's Centre's of Offshore Renewable Engineering (CORE). New Anglia is adjacent to the world's largest planned offshore wind farms;
  - Other energy related assets in the East of England Energy Zone are the SNS gas fields, Bacton Gas terminal, Nuclear at Sizewell and the UK's first bio-ethanol plant at Wissington (West Norfolk);
  - Hethel Engineering Centre and the network of engineering-related hubs along the A11 Corridor from Norwich to Cambridge, and the A47 corridor from Great Yarmouth to King's Lynn and Peterborough;
  - The ICT hub at Adastral Park (Innovation Martlesham), BT's UK R&D headquarters;
  - The Norwich Research Park and its world leading research institutions, our three universities – the University of East Anglia, University Campus Suffolk and Norwich

University of the Arts, the land-based skills offer at Easton & Otley College and City College, Norwich - one of the largest providers of higher education and further education in the country;

- Some of the most productive land in the country, accounting for 12% of all England's cereal production (24% when combined with Cambridgeshire and Lincolnshire) and 41% of the national sugar beet crop (70% when combined Lincolnshire and Cambridgeshire).
- The Ports of Felixstowe – the busiest container port in the UK – as well as King's Lynn, Great Yarmouth, Lowestoft and Ipswich, which provide first class sea transport facilities;
- Norwich International Airport offers regular connections within the UK, international transfers via the hub at Schiphol (including competitive and more convenient alternatives to flights to LA, New York, Shanghai, Cape Town etc., from Heathrow);
- A significant military engineering hub at RAF Marham – home of the Tornado and in the future Lightning II;
- The National Construction College and Construction Industry Training Board – the largest construction training provider in the UK and Europe;
- Newmarket – as a national hub for horse racing and bloodstock;
- Our concentration of financial services in Ipswich and Norwich, both acknowledged as leading centres in the UK finance and insurance services' sector;
- Our unique natural environment, with its World Heritage coastline, The Broads (the UK's only wetland National Park) and Areas of Outstanding Natural Beauty, as well as cultural offers, giving rise to a tourism industry worth £1.3bn GVA annually;

### **Our Growth Sectors**

3.13 Our priority sectors for intervention are those that have high GVA potential, key assets to exploit and where growth would not occur 'naturally'; these are:

- Energy (including low carbon)
- Advanced manufacturing/engineering
- Food and agri-tech
- Life Sciences
- ICT and Digital Creative

3.14 These sectors provide a real opportunity for a step change in jobs growth and our targeting is underpinned by the Government's Industrial Strategy (2012), as well as our "**Smart Specialisation**" approach, which will pinpoint emerging sub-sector opportunities and will ensure alignment with UK government policies and funding, as well as the funding priorities of the EU.

### **Our business base is strong**

3.15 We have a strong and diverse business base in New Anglia and are home to major national and international businesses, including BT, Birds Eye, Greene King, Muntions, British Sugar, Bosch, Mars Foods, Willis, Aviva, Hutchison Ports, Lotus, Bernard Matthews, Colmans (Unilever), Swiss Re, Marsh and Virgin Money.

- 3.16 SMEs are an equally important asset to the Norfolk and Suffolk economy with over 90% of businesses employing fewer than twenty people.
- 3.17 The employment rate in New Anglia has been above the national average for the past decade. While the rate of employment fell more sharply during the recession, it has now recovered more quickly than the national average and is close to pre-recession levels.

**And life in New Anglia is good**

- 3.18 Norfolk and Suffolk offer a high quality of life. With their rich cultural heritage and natural landscape, and variety of urban centres, thriving market towns, and small communities, the two counties offer an attractive place for people to live, to work, and to visit.
- 3.19 As a result, the health of people in Suffolk and Norfolk is generally better than the England average. Life expectancy is good; 84.0 for females and 80.3 for males in Suffolk, and 83.4 for females and 79.5 for males in Norfolk (compared to the England average of 82.6 for females and 78.6 for males).<sup>3</sup>
- 3.20 New Anglia is well connected to the rest of the UK, Europe and the world, through its vibrant air and sea ports sector, good rail, road and Eurostar links. The Ports of Felixstowe – the busiest container port in the UK – as well as Lowestoft and Ipswich provide world class sea transport facilities. Ipswich can be reached by rail from London Liverpool St in just over one hour, while Norwich is just under two hours from the capital. New Anglia’s trunk roads link New Anglia to the motorway network and Norwich airport has several daily flights to Schiphol airport to connect internationally. In addition, proximity to Cambridge and Stansted airport brings great advantages to the New Anglia area.
- 3.21 Norfolk and Suffolk’s landscapes, beaches and heritage form the basis of New Anglia’s strong tourism industry. Norfolk and Suffolk are both predominantly rural. Our landscapes and beaches, built heritage, cultural centres, nationally important assets, such as the Broads, the Brecks, Thetford Forest and “Wild Anglia” attract many to settle and make their lives here – as well as bringing many visitors from across the world.
- 3.22 In New Anglia, our goal of promoting growth is directly tied with our priorities for the environment. Our Green Economy Pathfinder Manifesto 2012-2015 sets out our ambition to achieve sustainable, low-carbon growth, skills development and employment. The global shift towards a low-carbon economy puts New Anglia in a strong position to grow and commercialise the work carried out in its universities, research centres and science parks.
- 3.23 We are delighted to have been invited by Government to lead the Green Economy Pathfinder; and our mission is for Norfolk and Suffolk to grow sustainably and for the long term – achieving economic growth, improved quality of life and reduce emissions and

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<sup>4</sup> Source: [www.healthprofiles.info](http://www.healthprofiles.info)

improve environmental quality. Our commitment to the Green Economy is woven throughout this document with specific areas highlighted towards the end of each chapter.

## **But significant challenges remain**

- 3.24 We know that without intervention to remove barriers to growth, we will not be able to take advantage of the natural strengths that we enjoy in New Anglia. In order for New Anglia to continue to grow, create jobs and allow business to flourish, there are some specific and fairly substantial challenges to overcome.

### **Ageing Transport network**

- 3.25 New Anglia is well positioned to take advantage of links to London, Cambridge, Europe and the rest of the world. However, our transport network is ageing, and whilst Government investment in dualling the A11 through Suffolk and Norfolk is welcome - further improvements along our major trunk roads - the A11, A12, A14 and A47 are needed to reduce congestion and enable our sectors to compete nationally and internationally. Some of the rural economy remains disconnected from the strategic road and rail networks, and journey times between different economic centres are far longer than they could be.
- 3.26 The Great Eastern Main Line is a crucial artery connecting New Anglia to the rest of the UK and Europe. Network Rail's Rail Utilisation Study projects that without investment, congestion will increase further through to 2030, with a capacity gap of 3,000 seats in peak hours.<sup>4</sup> Deficiencies on the Felixstowe-Nuneaton Rail Corridor could potentially limit the economic competitiveness of the Port of Felixstowe, forcing more freight-related traffic onto the already over-burdened road network. The Government's newly announced Norwich in Ninety taskforce is therefore timely; and we are pleased that a NALEP board member will be chairing the taskforce.

### **Poor Broadband speed and mobile phone coverage**

- 3.27 Broadband speed and mobile phone coverage currently experienced by our small businesses is well under the UK average. Rural areas are particularly poorly served, with some having no coverage at all.

### **Sluggish business growth rates and low productivity**

- 3.28 From 2004 to 2008, when the UK economy was consistently growing, New Anglia enjoyed strong business growth – adding 2,580 businesses during this time. However, from 2008 – 2011, business stock contracted by 1,845. Taking the period as a whole (2004-11), New Anglia's growth rate in business stock was below the national average, and there has been a clear deterioration in business survival rates in the post-recession period. In 2006, the one-year survival rate of businesses started that year was 97%; by 2010 this had fallen to 89%.

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<sup>5</sup> Network Rail (2008), East Coast Main Line: Route Utilisation Study

The three year survival rates for the same years were, respectively, 68% and 63%. However, this is no worse than the national picture.

- 3.29 The productivity gap between New Anglia and England has grown since the recession. Prior to the recession, while a productivity gap existed, it remained consistent compared to the national economy; the gap in GVA per hour worked fluctuated between 9 and 10 per cent of the national average. In Norfolk, the productivity gap has grown from 10.5% in 2007 to 12.3% in 2011. Suffolk's productivity gap is lower, but has also increased since 2008.
- 3.30 The New Anglia area is set to reach its peak output level achieved in 2007 by 2014, later than the UK economy at large.
- 3.31 New Anglia LEP area ranks well (16<sup>th</sup> out of 39 LEP areas) for the number of patents per capita over the five years from 2007 to 2011.<sup>5</sup> The New Anglia LEP area recorded an annual average of 7.9 inventor patent registrations (over the five years from 2007 to 2011) per 100,000 residents in 2011, against a national average (England) of 9.3. Essex (10.2) recorded higher levels of patenting, as did the GCGP area, which ranked highest amongst the 39 LEPs, with an annual average of 44.9 inventor patents (2007 to 2011) per 100,000 residents.

#### **Poor underlying skills levels**

- 3.32 While New Anglia's employment levels have remained resilient throughout the recession, New Anglia remains a predominantly low-skill, low-wage economy. Our businesses face skills shortages and a lack of a skills "pipeline" for our emerging sectors to source the skills they need locally.
- 3.33 In a recent survey of 200 businesses in the New Anglia area, half were concerned that they would not be able to fill roles requiring skills at Level 3 and above. Given that 1 in 4 of our employers with identified skills gaps are not acting to close them, and three in ten did not provide any training at all in the last year, one of the top priorities of this Strategic Economic Plan is to work with employers to find ways to combat skills shortages.
- 3.34 Average pay in New Anglia is below national levels, and our workforce at present is not prepared to meet the skills needs of the future. At school-leaving age, students attaining five or more GCSEs (grade A\* to C) was 73.9% in Norfolk and 74.8% in Suffolk, well below the national (state-funded) average of 83.2% and below neighbouring areas. Participation in higher education is also poor; King's Lynn, Great Yarmouth and Lowestoft have some of the lowest rates of access in England.
- 3.35 New Anglia's working-age population has fewer qualifications than the England average; in 2012, 29.8% of New Anglia's working-age population were qualified to at least degree level

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<sup>5</sup> according to the location of the inventor of international patent (Patent Cooperation Treaty) submissions



(Level 4+) compared with the England average of 34.2%, placing us 26<sup>th</sup> of 39 LEAs. However, we enjoy a lower percentage of people with no qualifications at all, ranking 16<sup>th</sup> in 2012.

### **Young people can't find work, older people are leaving the workforce**

- 3.36 Despite buoyant overall employment levels, the rate of youth unemployment has been higher in New Anglia than both the national and regional averages. Within the six months following graduation, 40% enter non-graduate jobs, meaning potential jobs for those with fewer qualifications are not available. We are very concerned that a specific cohort of 20-24 year-olds were disadvantaged by the recession and, as a consequence, continue to experience difficulties finding work.
- 3.37 To compound the skills challenge facing New Anglia, we also have a rapidly ageing population. Currently 21.8% of New Anglia's population are aged 65 or over – the fourth highest of the LEP areas. In 2012, there were 2.8 people of working age for each person of retirement age, compared with 3.8 nationally and 3.2 a decade ago in New Anglia. There are some areas, however, where the increase in working age population is outstripping the increase in the retirement-age population, including both Norwich and Ipswich. This suggests another potential challenge of a younger urban population and an older rural population requiring more support.
- 3.38 In the year to June 2013, New Anglia had a lower percentage of people employed in the three highest paid occupations than the England average (managers, directors, senior professionals) and a higher percentage of people employed in the lowest paid occupations.

### **Housing costs are still too high**

- 3.39 While housing remains relatively affordable across New Anglia, 83% of business managers surveyed in the East of England recently agreed that the cost of buying a home was a problem in their local area, and 74% felt that building new homes would provide a stimulus for the local economy. Access to mortgage finance remains a challenge for first-time buyers; a 20% deposit for an average priced house in Suffolk costs over £40,000, twice the median income.

## **Making our Growth Deal work**

- 3.40 In this chapter we have set out our position. We have key strengths in New Anglia, notably our growth sectors and our natural assets, but we have an array of challenges that will only be overcome by working in partnership with government.

## 4. Key sectors

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4.1 Norfolk and Suffolk have economically significant sectors and in many cases, such as Energy and ICT, they are world class innovative sectors. Described in New Anglia's Sector Growth Strategy, published in May 2012, the key sectors currently are:

- Energy (including gas, nuclear and wind)
- Advanced manufacturing/engineering
- Food, drink, agriculture (including agri-tech)
- Life sciences
- Information and communications technology (ICT) and Digital and Cultural Creative Industries
- Tourism and cultural creative
- Financial and business services
- Ports and logistics

4.2 All these sectors have an important role to play in the New Anglia economy and are actively supported by NALEP; providing jobs and growth throughout the wider NALEP economy.

4.3 Significant growth is likely to be in a number of emerging sectors that are responding dynamically to the particular challenges and opportunities of the 21<sup>st</sup> Century. These emerging sectors are prioritised in this plan because they meet the following criteria:

- High **GVA per head** per annum (as predicted by the East of England Forecasting Model, November 2013).
- Local **assets/infrastructure** which deliver a significant competitive advantage (as determined by our smart specialisation approach).
- Potential interventions have been clearly defined (as part of SWOT analysis) and are likely to demonstrate **high additionality**; in other words, growth would not occur "naturally".
- Fit with the government's **National Industrial Strategy**.
- **Strong benefits** will be accrued by linking the sector with the **NALEP Skills Initiatives**.

### Our Priority Sectors

4.4 Based on the criteria outlined above, NALEP's five priority growth sectors will be

- **Energy (including low carbon, nuclear and offshore wind)**
- **Advanced manufacturing/engineering**
- **Food and agri-tech**
- **Life Sciences**
- **ICT and Digital Creative**

- 4.5 The economic strength of the existing priority sectors will continue to be supported, underpinning the wider economy. These sectors will actively be encouraged to develop synergy with emerging sectors; for instance, how the excellent existing cultural and tourism offer can benefit from the revolutionary developments in the Information Economy and Creative Industries; and how the Ports and Logistics sector benefits from Energy sector developments.
- 4.6 Continued support will be provided to the following current sector priorities:
- Tourism
  - Culture
  - Finance and Business Services
  - Ports and logistics

#### **Energy, including low carbon, nuclear and off-shore wind**

- 4.7 The energy sector involves all aspects of energy production, processing, manufacturing, generation and transmission and is one of the most important enabling sectors to the future of the UK economy and infrastructure network. The energy sector employs 7,700 people, generating in the region of £994m, with several thousand more employed in businesses dependent on the energy sector, from engineering to ports and logistics. This sector is also one of New Anglia's most productive, with **GVA/head/annum of £129k**. With nearly 50 years' expertise in oil and gas, the area is well placed to deliver on the Government's Industrial Strategy energy priorities.
- 4.8 The projected economic growth from off-shore wind and the potential from new nuclear generation are clear examples of how this sector can build on its substantial base but there are also many linkages within the wider economy such as agriculture with advances in biomass and through the supply chain. Whereas employment in energy in the rest of Great Britain has remained flat, the energy sector is growing in New Anglia, with 20% employment growth since 2009.
- 4.9 New Anglia has **significant assets** which strengthen its competitive advantage in the energy sector. New Anglia's energy companies are operating in a **wide range of global markets**, including: offshore, marine, and subsea engineering, drilling technology and decommissioning capabilities; energy related products and services; and, air, land and sea logistics operations. The sector is witnessing rapid technological and market growth in renewable and low carbon sectors along with significant investments in offshore wind and civil nuclear power generation. For example, the **Bacton Terminal** processes between 15 – 50% of the UK's natural gas and offers potential to act as a European hub for the storage of gas and captured carbon.
- 4.10 **Lowestoft and Great Yarmouth** together form one of six 'Centres for Offshore Renewable Engineering' (CORE), which gives them the highest prominence within the UK as places to invest. The impact of this is felt further across the two counties, such as in North Norfolk, where Wells and Egmere are playing an increasing role as a service port and onshore business location for offshore energy. A key part of the energy sector offer has been the

establishment of an Enterprise Zone on sites across Great Yarmouth and Lowestoft, and is recognised as one of the best performing EZs in the country in terms of jobs created and floorspace built. The **East of England Energy Group (EEEGR)** is a strong industry group and the sector is supported by concentrated support at **OrbisEnergy** (an incubator and regional centre of excellence for offshore energy) and Beacon Innovation Centre (offshore engineering).

- 4.11 The **nuclear, offshore and onshore renewable energy, and oil and gas developments** are estimated to be worth £50bn over the next 10 years, and over £13bn alone is being spent in 2013 in the southern North Sea. This will continue to present a significant opportunity for private sector investment in major initiatives such as: supporting skills development to meet employer labour demands; clean technology development; infrastructure development and supply chain developments.
- 4.12 Companies in the two counties are also exploring 'early stage' subsectors such as carbon capture and storage, biomass energy, fuel cell technology and biofuels. Sita UK are building the Suffolk Energy from Waste Plant, while British Sugar has also established the UK's first **bio-ethanol plant** at Wissington in Norfolk, with the product derived from sugar beet by-products.
- 4.13 **Challenges.** Despite its strong competitive position, the energy industry and the LEP need to address the following key challenges: attract new entrants as much of the sector's labour force is approaching retirement age; Barriers to supply chain development must be overcome, including securing improvements to transport infrastructure; There is an on-going need to provide a steady supply of serviced land and premises to accommodate growth; Supply chain competition from the low countries of Europe.

### **Advanced Manufacturing**

- 4.14 Advanced manufacturing describes companies using a high level of design or scientific skills to produce innovative and technologically complex (high value) products and processes. The industry is changing, with a shift from metal to composite materials or oil to renewable and biological substances, industrial biotechnology, plastic electronics and new aerospace technologies. The sector employs over 24,500 people in more than 1,000 businesses and is worth £1.5bn in GVA pa to the New Anglia economy. GVA per head per annum in 2010 was £60,261.
- 4.15 Our **key assets** in this sector include Hethel Engineering Centre and its network of engineering-related businesses along the A11 Corridor from Norwich to Cambridge, and elsewhere in Norfolk and Suffolk. It includes the iconic car companies Lotus and Caterham, and many other businesses in motorsport and automotive engineering.
- 4.16 **Hethel Engineering Centre (HEC)** is the regional hub for innovation and technology, fostering links between business and prominent research institutions and developing expertise in areas such as composites, food and automotive technology. HEC's business start-up space is full, with a waiting list, and there is demand for grow on space for next stage companies. This is being addressed by the construction of an Advanced Manufacturing Centre, and we

have developed a proposal for a Technology Park to sit alongside HEC. This concept is outlined in the Enterprise & Innovation chapter.

- 4.17 Additional strengths include offshore engineering, with particular concentrations in Lowestoft and Great Yarmouth, and agri-tech engineering and equipment manufacturing supporting both primary production and food processing. Expertise can be found across the New Anglia LEP area, particularly in West Suffolk, West Norfolk and North Norfolk.
- 4.18 These areas have potential for jobs growth, given the opportunities in both energy and agri-tech sectors.
- 4.19 An emerging sub-sector with significant potential for jobs growth is civil and military aviation engineering. One of the Growth Locations in the Greater Norwich City Deal is the **aviation cluster based around Norwich International Airport (NIA)** and the key businesses, KLM UK Engineering and Air Livery, supported by UEA and Norwich University Technical College are looking to develop an aviation skills academy. The other key cluster is at RAF Marham where state of the art facilities have been established to deliver in-depth maintenance of the current and future generation of military fighter aircraft. Other important subsectors exist in the field of refrigeration, composites, boat building, food processing machinery and building materials and medical technologies and devices manufacturing. A number are world-leading companies in their respective fields
- 4.20 The **New Anglia Advanced Manufacturing and Engineering Group (NAAME)**, sees growth coming from strengthening local networks, innovation and pilot programmes (pre market trials). The establishment of networking initiatives across areas such as food, automotive and composites, led by business based organisations such as HEC, will drive innovation in manufacturing and engineering and establish clusters of supply chain related businesses. NALEP will support these clusters through RGF funding, the business support portal ([www.bizinfoportal.co.uk](http://www.bizinfoportal.co.uk)) and attracting greater support from the Technology Strategy Board and Manufacturing Advisory Service, growing both home and export markets.
- 4.21 **Challenges.** The sector faces three key challenges. First, we need to improve the skills and training offer - faced with an ageing workforce and a low take up by young people of training and apprenticeships; greater collaboration between employers and local colleges meeting the sector's needs. Second, we need to improve road links with the rest of the UK and the quality and speed of broadband. Third, we need to increase the supply of high quality sites and premises.

#### **Food and agri-tech**

- 4.22 This sector offers huge commercial potential for New Anglia. Whereas the UK economy only grew by 4% in GVA terms between 2007 and 2010, food processing grew by 13% and agriculture by 25% over the same period (DEFRA 2012 and ONS 2013).
- 4.23 The agri-food/agri-tech sector is one of the most important sectors to our economy and its national importance has been recognised by the Government's Industrial Strategy. Encompassing the whole food and farming supply chain including engineering, agro chemicals, agriculture, professional services, logistics, energy, ICT catering and processing,

this sector employs one in every six people in the area (over 118,000 people), representing a GVA of £3.5bn pa. **GVA per head was £27,433 in 2010 with significant potential to increase this through regional specialisation in, and adoption of, an “agri-tech” approach.**

- 4.24 Our **key assets** include: the quality of our land, which accounts for 12% of all England’s cereal production, 26% of pigs (2010) and 24% of the country’s agricultural production, when combined with Cambridgeshire and Lincolnshire and 41% of the national sugar beet crop (70% when combined Lincolnshire and Cambridgeshire). Our farms are the most profitable in the UK, and our research institutions, mentioned under Life Sciences are also undertaking ground-breaking work in the agri-tech field.
- 4.25 Across Suffolk and Norfolk a significant and growing part of the food economy is the local quality food offer. This is closely linked to the tourism economy with many businesses emphasising local sourcing. At the opposite end of the spectrum to the agri-tech offer, it nonetheless represents an important component of the strategy of moving to higher value added activities and supports green economic growth.
- 4.26 Some of the most **significant food and drink companies** in Europe have a major presence in New Anglia (Adnams, Bernard Matthews, British Sugar, Linda McCartney, Greene King, Muntons, Colmans (Unilever), Kinnerton), and many of our agri-tech companies have overseas production and export to global markets. The area also has a concentration of dynamic, innovative small to medium sized companies (Frank Dale Foods, Marel, Micronizing).
- 4.27 In terms of commercialising agri-research, the **Eastern England Agri-Tech Growth Initiative** is a project led by Greater Cambridge Greater Peterborough LEP and involving NALEP and Norfolk and Suffolk County Councils in seeking to assist R&D commercialisation and agri-tech business start-ups, using £3.2m of Regional Growth Fund (RGF) monies. The RGF award will help support small and medium businesses, and encourage collaboration with the research base, providing investment for prototyping to turn ideas into reality. The programme will create and safeguard over 500 jobs, create 25 new businesses and up to £30m in net GVA per annum. The money will also go to build a new translation centre where scientists and farmers can work together on new projects. The proposal marries the array of world class capabilities in crop and food science, technology, engineering and manufacturing in East Anglia, with grade one agricultural land and production capabilities in Norfolk, Cambridgeshire, Peterborough, the Fens and parts of Suffolk. The unique attributes of the region leave it well placed to be at the forefront of developments in crop science, which could, in time, help to solve the global problems of food security, as well as providing new jobs and skills for people across the region. Complementing the support to SMEs, offered by the RGF programme, the Adapt Group at UEA has launched a **£20m agri-investment Fund**.
- 4.28 **Challenges.** More needs to be done to capitalise on the world class research we have, to turn it into more high value jobs and GVA. For this reason, it is a key focus of our City Deal for Greater Norwich. The industry is also experiencing skills shortages, negative perceptions amongst young people and their guardians and over-reliance on migrant labour to meet gaps. There is a need for a supply of highly skilled staff. To start to address this, Anglia Farmers secured £1.4m from the Growth & Innovation Fund for agri-engineering

apprenticeships, in light of a predicted future need for 10,000 agri-engineers. The New Anglia Food and Farming Rural Economy Board also made a successful bid to establish the Edge Apprenticeship Programme for land-based industries (the Edge Foundation is an independent education charity dedicated to raising the status of technical, practical and vocational learning).

### Life sciences

- 4.29 Life sciences and biotechnology have emerged as a world-class cluster for New Anglia with distinct research specialisms borne out of leading-edge research facilities and expertise. It is worth £132m per annum to New Anglia and an estimated 3,000 people are employed in 40 businesses with an **average of £122k GVA per head per annum**. With close links to agri-tech this sector has been recognised as having huge potential for jobs growth.
- 4.30 Key assets that give us a comparative advantage in this sector include Norwich Research Park and its world leading research institutions, as well as our three universities – the University of East Anglia, University Campus Suffolk and Norwich University of the Arts – together with the land-based skills offer at Easton & Otley College.
- 4.31 **Norwich Research Park (NRP)** is Europe’s largest single site concentration of research, training and educational institutions in health, food and environmental sciences, employing over 2,500 scientists and 11,000 further staff, and has an annual research budget of over £100m at the [John Innes Centre \(JIC\)](#) the [Institute of Food Research \(IFR\)](#), the [Sainsbury Laboratory](#), the [Genome Analysis Centre](#) and the University of East Anglia (UEA), which together, with the Norfolk and Norwich University Hospital (NNUH), form the NRP. JIC was recently ranked first in the world for plant sciences, IFR second for food sciences, and UEA is ranked in the top 1% of HE institutions in the world and third for geo-sciences citations.
- 4.32 Biotechnology is beginning to build a strong presence at **University Campus Suffolk (UCS, Ipswich)** with specialisms in stem cell research and regenerative medicine. The proximity of Cambridge is another major asset. There are **important life science ‘hubs’ at Newmarket (equine bloodstock cluster), Mildenhall and Haverhill** (high value bio-manufacturing). **Major pharmaceutical companies** are located near King’s Lynn, Thetford, Haverhill and Mildenhall, along with a wide range of companies specialising in advanced medical devices and healthcare products.
- 4.33 In terms of the growing need for health-related goods and services for an ageing population, UEA is collaborating with healthcare partners, including the Norfolk and Norwich University Hospital and three other acute hospitals, community health providers, clinical commissioning groups and the mental health trust for Norfolk and Suffolk to create a new organisation, **UEA Health Partners**, which is setting up a node of the regional Eastern Academic Health Science Network. This node has been tasked by NHS England with accelerating the adoption, diffusion and spread of innovation into healthcare, including the development and exploitation of intellectual property from within the NHS, adoption of new healthcare products/services and contributing innovations to Britain’s export drive through NHS Global.

- 4.34 UCS and NRP organisations are supporting the development and prospective actions of a **Life Sciences Sector Group for Norfolk and Suffolk**. Shared goals are being developed with ICT, focussing on cluster development in Norwich around the NRP, in Ipswich around Future Cities/Innovation Martlesham, in Newmarket around bloodstock and Haverhill in research.
- 4.35 **Challenges.** Key challenges include: public funding for research is diminishing and private investors are more risk averse; company growth depends on being able both to train locally and attract and retain talent from elsewhere in the world; and the NRP and other centres must establish stronger “enabling infrastructure” (premises, facilities, support services etc.) for commercialisation. This is addressed by the City Deal for Greater Norwich.

### **Information and Communications Technology (ICT)**

- 4.36 ICT companies bring £1.3bn to the Norfolk and Suffolk economies, with over 1,400 companies employing some 10,300 people with **GVA at £131k per head per annum**. ICT is an economic sector in its own right and an enabler/driver of other economic activities, particularly the creative and cultural, financial services, energy and health and life sciences sectors. The School of Computing Sciences at the UEA has a long history of collaboration in both research and development with industry and government, commended in the national Research Assessment Exercise 2008 for its collaboration with industry, and the School continues to build upon this. Commercial projects led by the School have included work with Apple, Aviva, HP and IBM.
- 4.37 Our key **local assets** in the ICT sector include: The ICT hub at Adastral Park (Innovation Martlesham), BT’s UK R&D headquarters, the UEA’s School of Computing Sciences and a growing cluster of ICT companies in both counties, centred on Norwich and Ipswich.
- 4.38 The NALEP area is home to many **leading ICT businesses** and institutions and groups developing this important economic strength.
- 4.39 A particular concentration is in Suffolk, at **Adastral Park, BT’s global centre for innovation** and site for the **Innovation Martlesham ICT cluster**, where 45 businesses have taken up residence. Early negotiations are underway to discuss Innovation Martlesham activities being transferred to Ipswich Waterfront and UCS to further develop the ICT/Digital cluster that is developing in that area. The LEP is supporting the production of an ICT Business Directory for Suffolk and Norfolk, and associated research by the **IP Network**.
- 4.40 **Challenges.** There is considerable potential for growth in ICT-based business in New Anglia and achieving this potential means addressing three major challenges. First, companies in most parts of New Anglia do not have access to fast and affordable broadband (this impacts on all businesses and their ability to carry out day-to-day operations but is especially important for the ICT sector). The availability will be boosted by the roll-out of the programmes outlined in the Enabling Infrastructure chapter. However, current funding is insufficient to guarantee 100% coverage. Second, companies need a better skilled workforce. Both of these issues are addressed in the Enabling Infrastructure and Skills chapters of the Plan. Thirdly, the provision of suitable and serviced sites and premises to enable businesses to become established and grow which is addressed in the Growth



Locations chapter. In Norwich, expansion of the cluster is also constrained by a shortage of the type of high quality office accommodation creative businesses seek.

### **Digital Creative Industries**

- 4.41 This extremely diverse sector employs around 11,000 people in nearly 1,400 businesses and is worth over £400m in GVA per annum to the New Anglia economy. Greater Norwich has a concentration of both cultural and digital creative industries, including established businesses in television and media. In Suffolk, there is a cluster of activity at Adastral Park. UCS in Ipswich and Norwich University of the Arts (NUA) both have links with the gaming industry, part of an effort to realise commercial potential from creative and humanities sectors in higher education.
- 4.42 The City Deal for Greater Norwich seeks to support the Digital creative cluster based around Norwich University of the Arts (NUA), the EPIC television production studios and the fast-growing cluster of digital creative businesses in Norwich city centre. In addition, NUA has received funding from HEFCE for a bid for Catalyst Fund support to create a Digital Innovation and Incubation Centre. Work on creating a suitable building to establish and develop new businesses has started in Norwich, and there is interest for a similar facility in Ipswich.

## 5. Growth locations

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- 5.1 Economic growth and competitiveness depend upon having the right infrastructure and support available in the right place and at the right time.
- 5.2 Realising the potential of our key assets, our air and sea ports, Enterprise Zone, research and development hubs, prize agricultural land and tourism attractions, means increasing the capacity of our road and rail routes and improving transport links within New Anglia, and with the rest of the world. It also means targeting resources to unlock those sites that will deliver the greatest return in terms of both housing and jobs growth.
- 5.3 Both Norfolk and Suffolk County Councils, working with the district/borough councils and partners, have identified the main growth locations and associated investment priorities to enable growth across New Anglia. Our sustainable growth locations for Suffolk and Norfolk are based on employment and housing creation potential as identified in the adopted spatial planning framework and are shown in figure 1. We have identified groups of sites across New Anglia that are expected to deliver 1,000 or more jobs (shown in figure 2) and the housing location map (figure 3) identifies those settlements where there are expected to be 1,000 or more homes built. These strategic locations are able to sustainably accommodate both the housing and job growth but require investment to bring forward the key sites.
- 5.4 We have identified key settlements along “growth corridors” (shown in figure 1) associated with the major transport routes in the two counties. The corridors provide the greatest opportunity to realise housing and jobs growth and are where there is greatest demand for development sites owing to the accessibility to markets and/or employment. The most significant of these are along the A11, the A14 and our Enterprise Zone at Lowestoft/Gt Yarmouth and the A47 from Great Yarmouth to Norwich and King’s Lynn. Other locations are at Haverhill and the Wells/Fakenham area.

### Major opportunities

- 5.5 The major growth areas are set out in the table below:

Growth corridor/zone	Strategic employment site	Size of site	Number of jobs	Number of houses	Key Growth Sector(s)
Lowestoft & Gt Yarmouth Enterprise Zone	Outer Harbour and Power Park Riverside Road EZ Mobbs Way EZ South Lowestoft Industrial Estate EZ Ellough Industrial Estate EZ South Denes EZ Beacon Park EZ	24.5 ha 4.5 ha 4.7ha 20 a 17 a 58.8 ha 116.7 ha	9,000	3,500	Energy, offshore engineering, ports and logistics
A11 Corridor	Norwich City Centre Norwich Research Park Longwater Broadland and Broadland Gate Business Parks Rackheath Norwich International Airport (NIA) Aeropark NIA business park Hethel Science and Technology Park Snetterton Thetford Enterprise Park Kings Warren / Red Lodge Wymondham	10 ha 60 ha 10 ha 40 ha  25 ha 40 ha  30 ha 20 ha 17 ha 40 ha 6 ha 20 ha	TBC          1,500  620	42,840             2,200	High tech manufacturing and advanced engineering., ICT/Digital creative, life sciences; agri-tech, energy, inc. low carbon
A14 Corridor	Futura Park, Ipswich Former Sugar Beet Factory, Ipswich Adastral Park Expansion Holiday Inn, Copdock, Ipswich Suffolk Business Park, Bury Mill Lane Site, Stowmarket Clickett Hill, Felixstowe	11 ha 50 ha 100 ha 6 ha 68 ha 79 ha 25 ha	26,200	11,450	ICT, ports & logistics, finance & insurance, advanced manufacturing
Haverhill	Haverhill Business Park Haverhill Research Park	10 ha 7 ha	TBC 1,900	2,500	Advanced manufacturing, ICT, food drink and agriculture, finance and insurance
A10 King's Lynn corridor	Hardwick Saddlebow Downham Market	27 ha 23 ha 35 ha	TBC	11,600	High tech manufacturing and advanced engineering, agri-tech
Fakenham/Wells Corridor	Egmere Local Development Order area Fakenham	28 ha 10 ha	TBC	1,000	Energy inc low carbon

Figure 1: Growth Locations

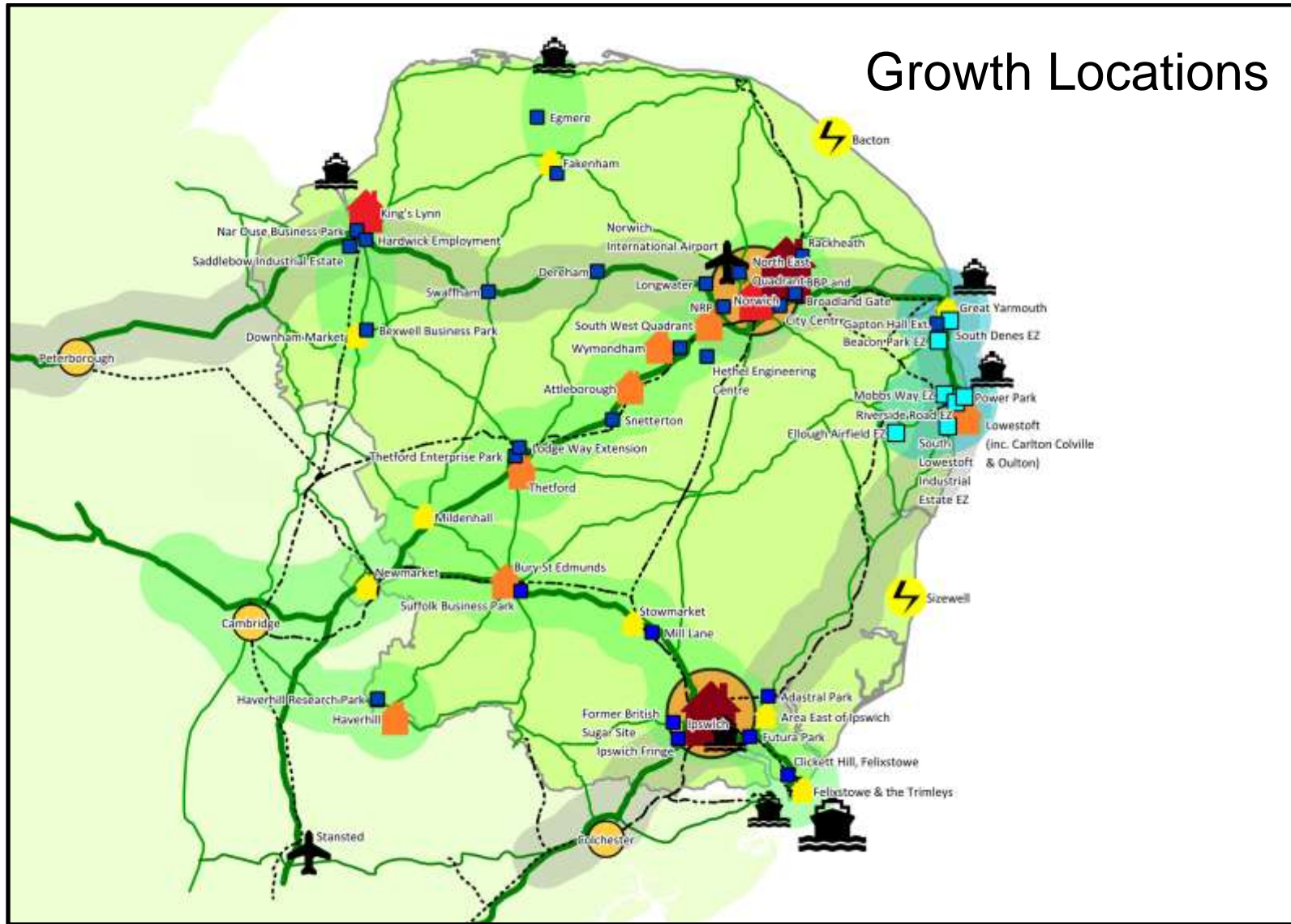


Figure 2: Employment Sites

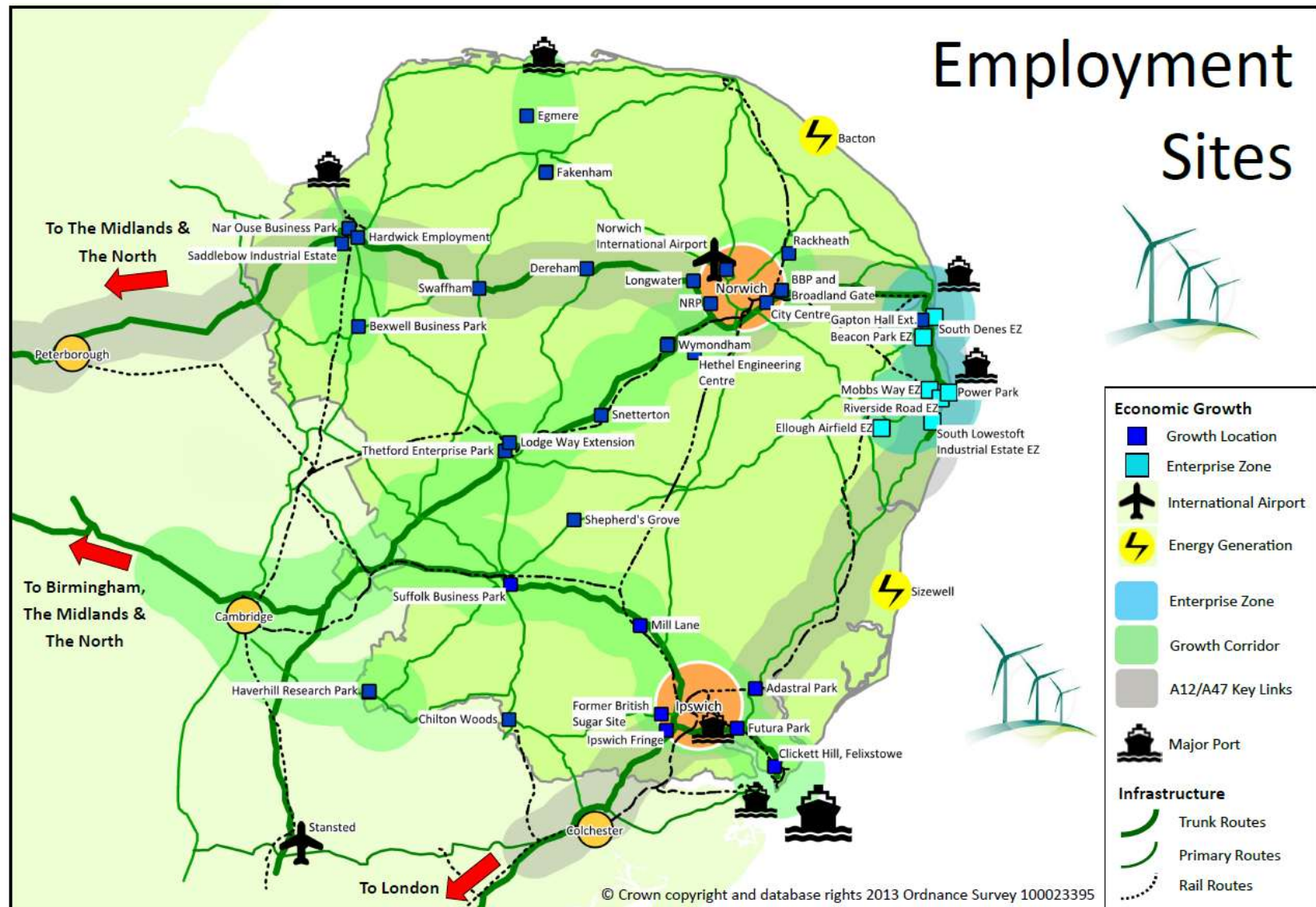
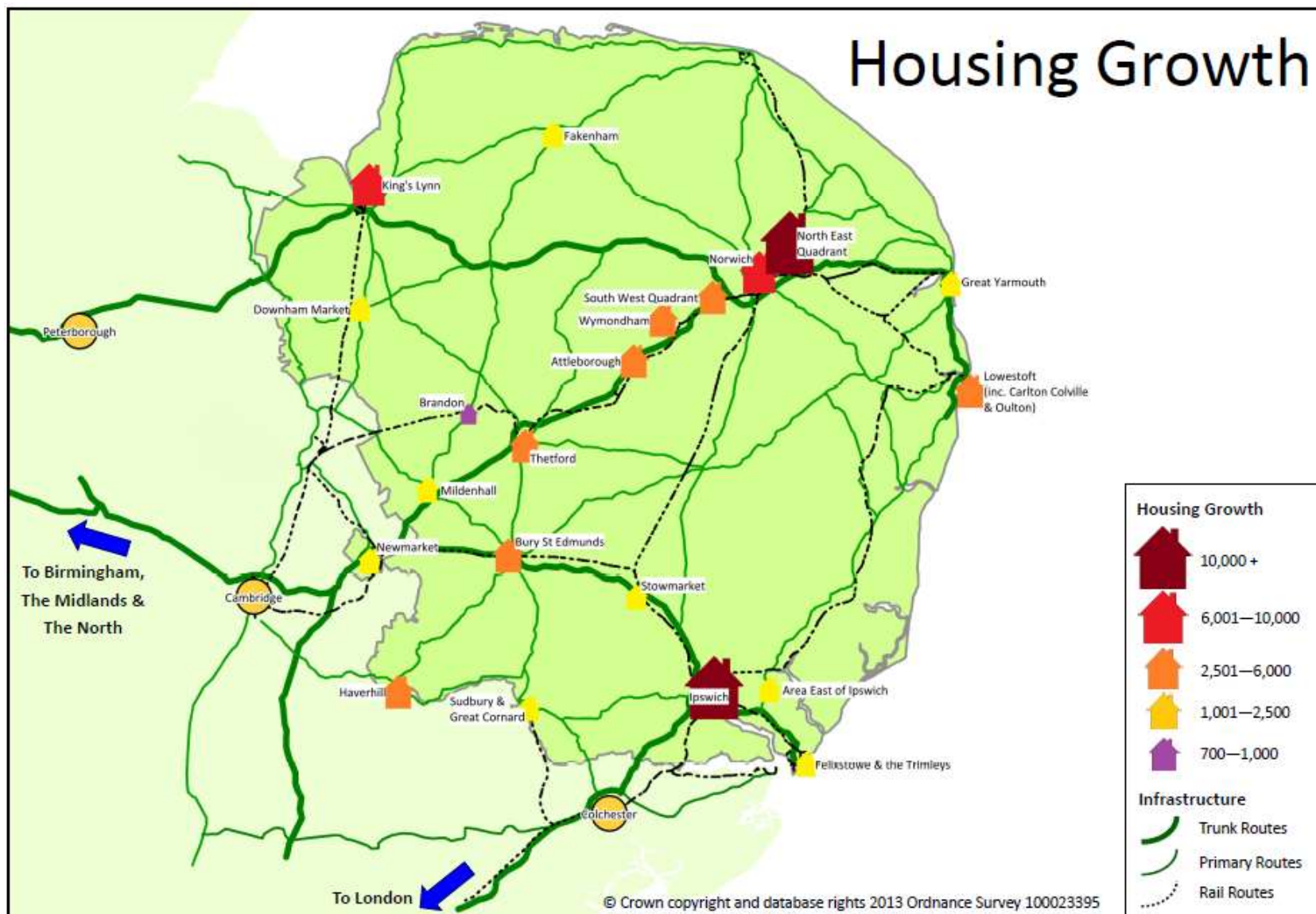


Figure 3: Housing Growth



- 5.6 The constraints and opportunities of these locations are considered below.

## **Lowestoft and Gt. Yarmouth**

- 5.7 Great Yarmouth and Lowestoft are the locations for key strategic ports and are major centres in the northeast of the LEP area. With a combined population of over 130,000 the towns are part of a larger economic sub-region. Businesses do not recognise the county boundary and there are roughly equal flows of commuters daily in both directions.
- 5.8 The towns are served by the A47 and A12 and both towns are linked to Norwich by rail. Lowestoft also benefits from rail services to Ipswich. Housing growth includes plans for around 2,000 dwellings in Great Yarmouth and 1,950 in Lowestoft.
- 5.9 The greatest opportunity for growth in Lowestoft and Gt. Yarmouth surrounds the energy sector. Located close to the offshore oil, gas, wind and tidal energy resources of the North Sea, the area is a major base for the construction, operations and 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 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.
- 5.10 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.
- 5.11 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.
- 5.12 There are four Enterprise Zone sites in Suffolk (46.2ha) and two in Norfolk (75.5ha), designated for activities related to energy, offshore engineering, and ports and logistics.
- 5.13 Beyond ports and energy, Lowestoft and Gt. Yarmouth have 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 sector. The two towns also have an important tourism and leisure industry, built on a long history of seaside tourism, award-winning beaches, key attractions and proximity to the Broads. There is potential for growth in the tourism industry through promotion and developing the leisure offer.

5.14 Our priorities for action include:

- Successful delivery of the Enterprise Zone
- Local authorities, the LEP and other partners working to address barriers to growth in the two towns – including addressing deprivation and skills issues and meeting the needs of the energy industry.
- Securing Assisted Area status
- Delivering the Lowestoft Transport and Infrastructure Prospectus
- Improvements to A47 and A12 junctions to maximise access to the enterprise zone sites
- 3<sup>rd</sup> river crossings in both towns
- Improved quality of rail infrastructure and services
- Delivery of riverside regeneration sites including overcoming flood risk and viability issues

## A11 Corridor

5.15 The A11 connects Norwich to Cambridge and London. It is paralleled by the Norwich-Cambridge rail line that also connects to the Midlands and beyond at Ely. The corridor links Norwich and the market towns of Wymondham, Attleborough, Thetford, Brandon, Mildenhall and Newmarket.

### Norwich

5.16 The Norwich area is a key engine of growth for the United Kingdom. It is fast growing and is establishing itself as a world leader in science, technology and manufacturing. The Norwich urban area and its immediate surroundings (Norwich City Council and parts of Broadland and South Norfolk) has a population of around 250,000, 150,000 jobs, and two universities. A combination of a magnificent heritage and modern cultural assets make Norwich a major visitor destination attracting over 5 million visitors per year.

5.17 Across the Greater Norwich area investment in strategic infrastructure is needed to prevent the private sector becoming constrained and unable to deliver the ambitious housing and jobs growth programme. The Greater Norwich Development Partnership has agreed a programme of essential infrastructure required, linked to the delivery requirements of the Joint Core Strategy. The plan has an investment requirement of approximately £440 million to unlock housing growth to the value of £2.3 billion, delivering the target figure of 37,000 homes by 2026 and to provide the headroom to bring forward 3,000 additional homes. In addition it will support delivery of the target figure of 27,000 new jobs plus a further 13,000. The vast majority of these homes and jobs are focussed on Norwich and its immediate surroundings (the “Norwich Policy Area”).

5.18 A transport implementation plan for the Norwich area has been agreed. It sets out the transport interventions required to support, and ensure delivery of, the ambitious plans of the authorities in the area. The key features of the Implementation Plan are:

- City centre improvements
- A bus rapid transit (BRT) network



- A core bus network, integrated ticketing and information
- A package of cycling and walking improvements
- Specific rail service improvements
- Smarter Choices initiatives, like travel planning
- The highway network
- The Northern Distributor Road

- 5.19 A City Deal has been agreed with government focussing on turning world class knowledge and ideas into world class jobs. Growth is focussed on three key clusters in around Norwich: Norwich City Centre; South West Quadrant; and North East Quadrant.
- 5.20 **Norwich city centre** provides the highest concentration of employment in the county and this is planned to expand significantly with at least 100,000m<sup>2</sup> of new office space (providing capacity for 8,000 jobs) and around 20,000m<sup>2</sup> of new retail space. The city centre is also set to deliver an additional 3,300 new dwellings. The city centre already has a vibrant **digital creative cluster** based around Norwich University of the Arts, the EPIC television production studios and including a number of other fast-growing digital creative businesses.
- 5.21 As well as digital creative, the city centre supports 'egrowth' across much of the county and is intrinsically linked to growth associated in the North East (high tech manufacturing and advance engineering benefiting from airport location and energy) and South West quadrants (food, farming and agri-tech and health and life sciences).
- 5.22 **South West Norwich Quadrant** is home to an **agri-tech and environmental sciences super-cluster** based around the Norwich Research Park (NRP) including the University of East Anglia, Institute of Food Research, Sainsbury Centre, John Innes Centre, the Genome Analysis Centre and the Norwich and Norfolk University Hospital. The local authorities have worked with the NRP and private sector to bring forward expansion plans including 60 ha of land with planning permission. Growth in this quadrant is also supported by Longwater Employment area (10ha available), Easton College, the Royal Norfolk Showground and the proposed Food Hub in Easton.
- 5.23 Employment growth in the quadrant is complemented by significant housing growth on surrounding sites - Bowthorpe (1,000 dwellings), Cringleford (1,200 dwellings), Hethersett (1,200 dwellings) and Easton/Costessey (1,400 dwellings). All these are in addition to significant housing sites already under construction in this quadrant.
- 5.24 **The North East Norwich Quadrant** provides a focus for High tech manufacturing and advanced engineering; and Energy including low carbon sector. This quadrant includes Norwich International Airport with its associated employment areas, a complex of existing business parks centred on Broadland Business Park, and the Rackheath ecotown proposal.
- 5.25 Undeveloped strategic employment sites with planning permission or identified in Local Plans in the quadrant include Broadland business parks (40ha), Rackheath (25ha), NIA Aeropark (40ha) and NIA Business Park (30ha). Growth in the quadrant includes a mixed use development that is truly strategic in scale - with the North East Growth Triangle providing for **10,000 dwellings** (4,000 already approved). Part of the area is the site of the proposed Rackheath ecotown supported by Government policy (the extant supplement to PPS1).

5.26 The planned scale of growth cannot be delivered without the capacity provided by the Northern Distributor Road, which will also relieve congestion and provide strategic connection the A47/A11 and NIA, high quality public transport, including Bus Rapid Transit, and cycle connections strategic green infrastructure.

5.27 Strategic access would benefit from the A47 Easton to North Tuddenham dualling.

#### **Wymondham to Thetford**

5.28 This section of the corridor contains the three market towns of Wymondham, Attleborough and Thetford located on the A11 and benefiting from rail access. Each of the towns is planned to accommodate large scale growth.

5.29 This corridor has strong potential to develop its **high-tech manufacturing and advanced engineering** sector with significant employment growth opportunities at Hethel Science and Technology Park (20ha expansion associated with the existing Hethel Engineering Centre and Group Lotus), nearby Wymondham and Thetford Enterprise Park plus adjacent allocations (40ha). The area is supported by Snetterton circuit and its surrounding employment land (17ha) as well as a number of smaller employment growth locations along the corridor.

5.30 Economic growth in the corridor is supported by housing growth planned at Wymondham (2,200 dwellings), Attleborough (4,000) and Thetford (5,000).

5.31 Whilst the dualling of the final stretch of the A11 between Barton Mills and Thetford offers significant economic benefit, there are still a number of barriers to growth along the A11 corridor. The junctions of the A11 will, unless improved, constrain the ability to deliver growth; in particular the junctions of the A11 Thetford bypass.

5.32 It is essential that the transport networks within the towns can accommodate the growth, and that advantage is taken to ensure that the town centres remain attractive places for business and residents. In particular, better sustainable links between employment locations and residential areas or transport interchanges in the town centres need to be made.

#### ***Wymondham***

- Improved access under railway line between 1,250 houses on the south-east side of Wymondham and employment sites and the town centre.
- Norwich Area Transport Strategy - Bus (Hethersett-Colney-Cringleford-Wymondham)
- Hethel / Wymondham sustainable transport package to improve labour market access between housing growth and key employment site

#### ***Attleborough***

- Attleborough Town centre transport improvements
- Attleborough A11 link road to release 4,000 dwellings
- Thetford A11 junction improvements. These junctions are currently bottlenecks and, unless improved, will constrain growth within the town.

## West Suffolk

- 5.33 Close to Cambridge, the M11, and the A11 and including important market towns such as Newmarket, Mildenhall and Brandon, West Suffolk has a number of distinctive strengths making it poised for further growth.
- 5.34 Proximity to Cambridge makes West Suffolk a focus for Suffolk's biotechnology sector. 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 related tourist economy. The area is strong in agriculture and food and drink has an important tourism and visitor economy drawing on its historic towns and appealing rural landscape, and overlapping with its food and drink industry.
- 5.35 Our high quality of life and ready availability of housing and employment land means 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.
- 5.36 Our priorities for action in **Newmarket** include:
- Preserving and enhancing Newmarket's position as the international home of horse racing will be a priority in any future development. It is already positioned and will be promoted further as both a destination for tourists and businesses, and as a hub from which the rich and distinct historic context of the district, its cultural attractions and environment can be enjoyed.
  - The town's facilities and retail offerings will be developed and expanded and a broader range of employment will be available to capitalise on its strategic location within the region and locality.
  - As part of the corridor between Norwich and Cambridge, Newmarket will further develop its knowledge based economy and improve rail and bus links with other urban centres in the region.
- 5.37 Our priorities for action in **Mildenhall** include:
- Developing a vibrant town centre with a broad range of shops and services meeting the needs of the wider catchment.
  - The town's historic, cultural and archaeological assets will be enhanced and exploited to promote tourism.
  - Mildenhall Industrial estate will be expanded to meet employment demand with associated infrastructure put in place to accommodate this growth.
- 5.38 Our priorities for action in **Brandon** include:
- To establish Brandon as a gateway to major tourism assets through for example the Brecks and Center Parcs
  - To revitalise the town centre, providing job opportunities and achieving a high quality settlement

- To open up new areas of employment land in the town

#### **Interventions: Whole A11 corridor**

- Structural Maintenance.
- Norwich to Cambridge Rail including Ely North Junction. Improvements centred around faster journey times, better on-train facilities (wifi and power sockets at every seat), and improvements to access and passenger facilities at stations.

## **A14 Corridor**

- 5.39 Ipswich is a dynamic and prosperous urban centre and Suffolk's largest centre of economic activity and employment. The wider Greater Ipswich area has a population of over 150,000, and supports over 80,000 jobs. The area incorporates Ipswich Borough Council and parts of the surrounding district councils of Mid Suffolk, Babergh and Suffolk Coastal. This area has total planned housing growth of 15,100.
- 5.40 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.
- 5.41 Greater Ipswich has strong growth prospects. This is especially the case in the information and communication technology (ICT) sector – a key enabling sector and a focus for growth in its own right – 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 and at the Ipswich waterfront. There is also a strong business and financial services sector especially insurance – where its reputation for relevant skills and expertise, and major established employers, are driving continued expansion.
- 5.42 The Port of Felixstowe is a key economic asset for the county, the East of England, and the UK as a whole. It is the UK's largest deep-water container port, and the only UK port to have dealt with the world's newest and largest container ship. 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.
- 5.43 The port handles more than 3.4million TEUs (Twenty-foot Equivalent Units) and welcomes over 4,000 ships each year, including the largest container vessels afloat today – crucially, the port provides some of the deepest water close to the open sea of any European port. Some 40% of the UK's container traffic passes through. Around 33 shipping lines operate from Felixstowe, offering approximately 90 services to and from 365 ports around the world.
- 5.44 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 has undergone a major

expansion, which will grow its processing capacity from around 3.5 million TEUs 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.

5.45 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.

5.46 Our priorities for Greater Ipswich, Felixstowe, and the wider A14 corridor 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 using Innovation Martlesham as the heart of an ICT cluster that includes a significant group of companies and activities at Ipswich waterfront;
- 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;
- to retain Felixstowe Port's status as a European "hub" in the face of competition from London Gateway and other ports;
- create more jobs from increased capacity and upgraded capabilities;
- take forward the measures identified in the Ipswich City Deal to ensure that the workforce has the skills needed for future growth sector businesses, especially ICT and energy;
- tackle infrastructure gaps, including developing a coherent plan for A14 improvements; dealing with the lack of lorry parking; and working with government to bring about the required rail infrastructure improvements;
- 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.

5.47 The transport interventions that we will need to help deliver these priorities include,

- Ipswich Radial Corridor Improvements and Ipswich garden suburb rail bridge (Ipswich Northern Fringe).
- Ipswich A14 J57, A14/A12 J55 Copdock and A14/A12 Seven Hills improvements
- Bury St Edmunds A14 J42, J43 and J44 improvements and A14 J45 Bury St Edmunds (Suffolk Business Park) Eastern Relief Road.
- A14/A142 J37 Newmarket capacity improvement.
- Felixstowe – Ipswich rail capacity improvements.
- Felixstowe to Nuneaton Rail Freight Electrification (Development).

## Haverhill zone

- 5.48 Haverhill's position gives it a big advantage. It lies on the A1307, less than 20 miles from Cambridge. It is close to the M11 corridor, near Stansted Airport and on the cusp of three counties: Suffolk, Cambridgeshire and Essex. Haverhill has strong economic links to Cambridge and a large proportion of residents commute to work in Cambridgeshire and Essex.
- 5.49 In the 1960s Haverhill was part of the Greater London Council's town expansion scheme and grew rapidly. In the past 20 years, it has experienced an economic renaissance, helped by its proximity to Cambridge and the population increased by just under 23% between 2001 and 2011. As a result, the town's social and economic profile has changed and it has become more prosperous. Haverhill's population is now estimated to be 27,041 and it is the fourth largest town in Suffolk, after Ipswich, Lowestoft and Bury St Edmunds.
- 5.50 The largest employment sectors are manufacturing (31.2%), retail (12.8%), education (7.6%), transport and storage (9.4%) and health (7%). The town has an unusually high proportion of manufacturing jobs. Apart from Suffolk County Council, the largest employers are all commercial firms, such as Genzyme, the Herbert Group, Axa Insurance and International Flavours and Fragrances. Haverhill is close to an area known as "biocountry" in South Cambridgeshire because of its high number of biotechnology firms and it has some important life-sciences businesses, such as Genzyme, Sigma-Aldrich and Intas Pharmaceuticals.
- 5.51 Our priorities for action include:
- To maintain, develop and diversify the economic base through the provision of employment sites to meet the needs of existing and future businesses;
  - To ensure that the necessary infrastructure required to meet the needs of new development is provided at the appropriate time;
  - Lobby for improvement of transport links with Cambridge.
- 5.52 The transport interventions that we will need to help deliver these priorities include:
- Haverhill NW relief road. A new road to reduce congestion and unlock the potential of this prime growth location.
  - Haverhill A1307 corridor improvement. To reduce congestion on a key link between Haverhill and Cambridge. 20% of Haverhill resident commute to Cambridge and the town's science park is just 17 miles south of Cambridge and therefore links with South Cambridgeshire "science cluster".

## King's Lynn to Downham Market (A10) corridor

- 5.53 The A10 corridor links with King's Lynn with Downham Market and beyond to Ely, Cambridge and London. This corridor will support growth in hi-tech manufacturing and advanced engineering, food, farming and agri-tech and digital and ICT research.

- 5.54 The development priorities for the King's Lynn to Downham Market corridor are to encourage economic growth and inward investment and related housing growth whilst protecting the heritage cultural and economic assets and avoiding areas at risk of flooding. In accommodating development priorities, new investment is directed to the most sustainable places with significant emphasis being placed on brownfield redevelopment and the development of sustainable urban extensions to the main towns of King's Lynn and Downham Market.
- 5.55 The local economy will be developed sustainably to facilitate job growth delivering the target of 5,000 additional jobs by 2021 with an increase in the proportion of higher skilled jobs. The job growth will be achieved through the provision of employment land, at least 75% of which will be located in King's Lynn, as well as policies for tourism, leisure, retail and the rural economy. Key housing provision comprises at least 8,000 dwellings in the corridor, including an urban extension in the south east of King's Lynn of 1,600 dwellings rising to over 3,000.
- 5.56 King's Lynn sits at the junction of the A47 with the A10 and A17. It has a population of around 40,000 and a significant employment base. King's Lynn is the main retail, leisure and cultural centre and economic driver for a wide rural area of some 200,000 population.
- 5.57 The urban area will provide for a minimum of 7,510 new houses through the regeneration of brownfield land and urban expansion. Provision is made for at least 3,000 new jobs in existing and new employment areas to the east and south of the town at Nar Ouse Business Park (16 ha), the Hardwick Employment Park (27 ha) and an extension to the existing Saddlebow Industrial Estate (23 ha). Provision is also made for at least 20,000 sqm of retail floorspace as an extension to the existing town centre.
- 5.58 Downham Market is a key town within the south of the borough providing employment, local services, and cultural and leisure facilities. Provision is made for employment opportunities through the allocation of at least 35 ha of land within a revitalised town centre. The provision for growth to the town including at least 2,710 new homes with new allocations of at least 390 new houses on greenfield sites adjoining the eastern half of the town.
- 5.59 The area also has two nationally and strategic important employment locations:
- RAF Marham is one of the largest and busiest bases in the RAF. It is home to four squadrons as well as a number of specialist units and will be the base for the new Joint Strike Fighter. Around 5,000 people are employed on the base. Rolls Royce and BAE Systems have established state of the art facilities at RAF Marham to deliver in-depth maintenance of the aircraft. This provides a strategic hub from which to develop a cluster of businesses around military and civil aeronautical engineering and its supply chain.
  - The National Construction College/Construction Industry Training Board at Bircham Newton is the largest construction training provider in the UK and Europe. It provides training to more than 30,000 people each year including 700 apprentices on a 500 acre site. Between them they employ 680 people at the site.

- 5.60 Growth is also constrained by the quality of the strategic road links with priority for improvements being the A47 and A10. Infrastructure investment in King's Lynn is required to resolve air quality and congestion issues in the town centre, improve the junctions of the A47 (particularly Hardwick A47/A10), and provide the A10/A47 link road in the south east quadrant of King's Lynn.

## The A47 corridor

- 5.61 The A47 trunk road is part of the European TEN-T network although the majority of the road is single carriageway. It provides strategic access to Norfolk as a whole from the midlands and the north. It is the east-west link between our Growth Locations of Great Yarmouth and Lowestoft in the east via Norwich to King's Lynn in the west. Within the growth locations many of our transport constraints relate to the A47 and its junctions. Outside these key locations growth is commensurate with the generally poor standard of the road. The market towns of Dereham and Swaffham provide employment opportunities and housing growth. The Highways Agency is developing a Route Based Strategy for the A47 as part their overall approach to investment planning for the strategic road network. The Government has also announced that there will be a feasibility study into the A47 route as part of its commitment to tackle a number of longstanding road hotspots in the country. The A47 study will identify those specific investment solutions on the A47 route for future delivery.

## Fakenham/Wells Corridor

- 5.62 This corridor links the market town of Fakenham to the port of Wells. Businesses servicing the offshore energy industry operate through the port. Growth will support the **energy, (including low carbon) sector** particularly on the 28ha employment site at Egmere where development will be facilitated through a proposed LDO. Fakenham has continued to see employment development through the last few years and around 10ha of additional employment land is identified. Key housing growth includes provision for around 1,000 dwellings at Fakenham.
- 5.63 Relative remoteness of the area will require investment in public transport and cycling provision which will also improve the wider network of links boosting the tourism offer.

## The A12 Corridor

- 5.64 The A12 is a principal route on the primary road network, is predominantly single carriageway in Suffolk and provides the link between two significant growth locations: Ipswich and Lowestoft/Gt. Yarmouth. It is the link between Ipswich and the capital and is also the key transport link for the main market towns of Woodbridge, Wickham Market (the preferred park and ride site for Sizewell developments), Saxmundham and Halesworth. The road is heavily used by strategic and particularly HGV traffic resulting in long journey times for car users and frequent tailbacks at points around urban centres. This route also links the energy corridor of Lowestoft/Gt. Yarmouth, Sizewell and the potential service ports of Felixstowe and Harwich. The importance of this corridor has been acknowledged by the Department of Energy and Climate Change, who have established an Energy Coast Forum to enable central government departments to meet with local authorities and businesses to



discuss how the infrastructure to enable investment in energy businesses can be provided sustainably, whilst maintaining and enhancing the local environment. For example, there are long standing issues of traffic volume through the four villages of Marlesford, Little Glemham, Stratford St Andrew, and Farnham on the A12. The development of the new Sizewell C nuclear power plant, over a 10 year build period, will add further pressure on congestion and would increase traffic flows through the villages by 2% annually (between 400 and 600 vehicles per hour in both directions on the A12).

## Growing Places Fund

5.65 New Anglia LEP was allocated almost £18m of Growing Places Funding in 2012. After allocating some of the funding to developmental projects, around £16m was made available to support capital infrastructure projects to unlock stalled sites and bring forward developments, with a particular emphasis on sites for housing and for projects to create employment. A call for projects encouraged 16 to request some £65m in funding to come forward. After initial assessment and appraisal of the applications, five projects, listed below, were selected for financial support, through repayable loans. The projects will create a total of almost 8,000 jobs.

- Haverhill Research Park, £2m
- Ipswich Flood Defence Barrier, £6.6m
- Kings Lynn Innovation Centre, £2.5m
- North Walsham, former HL Foods site, £2.3m
- Deal Ground, Norwich, £3.5m

5.66 In addition, the Growing Places Fund has also been able to support a number of smaller projects, to help secure significant sums of private match funding and to bring forward infrastructure projects creating new jobs. These projects have been supported through either grants or loans:

- Barton Mills Roundabout, £400k
- Norwich University of the Arts, £200k
- Kesgrave Hall, £300k
- Newmarket Home of Horseracing, £250k

5.67 Applications continue to be encouraged to come forward, to build up a pipeline of suitable projects to support through recycled or additional tranches of funding. Experience has demonstrated that the Growing Places Fund operates most efficiently with smaller scale, short-term projects demonstrating good value for money and with low loan to match-funding ratios. A target for the future is to work more directly with private applicants to deliver more commercial type applications and to look at different types of support including opportunities such as equity investment. Projects currently within the pipeline for future support include a number of infrastructure applications within Norfolk and Suffolk which will unlock or accelerate housing and commercial projects to encourage growth and the creation of new jobs.

- 5.68 Through the Single Local Growth Fund we wish to expand the Growing Places Fund by a further £10m in order to support our pipeline of applications. This funding is needed in 2015/16 as most of our current loan book is not due to repay until 2017/18, causing a two year stand-still in activities. Additional funding gained through the SLGF would also be recycled for use on future projects.

## **Contribution to our Green Pathfinder**

- 5.69 All growth locations provide the opportunity to combine; innovative low carbon development of products and services supporting the cluster effect of SME's benefitting from shared business opportunities, energy, water and resource efficient businesses processes (with reduced costs to businesses), improved sustainability of supporting infrastructure such as travel to work modes, broadband and energy sourcing. These are all part of a clear economic response to the LEP's Green Economy Pathfinder in creating low carbon networks and hubs. The energy sector presents a particular opportunity to develop growth locations based on low carbon energy sources, a key theme in the LEP's Green Economy Pathfinder.

## 6. Infrastructure

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- 6.1 Norfolk and Suffolk are well-located to benefit from their proximity to London and Europe where a wide range of onward national and international destinations can be reached via the major airports and Channel Tunnel.
- 6.3 The major assets in the area include Felixstowe, which is the busiest container port in the UK and the main gateway to European and global markets. Most of its freight travels onwards to distribution centres in the Midlands via the A14 corridor. The A14 will soon see major upgrades around Cambridgeshire and New Anglia is pleased to see that government no longer plans to introduce a toll on this stretch.
- 6.4 To the north, the A47/A12 trunk road is the major east-west link, connecting the Enterprise Zone in Great Yarmouth and Lowestoft, via Norwich and King's Lynn, to Peterborough where onward journeys north can be made via the A1. Norwich is connected to Cambridge and London by the A11 trunk road. The A11 also connects the growing market towns of Brandon, Mildenhall and Thetford with the key employment centres of Norwich and Cambridge. The A12 trunk road connects Ipswich to the capital. The A11 will be completely dualled at the end of 2014. The major rail links in the area include the Norwich-Ipswich-London Liverpool Street line, the King's Lynn-Cambridge-London King's Cross line, and east-west connection between the major centres in the area and Cambridge / Peterborough.
- 6.5 The NALEP area also benefits from an international airport at Norwich, serving both leisure and business markets including the offshore industry through air and helicopter links. There are smaller ports at Lowestoft, Great Yarmouth, King's Lynn and Ipswich providing sea transport facilities, and harbour facilities at Wells-Next-The-Sea.
- 6.6 The area also benefits from being situated near the key international airport of Stansted, which serves a large number of business and leisure users. The A12 provides a key means of access to the airport.
- 6.7 The rural nature of the area, with generally sparse populations has resulted in only the major centres being serviced by broadband, considered essential for business activity. These factors, together with long lengths of coastline, have also resulted in the need for other enabling infrastructure including flood defences and other service-upgrades (e.g. power supply).
- 6.8 This chapter sets out the major opportunities to strengthen the infrastructure needed for business, taking in turn: transport; broadband and other infrastructure.

### Transport

- 6.9 Evidence shows transport is a key enabler of sustained economic prosperity with transport networks supporting the productivity and success of urban areas and their catchments, by getting people to work, supporting deep and productive labour markets and allowing businesses within the area to reap the benefits of agglomeration. Transport corridors cater for both domestic and international trade, boosting the competitiveness of imports and

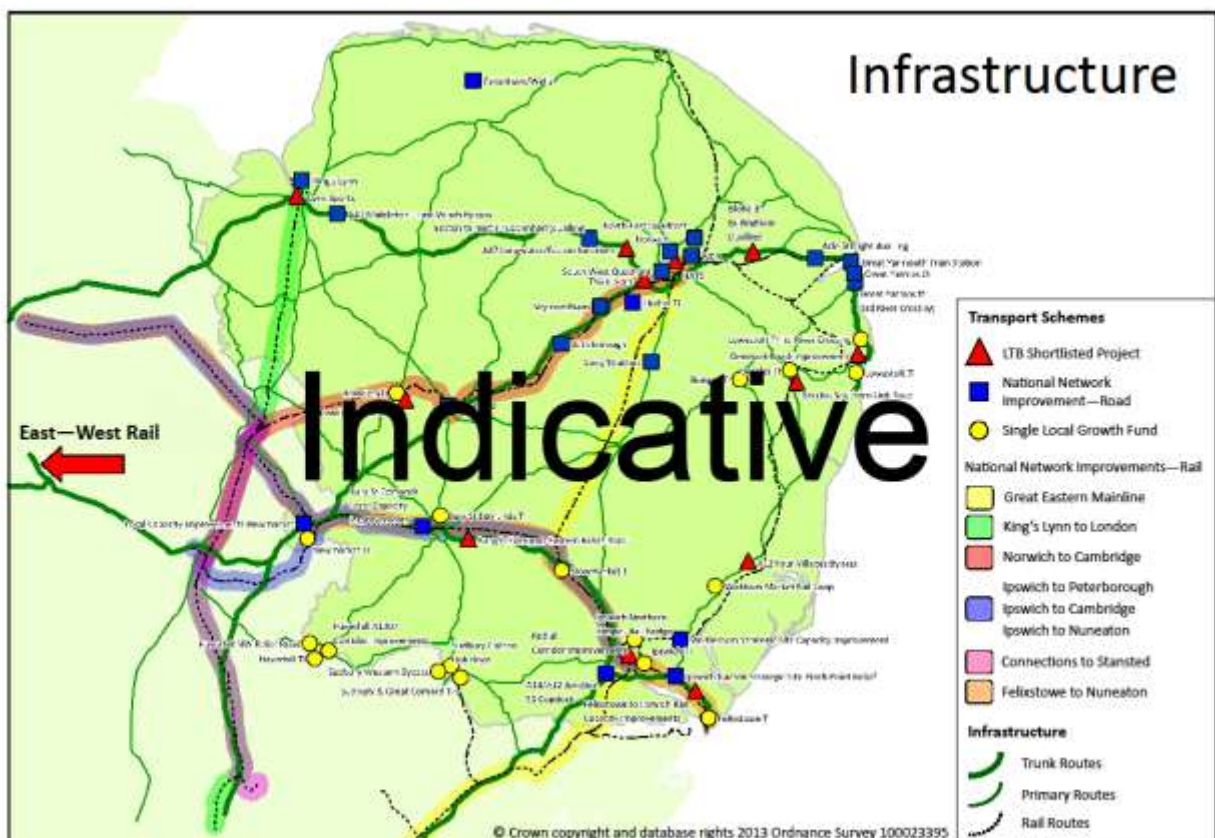
exports. The growth locations and growth sectors sections of this plan describe how and where we are looking to promote economic growth. This transport section picks up those locations and sectors and sets out priorities and a programme of interventions to support those objectives.

6.10 Our priorities for action are:

- Upgrades to the national trunk road network in the counties to overcome bottlenecks to growth and provide more reliable strategic connections;
- Upgrades to the rail network to provide faster journeys and more passenger capacity on the links to London and other major centres e.g. Cambridge;
- Interventions – in the form of packages and programmes of measures – on the local transport network to boost growth in the growth locations through making better, more efficient use of the transport networks;
- Interventions on the local road network targeted specifically at locations where the network is holding back growth; usually in the form of larger road improvement.

6.11 The priorities build on the City Deal negotiated for Greater Norwich, which includes a large infrastructure element.

**Figure 4: Map of transport infrastructure requirements**



## Our asks & offers

### Working with government agencies to deliver infrastructure

- 6.12 We do not intend to put LGF funding towards improvements for trunk roads or on the rail network as these are national transport infrastructure maintained and improved by central government. However, it is essential that statutory bodies, including the Highways Agency and Network Rail recognise the importance of a co-ordinated approach to growth at a local level and provide help and support in a timely manner by working in a joined-up way on infrastructure both in the planning stages and the coordination of investment plans. To help the private sector and local authorities deliver the growth agenda, government agencies need to take account of the co-ordinated local work.
- 6.13 We ask that the Department for Transport (and the Highways Agency and Network Rail) work with New Anglia LEP and the two County Councils on the prioritisation process for potential future investment solutions on the trunk road and rail networks, as shown in this chapter. Subject to that prioritisation, the DfT will establish the relative timing for the development of the transport business cases necessary to inform future investment decisions for the networks.
- 6.14 This builds on the discussion with Government on the Greater Norwich City Deal. Through this plan we want to widen this agreement across the whole New Anglia area.
- 6.15 Locally we have committed resource to developing the schemes that need to be delivered early by DfT to promote local growth. We intend to continue to put resources into doing this work now to ensure early delivery, with the expectation that this would be recovered from LGF when it is available. We would expect to use LGF to continue this work.
- 6.16 We would expect there to be agreement that supports our growth areas and for Government to fund our trunk road and strategic rail priorities.

### The Transport Infrastructure Need

- 6.17 We have clearly defined growth opportunities and require investment to capitalise on these. Overall our need is for around £888m of transport infrastructure to support economic growth of the area. We are asking the Department for Transport to directly fund strategic trunk road improvements estimated to cost £473m and for further investment in rail and longer term trunk road schemes. We will commit to using local contributions and the LGF to fund a £415m programme of local improvements.
- 6.18 The transport infrastructure requirement is drawn from the local authorities' own transport plans. The need is well evidenced and the programmes have been developed principally from infrastructure requirements of growth identified in Core Strategies and other local plan documents. The total local infrastructure requirement is about £415m, **of which £150m is expected to come from local sources.**
- 6.19 **The remaining £265m is our Local Growth Fund Requirement for 2015-2021.**

- 6.20 In return we will deliver the growth set out in the previous chapter. Without the scale of investment required the rate of infrastructure delivery we would be able to achieve is likely to hold back economic growth.

### Local contributions

- 6.21 Across the LEP area we are able to work together to secure funding which supports delivery of infrastructure linked to economic growth. Local sources of funding will include Community Infrastructure Levy and local Business Rate Retention. We would also expect to build on our good track record of securing ad hoc funding through sources such as bids and grants.
- 6.22 Over the six year SEP period it is estimated that the total of local funding sources would be about £150m. Given the inherent difficulties in exactly predicting income from these streams it is more robust to indicate a global figure for local contributions. How this is applied to individual schemes will, in part, depend on the profile and scale of the income.

### Governance

- 6.23 We are set up for delivering our agreed infrastructure needs. For transport, the Norfolk & Suffolk Local Transport Body has already agreed its priorities for the use of the first tranche of devolved major transport scheme funding. The agreed LTB priorities are a subset of the SEP infrastructure need. Initial assessment by the LTB shows that the prioritised LTB schemes support the SEP objectives and deliver high value for money.
- 6.24 The LTB will build on its existing role and will act as a sub-group to the main LEP Board and, using the SEP as key policy guidance, will be responsible for decisions and advice relating to the transport infrastructure spending programmes and be responsible for delivery of SEP infrastructure needs. In managing infrastructure delivery, the LTB will use its agreed framework for assessing schemes and their value for money.
- 6.25 Through the Greater Norwich City Deal some local flexibility has been secured to support infrastructure delivery through access to project rate PWLB borrowing. This provides a mechanism of funding infrastructure needs in a timely way so as not to restrict growth. We are seeking to expand this freedom and flexibility across the LEP area for all infrastructure projects.
- 6.26 The following sections set out our identified infrastructure needs. These are split into the strategic requirement that Central Government will need to invest in and local schemes that the LEP will fund through LGF and local contributions.

## Strategic Roads

Trunk Road Schemes	Cost	Delivery
A14 J45 Rookery crossroads Bury St Edmunds	£8m	2015/16
A14/A142 J37 Newmarket capacity improvement	£5m	2016/17

A14 J42 Bury St. Edmunds west capacity improvements	£5m	2016/17
A47 Longwater / Easton junctions	£30m	2016/17
A47 / A11 Thickthorn junction	£60m	2016/17
A47 Easton to North Tuddenham dualling	£75m	2017/18
A14 J43 Bury St. Edmunds central capacity improvements	£5m	2017/18
A14 J44 Bury St Edmunds Moreton Hall capacity improvements	£5m	2017/18
A47 Blofield to Burlingham dualling	£50m	2017/18
A14 J57 Nacton, Ipswich capacity improvements	£20m	2017/19
A14/A12 J58 Ipswich Seven Hills roundabout capacity improvement	£10m	2018/19
A47 / A12 Vauxhall roundabout Great Yarmouth	£30m	2019/20
A47 / A10 Hardwick junction King's Lynn	£20m	2019/20
A14/A12 J55 Copdock, Ipswich – major improvement	£100m	2020/21
A12 South of Capel St Mary, improve road alignment and junction access	£50m	2020/21
<b>TOTAL</b>	<b>£473m</b>	

### Post 2021

There are schemes beyond the current funding period that are important to growth and will need to be worked up for delivery post 2021.

A11 Fiveways Mildenhall	£40m	Post 2021
A12 Gapton and Harfreys Junctions, Great Yarmouth	£20m	Post 2021
A47 Middleton – East Winch bypass	£75m	Post 2021
A47 Acle Straight	£30m	Post 2021
<b>TOTAL</b>	<b>£165m</b>	

6.27 The tables above set out the major transport improvements required across the New Anglia area that we expect the government to fund through the expanded trunk road programme. We are not allocating any SLGF to this programme, but we intend to contribute locally towards the development of the schemes to accelerate their delivery within the national programme.

6.28 The main trunk road links in the area are:

- A14, linking Felixstowe port via Ipswich and Cambridge to the Midlands. The A14 is the key route for Felixstowe Port, the UK's largest container port, which has plans to double its processing capacity by 2020, creating 1400 jobs. The A14 also connects the regional economic centres of Ipswich, Bury St. Edmunds to Cambridge, the Midlands and to the rest of the UK. The areas of Greater Ipswich, Stowmarket, Bury St. Edmunds and Newmarket are scheduled to accommodate over 30,000 new homes and over 35,000 new jobs by 2031. Greater Ipswich alone is forecast to accommodate 20,000 new homes and 25,000 jobs by 2031. Growth sites include its expanding IT cluster at Adastral Park, Martlesham, University Campus Suffolk and the Northern Fringe Development.
- A12, south of Ipswich via Colchester and Chelmsford to London and the London ports. The A12 is the key link for Felixstowe Port to its southern markets, accounting for about 1/3 of its throughput. The A12 is the principal link from East Suffolk to London and the south east and, via the M25, to the west. Improvements are needed for much of its length through Suffolk and Essex to support growth.
- A11, linking Norwich via Cambridge to London. It also links the market towns of Brandon and Thetford with the key economic centres of Cambridge and Norwich as well as with the A14 and the rest of the country. When the dualling of this road is completed at the end of 2014 it will be better able to fulfil its strategic function but a number of pinch points will remain including its junction with the A47 trunk road in Norwich, junctions at Thetford, and Fiveways at Mildenhall. These pinch points will, unless overcome, constrain housing and jobs growth.
- A47, a vital east west link across northern East Anglia from Great Yarmouth to Peterborough. Just west of here it connects to the A1 to provide onward journeys particularly to the north. It suffers from slow unreliable journeys due to the largely single carriageway standard and incidents such as vehicle breakdowns or accidents lead to major disruption to journeys. This leads to inefficient business operations and acts as a disincentive to growth. The A12 from Great Yarmouth to Lowestoft completes the trunk road route from the A1 to Lowestoft.

6.29 See Appendix ROAD for details of schemes, delivery times and outputs

## The LGF/Local Transport Programme

Local Schemes	Cost	Delivery
<b>Great Yarmouth &amp; Lowestoft</b>		
Lowestoft Denmark Road Improvement (LTB priority)	£10m	2017/19
Lowestoft Third Crossing (Studies)	£0.5m	2015/16



Beccles Southern Link Road (LTB priority)	£7m	2015/17
Gt Yarmouth 3 <sup>rd</sup> River Crossing scheme development	£4m	2017/21
Great Yarmouth station improvements (LTB priority)	£5m	2017/19
Gt Yarmouth Package	£10.5m	2015-21
<b>A14 corridor</b>		
Ipswich radial corridor Improvements (LTB priority)	£5m	2015/18
Ipswich Northern Fringe – rail bridge	£8m	2019/20
Bury St. Edmunds Eastern Relief Road (LTB priority)	£15m	2015/16
Felixstowe – Ipswich rail capacity improvements (LTB priority)	£37m	2018/19
Felixstowe to Nuneaton Rail Freight Electrification (Development)	£2m	2018/19
<b>A11 Corridor</b>		
<b>Greater Norwich and city centre</b>		
A47/A11 Thickthorn Scheme development	£1m	2015/16
Long Stratton bypass	£20m	2016/19
Norwich Area package	£49.5m	2015-21
Norwich Area package (LTB priority)	£6.0m	2015-21
<b>NE and Airport</b>		
NE Norwich and Airport package	£14m	2015-21
<b>South West</b>		
A47 Longwater Scheme development	£1m	2015/16
SW Norwich package	£7m	2015/19
<b>A11 corridor</b>		
A11 corridor package	£30m	2015-21
Brandon Relief Road (LTB priority)	£25m	2019/21
<b>A10 Corridor</b>		
A47/A10 Hardwick Scheme development	£1m	2018/19
Kings Lynn Sport Link Road (LTB priority)	£3m	2015/16
King's Lynn package	£20m	2015-21
<b>Fakenham/Wells Corridor</b>		
Fakenham/Wells package	£1.5m	2015-21
<b>Supporting Growth across the LEP area</b>		
A12 Four Villages Bypass (LTB priority)	£48m	2018/21

Sudbury Chilton link road	£8m	2017/18
Haverhill NW Relief Road	£6m	2016/17
Haverhill A1307 corridor improvements	£3m	2016/17
Sudbury Western Bypass (studies)	£0.5	2019/20
<b>Urban Growth Package</b>		
Urban growth packages	£57m	2015-21
<b>Total Local Schemes</b>	<b>£405m*</b>	
<b>Local Contributions</b>	<b>£140m*</b>	
<b>SLGF contribution needed</b>	<b>£265m*</b>	

\*for more precise costs and funding profiles see appendix COST PROFILES

6.30 Our LGF programme comprises:

- Packages and programmes of schemes across the growth locations designed to make more effective and efficient use of the transport networks so that they can cater for, and accommodate, the needs of a growing economy
- Larger scale, single interventions aimed at unlocking individual growth sites
- A programme that can respond to changing funding and growth circumstances.

## Growth Locations

### Great Yarmouth & Lowestoft

- 6.31 The two towns sit at the end of the A47/A12 trunk road link. This trunk road forms the main strategic road link connecting the Enterprise Zones and the ports on the east coast to the rest of the UK. The A47 provides connections to the A11 at Norwich and – further west – the A1 at Peterborough. Whilst the ultimate aim is for full dualling of the A47, we recognise that a phased approach to improvements is needed, with a combination of improvements brought forward to improve the strategic function of the route and focussed improvements at junctions which would unlock growth at adjacent development sites. Our evidence shows that targeted improvements could release at least 10,000 jobs and at least an increase in GVA of £400m per annum across the NALEP area.
- 6.32 The A47 Alliance, which brings together stakeholders from all along the route including GCGP LEP, has agreed its short, medium and longer term priorities. It is vital that scheme development work is underway now to enable these necessary improvements to start towards the end of the decade. If development work is started now, work could commence on the ground on our priorities towards the end of the decade (around 2018).
- 6.33 The two towns suffer from congestion arising from bottlenecks, at key locations, including North Quay and Haven Bridge in Great Yarmouth and Lowestoft Bascule Bridge. Both towns have limited river crossings forcing traffic onto a few congested routes. Our programme is aimed at tackling these.
- 6.34 See Appendix LOCAL for details of schemes, delivery times and outputs

### **A14 corridor**

- 6.35 A link of national importance joining the UK's busiest container port via Ipswich and Cambridge to distribution centers in the Midlands. Improvements to the A14 itself and to the rail lines that run along the same corridor are identified as strategic for government to fund. Locally, LGF will be directed towards main towns along the route to overcome local constraints to release growth locations well placed to take advantage of their location on the A14 corridor.
- 6.36 "The importance of the A14 trunk road as a link between Britain and continental Europe is set to grow as the east coast Haven ports at Ipswich, Harwich and Felixstowe expand, bring further growth to the region" (HM Treasury's Infrastructure document, page 37).
- 6.37 The A14 corridor is vital in linking the port of Felixstowe to the Midlands; the towns of Ipswich, Stowmarket, Bury St Edmunds and Newmarket along the corridor are also marked as areas for significant economic growth. The major economic centre of Greater Ipswich has housing and employment growth, including the internationally significant IT technology centre at Adastral Park (Martlesham). Improvements to the A14 will help alleviate the traffic congestion in Ipswich which is expected to increase by 15% - 20% by 2032. The cost to the town's economy is estimated at £17 million a year.
- 6.38 The A14 corridor towns are scheduled to provide an additional 20,000 new homes and 35,000 new jobs by 2031, reinforcing the need to implement the improvements along the corridor. Connectivity is vital to the economic well-being of the towns along the corridor with the A14 providing the link into the heartland of England and into Europe (via Felixstowe).
- 6.39 Alongside the A14, the railway which runs from Felixstowe to the Midlands provides a vital alternative means for the transportation of freight from the docks to national distribution centres. It also provides an alternative method of transport for commuters and business users between the major economic centres of Ipswich, Cambridge and Peterborough, and, from the latter station, enables onward travel to the north and the Midlands.
- 6.40 See Appendix LOCAL for details of schemes, delivery times and outputs

### **A11 Corridor**

- 6.41 Norwich is the largest economy in the New Anglia area and will see the largest concentration of growth. Three growth locations have been identified: Norwich City Centre, South West Norwich and the North East Norwich Quadrant. The A11 is the main strategic link out of Norfolk to Cambridge and London. The corridor is home to almost half of all Norfolk's planned new housing and has high potential to develop a high-tech manufacturing and advanced engineering sector.
- 6.42 Norwich and Cambridge have strengths in their knowledge sectors focused on biotechnology, life sciences, food technology and environmental sciences. Enhanced connections between the two cities that reduce journey times could deliver labour market synergy and support spin-off activity in the future.

- 6.43 Improvements are targeted at the transport networks within the towns to accommodate growth and keeping town centres attractive places for business and residents. In particular, better sustainable links between employment locations and residential areas or transport interchanges in the town centres need to be made so that the transport system connects the growth locations on the corridor and provide high quality pedestrian cycle and public transport links between the numerous housing and employment locations.
- 6.44 In Norwich growth can only be delivered by making the network more efficient and attractive through tackling pockets of chronic and acute congestion across the road network and reducing dominance of traffic on key city centre spaces affecting people's ability to move around the core retail and office space and impacting on the quality and attractiveness of the public realm.
- 6.45 Norwich has an adopted transportation strategy and implementation plan and locally the authorities continue to implement this strategy. LGF will ensure implementation keeps pace with growth opportunity. However the strategy is dependent on strategic improvements including delivery of the NDR already committed for funding as a 'Tail' scheme and major improvements to A47 junctions that this plan identifies need to be delivered by government's strategic programme of road investment.
- 6.46 See Appendix LOCAL for details of schemes, delivery times and outputs

#### **A10 Corridor**

- 6.47 The A10 corridor links King's Lynn with Downham Market and beyond to Ely, Cambridge and London. The economy is constrained by bottlenecks on the transport network, leading to congestion; slow, unreliable journeys and business inefficiency
- 6.48 Kings Lynn has the potential for major 'growth' but is held back by traffic congestion in King's Lynn town centre and at junctions on trunk roads that are unable to accommodate growth. Our programme prioritises congestion relief, including support to improve walking, cycling and public transport
- 6.49 A10 is a vital link in the west of the county to Cambridge and the south. The nature of the economy means that the corridor together with the A47 is of high importance of freight connections
- 6.50 See Appendix LOCAL for details of schemes, delivery times and outputs

#### **Fakenham/Wells Corridor**

- 6.51 There is a proposal for an Enterprise Zone at Egmere, which will support the energy, including low carbon sector through a 28ha employment site, with key supporting housing provision of 1,000 dwellings at Fakenham. The proposed employment site is relatively remote from nearby populations. Growth of the site needs to be supported by enabling the workforce better non car access to the site which will be done through a package of sustainable transport interventions.
- 6.52 See Appendix LOCAL for details of schemes, delivery times and outputs

### Supporting growth across the LEP Area

- 6.53 The rural areas and market towns within the NALEP area are forecast to see significant economic growth within the next 20 years. For example, a four villages bypass is needed to mitigate the traffic-related effects of the development of the Sizewell C nuclear power station on the A12 and the surrounding villages of Stratford St. Andrew, Marlesford, Great Glemham and Farnham. The scheme will also help the development come forward.
- 6.54 As stated in the appendix to this document, Haverhill is also expected to see significant housing growth and an expansion of employment opportunities through its scientific research park. A north-west relief road will help people access the A1307 more easily, and improvements along this key corridor will bring agglomeration benefits for science-related businesses within the Haverhill – Cambridge corridor. There is also significant employment and housing growth planned for Sudbury.

### Urban Growth Packages

- 6.55 An efficient, well-performing transport network is vital to ensure that businesses can continue to compete and affects decisions about whether businesses choose to remain within the area; or whether new businesses are attracted to locate within the area. Particularly important attributes for the transport network include its standard of maintenance, levels of congestion, and the ease by which all users can move about. This latter attribute would include the quality of the public realm, which transport can have an important bearing on.
- 6.56 Given this, it is important that programmes of smaller-scale transport measures are put in place to support an attractive and efficient environment for business. Investment from SLGF is necessary because the towns and urban areas will provide the services and facilities that businesses rely on for their labour force such as homes, education, retail and other services. They will also be home to the supply chain and customers and support many of the existing businesses within Norfolk and Suffolk.
- 6.57 Therefore we intend to direct a proportion of SLGF towards programmes of smaller scale measures with a particular focus on the market towns and urban areas including: maintenance schemes directed towards the main road network; sustainable transport measures including public transport, walking and cycling schemes (eg interchange improvements, road crossings or cycle lanes) to provide an alternative to the car for many short journeys that add to congestion problems; and network management measures aimed especially at reducing congestion at bottlenecks.
- 6.58 As well as targeting packages of smaller-scale measures at town centres it will be important to ensure that people from more remote rural areas can access employment and training opportunities. Access for people without a car can be difficult, preventing people taking up opportunities and reducing the labour catchment of employers.
- 6.59 These programmes of smaller-scale measures are scalable, and their implementation will depend on levels of funding available through SLGF or other programmes such as the local authorities' own programmes.
- 6.60 See Appendix LOCAL for details of schemes, delivery times and outputs

6.61 **Rail**

<b>Rail Schemes</b>	<b>Cost</b>	<b>Delivery</b>
<b>Great Eastern Main Line</b>		
Faster journey times (110 mph)	TBC	2014/19
Better quality rolling stock	TBC	2018
More capacity at the southern end of the line delivered through additional train services into Liverpool Street. Bow Junction	TBC	2014/19
More capacity at the southern end of the line delivered through additional train services into Liverpool Street. Boreham Four Tracking	TBC	2019/24
<b>King's Lynn to London</b>		
Half-hourly frequency throughout the day (already included in government's specification for the franchise A47 Easton to North Tuddenham dualling)	TBC	2017
<b>Norwich to Cambridge</b>		
Regular clockface ½ hourly service frequencies New Greater Anglia Franchise	TBC	Post 2016
Electrification in the medium to longer term as electrification is rolled out Felixstowe to Nuneaton	TBC	2019/32
Faster journey times, with 70 minutes being the goal	TBC	2014/19
<b>Connections to Stansted</b>		
Half hourly connections to Stansted from the north (ie through Ely) New Greater Anglia Franchise	TBC	Post 2016
<b>Ipswich to Peterborough</b>		
Hourly service New Greater Anglia Franchise	TBC	Post 2016
<b>Ipswich to Cambridge</b>		

Half hourly service New Greater Anglia Franchise	TBC	Post 2016
Electrification		2019/32
<b>Felixstowe to Nuneaton</b>		
Capacity increase New Greater Anglia Franchise		Post 2016
Electrification	TBC	2019/32
<b>East west rail</b>		
New rail connection Oxford-Cambridge		2019/32
<b>Branch Lines</b>		
Felixstowe – Ipswich capacity increase	£37m	2019-23
Wickham Market Rail Loop	£5m	
Additional capacity New Greater Anglia Franchise		Post 2016
<b>TOTAL</b>	<b>TBC</b>	

- 6.62 We are unable to put a cost to these projects as further scheme development work by the rail industry is required. We welcome Government’s Taskforce set up to identify how to deliver GEML improvements.
- 6.63 New Anglia’s strategic rail network is just as vital to our future as our roads and requires significant investment to ensure it is able to meet our future economic needs. Investment is needed in the Great Eastern Main Line services connecting us to the rest of the UK and Europe, and the Felixstowe-Nuneaton corridor, which is the main route for freight from the port of Felixstowe. If we fail to invest in these routes, there will be a significant impact on the future success of the Port and businesses that are reliant on fast, regular and reliable rail routes.

### Funding

- 6.64 We have not identified SLGF for these improvements. We would expect the measures to be included in the government’s or Network Rail’s investment programmes.
- 6.65 Smaller scale access improvements to stations could form part of the sustainable transport packages of measures within the urban areas and market towns funded from SLGF or LSTF; or from the authorities’ Local Transport Plan allocations. We may be prepared to contribute SLGF or local contributions towards preparatory work in order that these schemes will be prioritised for early delivery.

## Strategic Transport Links: Rail

6.66 Our main strategic rail links are:

- Great Eastern Main Line. This connects Norwich, via Ipswich and Colchester to London Liverpool Street. There are main line services every half an hour from Norwich (more frequent services run further towards London) connecting Norwich to London in just under two hours (Ipswich in 1¼ hours).
- West Anglia Line / Great Northern. This route connects King's Lynn via Cambridge to London in around 1¼ hours. It currently operates every half an hour during the peak.
- Felixstowe to Nuneaton. This connects Britain's largest container port to the rest of the country and provides a viable alternative to road freight and passenger links between the major employment centres of Ipswich, Cambridge and Peterborough.
- East west services connect the main economic centres in the counties with each other, as well as providing routes to business centres elsewhere in the country. The main connections are Norwich to Cambridge and Peterborough, and Ipswich to Cambridge and Peterborough. These services provide onward connections to the north of England, Scotland, the Midlands and Stansted Airport.

6.67 A Rail Prospectus across the wider East Anglia area has been developed with stakeholders and has the backing of all the wider region's MPs. Work on the Rail Prospectus has been agreed with neighbouring LEPS (GCGP and SELEP). This shows the agreed rail needs to support the economy. The priorities are:

- More capacity, faster journey times and better quality on the Great Eastern Main Line;
- Improved freight connections from the Port of Felixstowe;
- Better passenger connections between other major economic centres, particularly east-west links;
- More capacity into the main economic centres of Ipswich and Norwich.

6.68 See Appendix TRAIN for details of schemes delivery times and outputs.

## Broadband and Mobile

### Broadband

6.69 Broadband speed currently experienced by our small businesses is well under the UK average of 14 megabits per second (Mbps). Rural areas are particularly poorly served, with some having no coverage at all. Not only does this affect rural businesses, but also the delivery of education and training, as well as council services to residents.

6.70 Higher-speed broadband services are vital to future economic development in Suffolk and Norfolk, driving:



- economic growth of ~15-20% (~£2bn);
- the retention and growth of small businesses (~500 pa), particularly in the creative industries;
- access to a global online market for entertainment and business opportunities;
- modernising and cost-reducing the delivery of public services online;
- retaining and growing employment (~5,000 FTE jobs);
- raising and modernising skills and achievement levels and avoiding a 'digital divide'.

6.71 A recent report from Ericsson, aggregating 124 different surveys of broadband usage, found that on average a 10% increase in high-speed internet access in most countries was worth one percentage point of GDP, and that for each 1,000 homes connected to broadband 80 net jobs are created.

6.72 Economic consultancy Regeneris were recently commissioned to model the impact of broadband plans on the Suffolk economy. A 'best case' was estimated as:

- Gross GVA over 15 years: £937m (£562m net)
- Average Gross GVA per annum: £62m (£37m net)
- Gross additional jobs: 1,501 (886 net)
- Value for Money/Return on Public Investment of £20m (GVA per £ spent): £28.10 (£14.00 on total investment of £40m)
- Public investment cost per job: £23k (£45k total cost).

### Mobile

6.73 The Government has allocated £150m via the Mobile Infrastructure Project (MIP) to deal with 'Not Spots', defined as no emergency signal from any of the four main mobile providers within a 200 metre square.

6.74 There are a very small and similar number of Not Spots included within the MIP for Norfolk and Suffolk. The A143 between Gt Yarmouth and Haverhill will also benefit from improved mobile coverage. However, MIP will do nothing to deal with the main problems in our two counties:

- Varying levels of coverage from different providers in different parts of the area, meaning you can get Vodafone in some places and would need one of the other three in other areas;
- Overall general weak signal.

## Our progress

### Broadband

6.75 Norfolk and Suffolk County Councils, with match funding from Broadband Delivery UK and BT are investing over £100m across the two counties over 15 years.

6.76 By the end of 2015, all premises will have access to a minimum 2Mbps 83% of homes and businesses will have access to superfast broadband (24Mbps+). Priorities are the Enterprise Zone, areas with a high proportion of business subscribers and areas where market forces are unlikely to provide superfast broadband by 2015.

- 6.77 Enhanced coverage is already being rolled out in rural areas and we aim to complete Superfast Broadband to Enterprise Zones by June 2014, with roll out of fibre-based infrastructure to up to 90% of premises in Norfolk and Suffolk by the end of 2015.

### **Mobile**

- 6.78 Suffolk and Norfolk are supporting the delivery of the government (DCMS) Mobile Infrastructure Project (see 1.2.1). This involves working with local authorities to facilitate the planning and delivery process in order that erection of masts and deployment of services in the two counties is as attractive and streamlined as possible for suppliers.
- 6.79 In Suffolk, Suffolk County Council is working with the local media to deliver a campaign which aims to demonstrate evidence of demand for improved mobile services, as well as to lobby government and the industry to deliver further improvements.

## **Our offers**

### **Broadband**

- 6.80 Our offer is the current delivery plan in Suffolk and Norfolk, which draws on funding from the £530m BDUK fund, and is the linked policy objective to deliver 90% superfast broadband coverage by end 2015<sup>6</sup>.

### **Mobile**

- 6.81 We hope to deliver new coverage in as many of the nationally identified not spots as possible through the government Mobile Infrastructure Project. We also want to influence government and providers to extend these improvements further.

## **Our asks**

### **Broadband**

- 6.82 Norfolk and Suffolk currently have plans for 83% superfast coverage, but would expect to raise this towards 90% following additional funding contributions from the £530m fund, due to both counties being awarded too little funding to reach the 90% superfast target<sup>7</sup>.
- 6.83 We expect to use SLGF to match an additional contribution to Suffolk and Norfolk from the existing £530m DCMS fund to move towards superfast coverage of 90% by 2015.
- 6.84 During the Comprehensive Spending review in late summer 2013, government announced further funding to extend coverage to 95% by 2017<sup>8</sup>.

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<sup>6</sup> BDUK 2015 90% superfast coverage programme,

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209279/PU1524\\_IUK\\_new\\_template.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209279/PU1524_IUK_new_template.pdf)

<sup>7</sup> National Audit Office Report on Broadband 2013, <http://www.nao.org.uk/press-releases/the-rural-broadband-programme-2/>

<sup>8</sup> Superfast Broadband Extension – 95% superfast coverage by 2017,

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209279/PU1524\\_IUK\\_new\\_template.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209279/PU1524_IUK_new_template.pdf)

(footnote continued)

- 6.85 Later, we expect to use SLGF to match an allocation from the £250m DCMS fund to extend superfast broadband to 95% by 2017.
- 6.86 From 2017 onwards, further SLGF match funding would be needed to further extend coverage in line with aspirations and policies.

### **Mobile**

- 6.87 We want to see government continue to invest in mobile not spots and work with local bodies to identify needs and interventions.

## **Utilities & Community Infrastructure**

- 6.88 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, not just the digital and transport communication networks. A range of other infrastructure is required to support new developments and overall growth.

### **Community Infrastructure**

- 6.89 To meet the needs of a growing economy and population, additional community infrastructure for recreation, education, healthcare and places to meet are necessary to maintain the provision of services and wellbeing of the local population. With larger developments, the community infrastructure needs to be provided and phased to meet the precise needs of the new community.

### **Flood defences**

- 6.90 In some areas, particularly regeneration projects in coastal and estuarine communities, flood defences are fundamental components of growth. Flood defence works are necessary to protect existing homes and commercial properties which tend to be provided by the Environment Agency. However, the cost of providing defences adds to the overall development cost when a greater level of protection is required, such when new homes are built as part of regeneration. This is affecting the progress of regeneration in Great Yarmouth, Ipswich, Kings Lynn and Lowestoft.

### **New Connections**

- 6.91 New connections for electricity, gas, water & waste water, are fundamental components in making a site ready for commercial and residential development.
- 6.92 New connections are needed for most development including small scale residential and commercial schemes. The processes are regulated and include works that only the supplier can undertake and deregulated works that third parties are able to do. As noted in other sections, the delivery of new homes and commercial floor space needs to increase to realise
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the economic potential of New Anglia but the scale and cost of major new connections is currently inhibiting the progress of some strategic sites. Examples include:

- Electricity connections & reinforcement at: Bury St Edmunds, Ipswich, Kings Lynn, Lowestoft, Norwich, Rendlesham, Snetterton, Sudbury, Thetford & Wymondham;
- Water Supply at: Ipswich & Norwich;
- *Waste Water, including treatment plants, at: Attleborough, Bury St Edmunds, Ipswich, Kings Lynn, Lowestoft and Norwich.*

### **Role for New Anglia LEP**

- 6.93 Generally, this fundamental and necessary infrastructure is funded (sometimes provided) by developers and provided by utility firms and relevant service providers, by local and national government. Delivery bodies, such as New Anglia LEP, can help co-ordinate, programme and lobby for the delivery of infrastructure. Depending on the scheme and financial package, this role could also extend to the provision of revolving funds to mitigate some of the cost.
- 6.94 This co-ordinating role should also extend to closer liaison with utility firms following on from established links through Norfolk and Suffolk. The linkage between the processes of development and new utilities connections is complex and regulated by different regimes. There are differences in how future income can offset the overall cost of new connections such for new water connections, where residential development is 12 years but commercial is four. Monitoring the functioning of the regulated and deregulated connection processes, with links back to local and national government will be a new role for New Anglia LEP.

### **Water Reforms**

- 6.95 Besides supply through networks, the supply of water is a strategic matter that fundamentally affects New Anglia's economy more than other parts of the country. New Anglia is one of the driest parts of the country, with a thriving agricultural base that is water-intensive, a growth agri-tech sector, and a significant location for food and other manufacturing process that demand water. For example, around Eye in Suffolk, 49% of water supplied by Essex & Suffolk Water goes to several large commercial users, particularly in the food and drink industry.
- 6.96 Furthermore, there are significant reforms contained in the Water Bill which entered the first committee stage in December that are likely to have a significant impact. If the provisions are enacted, measures will be put in place to make the sale of water easier and encourage the development of water storage capacity, principally in the form of reservoirs. This will increase resilience and reduce pressure on other sources of water. Critically, the provisions in the Bill would support transactions to water companies but also to non-household customers. There is significant potential to link these reforms to water recourse plans, including flooding and surface water strategies, and to land use planning to ensure that supportive policies are in place. The New Anglia LEP and its partners need support anticipate the implementation of the Water Reforms.

## 7. Enterprise and Innovation

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- 7.1 The growth of the New Anglia economy depends on the strength of our business base. We want our current businesses, large and small, as well as aspiring entrepreneurs to have access to the support, advice and finance they need.
- 7.2 New Anglia is a fertile environment for business growth. In 2011 there were 54,800 active enterprises in the New Anglia LEP area, equating to 34 businesses per 1,000 residents, putting it on a par with the national average. Three quarters of businesses in Norfolk and Suffolk employ four people or fewer and a fifth of businesses employs between 5 and 20 people. Over the past 30 years, nationally, more employment growth has occurred in SMEs than in larger businesses.<sup>9</sup>
- 7.3 We are developing a comprehensive package of support for our businesses, and through the development of our sectors, up-skilling our workforce, putting the right infrastructure in place and attracting inward investment, we will help lay the foundations to allow them to compete locally, nationally and internationally.
- 7.4 We are well connected to other major centres of business and innovation such as Cambridge and London, with Europe and overseas markets through the Ports of Felixstowe, Ipswich, King's Lynn, Gt Yarmouth and Lowestoft, Norwich International Airport and with the rest of England by major trunk roads and the rail network.
- 7.5 Many of the SMEs in Norfolk and Suffolk are well placed to exploit the growing opportunities overseas to trade their products and with more service requirements being outsourced by divestment and commissioning, there are opportunities to increase the proportion of public sector spend with locally based firms.
- 7.6 Another opportunity to improve business growth in this region is to build on the current resource efficiency initiatives and the LEP's status as the Green Economy Pathfinder. Improving the cost, energy and resource efficiency of local businesses will improve their profitability, enable greener economic growth and relieve some of the strain on our infrastructure.

### Significant challenges ahead

- 7.7 Despite having greater survival rates, there are fewer businesses being created in Norfolk and Suffolk than the national average. The start-up rate in the region is 5.3 new businesses per 1,000 of the working age population compared to a national average of 6.8. This rate has

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<sup>9</sup> <http://www.socsci.uci.edu/~dneumark/REStat%20small%20businesses.pdf>.

dropped significantly since the economic downturn to its present level, suggesting that it has become harder to establish a new enterprise in the region in recent years.

- 7.8 Finance has become harder to access, more expensive and requires greater levels of security. Added to this, business confidence remains fragile, with many businesses running low on cash reserves, and therefore remaining reluctant to invest in new opportunities.
- 7.9 Discussions with businesses have provided clear evidence that many are not taking up the business support that is available because of the fragmented business support landscape. There is a lack of awareness and coordination between support packages and varying degrees of collaboration but no strategic coordination between providers. Take up of national schemes such as Growth Accelerator, MAS and the TSB are lower than national averages (Growth Accelerator 144, MAS 114 and TSB 60).
- 7.10 Skills remain a key barrier to growth in Norfolk and Suffolk. It is acknowledged by both the private and public sectors in Norfolk and Suffolk that there is a need to address the gap between current and future employer requirements. The skills base within the region was identified as the main barrier to economic growth in the Greater Ipswich and Greater Norwich City deals. Both counties have major development potential in key industrial strategy sectors whose future depends on access to the right technical skills. Skills are addressed separately in chapter 5.
- 7.11 Both Norfolk and Suffolk are predominantly rural counties and there are additional challenges associated with running a business in a rural area. Utilities' supplies can be limited and broadband especially can be a major constraint. Both counties are deploying superfast broadband to their respective rural areas but there will be some gaps in provision. The extent of these gaps will narrow as further funding is secured and technological advances taken advantage of. However, the infill options are yet to be determined or deployed (they are expected to be in place by 2015) and could exceed the obligatory 2Mb/sec.
- 7.12 Rural businesses can also struggle to attract the right skills. Lower paid labour may not be able to access the location if public transport is not available. It may also be difficult to receive deliveries, arrange for collections, access business support or to network with other businesses – attributes that businesses in urban areas usually take for granted. Time is a key constraint for rural businesses wishing to access help as it often involves travelling to the nearest populated areas which may be anything up to 1.5 hours away.

## **Building on our City Deals**

- 7.13 Growing the economy in Norfolk and Suffolk depends upon the prosperity and growth of our businesses. To help them grow sustainably, be more resilient and capitalise upon opportunities to expand, we must ensure that all existing businesses and potential entrepreneurs have access to the right kind of advice and support.
- 7.14 For this reason creating a coordinated business support offer was a key ask in the successful Greater Ipswich and Greater Norwich City Deals. By raising awareness, stimulating demand and increasing supply, the City Deals will result in a significantly enhanced business support

offer for the region. The City Deals provide a great opportunity to make effective use of further resources such as the Single Local Growth Pot by expanding and increasing the impact of these plans. To this end sustainability of the activity initiated by the City Deals and the resulting 'New Anglia Business Growth Programme' has been considered in the development of the region's Structural Investment Fund.

- 7.15 Further enhancement of the support available to businesses in the area is also expected through the 'opt-in' opportunities presented by national providers. New Anglia LEP is likely to take advantage of many of the 'opt-in' opportunities from national providers such as Growth Accelerator and UKTI, provided a baseline of current coverage can be established and clear additional targets agreed. It is expected that opting in will provide the region with enhanced programmes of support and more ability to shape what is delivered to specific local needs.
- 7.16 As well as coordination of business support, seven other key elements of business support were identified as priorities in the New Anglia 'Towards a Growth Plan'. For each of these elements this chapter outlines progress and, where relevant, the resulting asks to be made of the Single Economic Pot.

## New Anglia Business support offer

- 7.17 Our total requirement from the Single Local Growth Fund for Business Support is set out at the end of this chapter in table 1.

**Figure 1. Elements of business support**



## Growth Hubs and support for business

- 7.18 Nationally fewer than 50% of SMEs seek advice but those that do are twice as likely to grow. In order to encourage growth we are addressing the fragmented nature of business support in our region and promoting what is available. The New Anglia LEP has launched a 'Business Information Portal' to help entrepreneurs and small businesses access the help and information they need to set up and grow their enterprises. Since its launch in April 2012, the portal has received 11,350 visitors, of which 7,355 are unique.
- 7.19 This will be developed further by establishing a 'growth hub' service across Norfolk and Suffolk which will improve awareness of, access to and supply of both national and local business support including development of an effective signposting system. Growth 'coordinators' will offer support for all SMEs but specific intensive support for businesses with the greatest potential for growth. This proposal was included within the Greater Ipswich and the Greater Norwich City Deal and will be delivered by an application to the Regional Growth Fund Business Growth Programme. The Growth Hubs will enable all businesses located in Norfolk and Suffolk to gain access to business support, reaching out to over 60,000 businesses.
- 7.20 By bringing together the business support providers the Growth Hub will enable us to;
- map the business support landscape and subsequently identify any gaps in business support provision;
  - address gaps in the provision of support such as the availability of enterprise centres providing managed workspace with business support in the main towns in the counties; and
  - develop interventions through working in partnerships to meet local need by pooling resources together.
- 7.21 In its first year the Growth Hub is expected to engage with approximately 2,800 individuals and businesses, helping to create 180 jobs and safeguarding at least 260. £1m of local funding will be used in conjunction with the funding secured from the Business Growth Programme (City Deals) to address gaps in provision in the first year.

### Our ambition

- 7.22 The funding already secured for the Growth Hub will help to address some of the current known gaps in business support provision and enable us to create a coherent network of business support. The funding secured through the City Deal is sufficient to establish the Growth Hub, but is less than we need to extend the service across the whole of Norfolk and Suffolk and achieve the following aims:
- engagement with 4,200 businesses;
  - supporting 200 start-ups;
  - helping to create 280 jobs and safeguarding at least 400;
  - doubling the amount of businesses accessing national programmes;



- the number of businesses supported by Growth Accelerator to increase from 144 to 300 and the number of businesses supported by MAS to rise from 114 to 230 per annum.

7.23 In order to deliver on these original aims, **it is estimated that delivery of the Growth Hub across Norfolk and Suffolk will require £900k per year and that at least a further £1m will be required to deliver specific interventions** that address any gaps in provision that the Growth Hub identifies.

#### **Access to Finance**

7.24 Ensuring businesses at all stages of development have appropriate access to finance is crucial for growing our economy and creating new jobs. The LEP and its partners have already introduced some products to supplement and complement the finance provided by mainstream banks including:

- Growing Business Fund
  - A £12m fund to help grow SMEs – it will create at least 1,200 jobs.
- Grants4Growth
  - A two-year programme of free, confidential and impartial support for SMEs,
- Small loans fund
  - A fund to help kick-start development projects.
- New Anglia Capital
  - New Anglia Capital provides businesses with innovative, alternative methods of raising money for growth and innovation.

7.25 There are plans to develop further finance options where gaps in provision have been identified including:

- The New Anglia application for Business Growth Programme funding includes a proposal for a 'Small Grants Scheme' – this will complement the current Growing Business Fund by providing grants of between £5k-£50k for businesses.
- Extending the Growing Business Fund offer. Our Growing Business Fund allocation must be spent by March 31 2015. We wish to extend this fund using a 50/50 mix of SLGF cash and funding from our EU SIF. We are seeking £2m a year from the SLGF to match £2m a year from EU SIF to create a £4m a year fund, creating 400 jobs a year.
- Establishing a £2m Agri-Tech Growth Fund for Norfolk, Suffolk and Cambridgeshire. The original application sought £3m and we would like to reinstate at least some of this funding in order to maximise the impact across the 3 counties.

#### **Our Ambition**

7.26 The financial products described above provide businesses with increased access to finance, enabling them to grow, create jobs and increase GVA. The Growing Business Fund and Small Grant Scheme alone will create 1,375 jobs.

7.27 Further funding for these schemes to sustain and improve their impact will be required.

- **A further £500k to £1m to bring the Norwich Cambridge Agri-tech fund back to the level originally bid for.** This would create an additional 125 to 250 new jobs and 6 to 12 new businesses.
- Small Grants Scheme – In order to achieve the original target of creating 175 **jobs a further £500k** will be required to fund further grants.
- Expansion of the Grants4Growth scheme, targeting the low carbon goods and services market and contributing to New Anglia’s Green Economy Pathfinder aims.

7.28 There can also be barriers to accessing existing and available schemes. The Growth Hub service described earlier in the chapter will serve to increase awareness of the schemes available but further resourcing would be needed to provide some specialist bid writing assistance for local businesses applying to a wide range of Government, EU and other funding streams.

- We estimate providing such a service would cost between **£100k to £200k per year.**

### **Support for Start-Ups**

7.29 Local authority initiatives to address the lower than average start-up rates and support new business start-ups have included: supporting the growth of the Eastern Enterprise Hub in Suffolk for young entrepreneurs; and Enterprise Norfolk, a £400k per year start-up scheme which the county council has established in partnership with all 7 district authorities.

7.30 Hethel Engineering Centre and the Norwich Research Park joined forces to deliver Activ8, a free series of workshops and events with experienced entrepreneurs and consultants aimed at higher level business start-ups.

7.31 We need to improve both awareness of business support for those thinking of starting a business – which will be addressed through the Growth Hub proposal above – and the availability of that support. Through the Business Growth Programme we will be investing in local expansion and enhancement of current schemes aimed at start-ups in the region including the Cavendish Consortium’s Ready for Business scheme delivered by NWES and the MENTA ‘Enterprise Engagement Scheme’.

### **Our Ambition**

7.32 There is a strong case for further resourcing of start-up support

- The Greater Ipswich and Norwich City Deals have helped secure resources to expand and enhance start-up support delivered by NWES and MENTA across the Greater Ipswich and Norwich areas. Depending on continued demand, further funding will be required to extend this enhanced support across the whole LEP area.
- A desire to prolong the activity of Enterprise Norfolk which will continue to deliver targeted and tailored support to fill gaps in provision. The County and District councils feel there is a strong need to ensure there is free and substantial start up support available across both counties, in order to try and improve the lower than average start up rate.

- It is estimated that funding of **up to £1m a year to deliver these two asks** would be required.

### **Business Resource Efficiency**

- 7.33 A driving principle for the LEP from the outset and its partners was that the promotion of economic growth goes hand in hand with the priorities of environmental sustainability and social progress. New Anglia LEP developed the Green Economy Pathfinder Manifesto with an ambition for low-carbon growth, skills development and employment in Norfolk and Suffolk. Working with partners to develop better understanding of Business Resource Efficiency was one of the five major objectives within the manifesto.
- 7.34 In Suffolk the Climate Change Partnership (SCCP) offers a comprehensive package to support businesses to improve resource efficiency and reduce energy usage. This includes resource efficiency audits and specialist energy advice; the Suffolk Carbon Charter accreditation & Greenest County awards; interest-free loans to help with initial costs; and bespoke services including mentoring, workshops, and advice on renewables. The most recent addition to the package is a Medium Sized Business programme which, over a 2 year period, will provide 170 businesses with 4 days of expert energy management consultancy. The primary aim is to deliver energy reductions from this target sector, but it also aims to engage more widely through the supply chains of recipient businesses and to drive the market for local LCEGS sector businesses. A similar package of business support has been run in Norfolk, and we will look for further opportunities to enhance the service by joining up provision.
- 7.35 Grants4Growth, as mentioned in the access to finance section is a significant programme in Norfolk and Suffolk offering funding to support SMEs to become more environmentally friendly and reduce their carbon footprint.

### **Our Ambition**

- 7.36 The Medium Sized Business Programme focusing on business resource efficiency is currently wholly funded by Suffolk County Council. The current scheme directly targets 170 businesses, but is expected to work with them to engage 1700 local businesses, create carbon savings of 7,650 tCO<sub>2</sub>e and leverage over £1m of private sector investment. If successful it is expected that funding will be sought to extend both the timescale and reach of this programme.
- **It is estimated that £400k per year would be required** to expand this as a meaningful project across the LEP area. Such a project would be expected to engage about 2300 businesses creating ongoing carbon savings of 10,350 tCO<sub>2</sub>e annually.
- 7.37 As part of the longstanding commitment to Creating the Greenest County (launched 2007) the Suffolk Climate Change Partnership and its constituent members have delivered a broad range of support to the sustainable economy, including European funded projects worth upwards of £10 million. Continuing the level of this work will depend on success with funding which is vital to ensure sustainable business growth.

## Encouraging Innovation

7.38 There is already a significant network of innovation centres / clusters across Norfolk and Suffolk which provide a strong model to build on. These include:

### Norwich Research Park

- a cluster of 11,000 employees including 2,700 highly specialist scientists with knowledge in biotechnology, healthcare, nutrition, medical technology, low carbon energy and ICT. The new enterprise centre at UEA will house and make more accessible the business support services the university offers.

### Adastral Park (& Innovation Martlesham)

- BTs global research hub at Adastral Park in Martlesham currently employs 3,500 people. BT is proposing to expand the site further to deliver fit for purpose R&D facilities and to ensure the park's leading position in technology and innovation.

### Hethel Engineering

- The Hethel Engineering Centre in Norfolk was established in 2006 to act as an incubator for engineering and technology firms. It provides a wide range of business support to tenants and the wider engineering community.

### OrbisEnergy

- With the southern North Sea emerging as the largest market in the world for large-scale offshore wind farms, OrbisEnergy is the flagship for businesses keen to capture the economic benefits from offshore wind, wave and tidal technologies. Designed using cutting-edge environmentally friendly technology, the 3,300 square metre building is a worldwide centre of excellence for this vastly expanding industry.

7.39 Further opportunities to build on the current base of innovation centres have already been identified:

- We intend to establish a technology and innovation centre linked to University Campus Suffolk (UCS). The centre will be based in Ipswich, possibly in a waterfront location. This high profile location has excellent transport links to London, Norwich and Cambridge and it is envisaged that the project will help to support the regeneration of this economically significant area. The overall purpose of the centre will be to accelerate innovation and knowledge transfer throughout the region, drive the development, showcasing and uptake of new technologies and support our key sectoral clusters. Probable partners include UCS, Innovation Martlesham, Suffolk Chamber of Commerce, St John's Innovation Centre, Ipswich Borough Council, Suffolk County Council, Ipswich Hospital and the Eastern Region Academic Health Science Network.
- Working with the Greater Cambridge Greater Peterborough LEP to provide a centre accessible to the agricultural areas of Norfolk and the Fens which supports and

encourages innovation and business development in activities associated with agri-tech.

- Help innovators to develop links with other HE institutions including the creation of a New Anglia ‘Innovation Vouchers’ scheme – enabling businesses to access the expertise of HE institutions.
- ‘Innovation coordinators’ to create better connections between local potential for innovation and national opportunities – to highlight the potential of the New Anglia area for TSB support and to make it easier for local businesses to access national support.
- The nearby University of East Anglia already provides a wide range of business services to support innovation and business growth. Graduate placement schemes, research collaborations, knowledge transfer and interaction with the Norwich Business School will be significantly enhanced when the new Enterprise Centre opens in late 2014. The Low Carbon Innovation Fund and the proposed agri-innovation fund will offer substantial opportunities for supporting innovation.
- Hethel Engineering Centre, through the Hethel Innovation Ltd programme will continue to deliver a substantial business support programme, targeting engineering and other high-tech businesses across Norfolk, Suffolk and other neighbouring counties. Extension of Hethel Engineering Centre to meet continuing potential for innovation and business growth in advanced engineering. The Centre, when the extension opens later in 2014, will offer 75 units covering 8000m<sup>2</sup> of space. It will be the largest centre of its kind and continue to support engineering businesses in Norfolk and Suffolk with innovation development. There is a desire to extend the HEC’s concept into other engineering sectors. It is already considering options for an aviation engineering focussed facility close to Norwich Airport. Other options further west and south will also be explored.

### Our Ambition

7.40 The region has a base of innovation centres to build on. We need to make it easier for businesses to access the offer from these centres and enhance the offer to fill gaps in provision and create a network of strategic regional centres. In order to achieve this, some elements of our offer described will need to secure further funding.

- Innovation Centres, Ipswich (the partners referred to in 6.44 are discussion how to bring these projects into a single programme)
  - Funding requirements for a proposed waterfront technology & innovation centre in Ipswich are significant. **It is estimated that at least £10 million is likely to be required to fund the capital build.** IBC have “pledged” an initial £425,000 of match funding for phase 1 of the project which will relocate the Innovation Martlesham programme to the waterfront. Follow on costs for 3 years have also been allocated (subject to a business case). Single Local Growth Fund funding for the project would enable us to access other

sources of finance for the project such as EU structural funds and TSB programme money.

- A 'Beacon' Innovation Centre – the Wolsey Centre - has been proposed to inspire, mentor, educate and support a generation of entrepreneurs in Ipswich. Potential tenants will be subject to a vetting process to ensure that they are suitable candidates for inclusion and will benefit most from the support on offer.
- The success of the Hethel Engineering Centre as a sector focused intervention has already been stated. A number of additional locations across Norfolk (including, King's Lynn - Manufacturing; Thetford - Engineering/motorsport; Norwich Airport - Aviation Engineering; former RAF Coltishall - Low Carbon Construction) and locations in Suffolk will also be explored. A funding model has been established whereby a mixture of ERDF and other grant funding, together with loan funding can be used to deliver the necessary capital investment. Demand is anticipated to be generated during planning and construction to ensure short term revenue costs are minimal. **Government capital funding towards a minimum of 2 new centres is sought.** Hethel Engineering Centre was always planned to be at the heart of a thriving community of engineering businesses. The Centre itself and Lotus already account for over 1,300 jobs and with the imminent opening of the HEC extension and the planned expansion of Lotus thanks to a recent RGF award, that figure could well exceed 1,500 within 12 months. The time is now right to deliver the Hethel Technology Park vision, by completing the master planning and providing the necessary infrastructure to open up the 50 acre site. **Approximately £5m is required to achieve that**, which is expected to deliver 1000-1500 more jobs.
- The New Anglia 'Innovation Voucher' scheme, which will enable collaborations between higher education institutes in the region and local businesses, will be established and initially delivered by funding secured through the Business Growth Programme. Approximately 100 vouchers will be made available with a collective value of £1.5 million. It is expected that this will lead to at least 100 businesses engaged, 75 new jobs and a £10m increase in GVA. However, there will be a need to secure further funding to sustain this activity, as well as potentially expand the scheme to include other innovation centres. The SLGF will be a potential source of funding for this expansion. **We estimate this will require between £500k and £2m of further funding.**

### Rural Support

- 7.41 The rural economy across Norfolk and Suffolk is very significant. It comprises many of our key sectors including advanced manufacturing and engineering as well as land based industries such as agriculture, food and drink. We risk failing to capitalise on major opportunities across over 50% of the combined economy of the 2 counties if we do not capture and encourage innovation in rural businesses and across the rural economy.

## Norfolk

- 7.42 Funds from Defra and the 2014-2020 EU funding programme will be sought to target bottom up, community-led local development in our proposed interventions. Areas will develop Local Development Strategies steered by Local Action Groups. Their priorities will be steered by the priorities for rural areas in Norfolk's Rural Development Strategy including increasing the number of jobs and business, driving business innovation and delivering broadband. This community led local development approach is expected to result in 600 jobs and 80 micro enterprises (conservative estimates).
- 7.43 Accessing the ERDF (economic growth) element of the funds, we would expect to deliver activity around clusters, business units, and supply chains.

## Suffolk

- 7.44 New LEADER areas funded through the Rural Development Programme are being explored in order to increase the coverage of the programme beyond the successful Waveney Valley and Brecks Local Action Groups. New areas identified include the Suffolk coast and a South Suffolk area, and for each area the budget will need to be approximately £2m per Local Development Strategy to be considered a worthwhile investment.

## Our Ambition

- 7.45 The Growth Hub service for Norfolk and Suffolk will be delivered in such a way to make it accessible to all businesses with high growth potential. Growth Coordinators will be peripatetic and will be required to engage with businesses at locations across the two counties.
- 7.46 However, in order to stimulate faster and more widespread growth, employment and economic activity in rural areas, rural growth hubs linked to the wider Norfolk and Suffolk Growth Hub and staffed by Growth Coordinators could be established. These hubs were originally described in the New Anglia LEP's bid for a 'Rural Growth Network' and would provide a focus for the enterprises in their respective areas.
- 7.47 These hubs would be focused on one or more existing area zoned for development – such as an under-utilised business park or brownfield site and would aim to create jobs in these areas. In these identified locations, we would anticipate local authorities introducing Local Development Orders or other suitable measures to speed up planning and to encourage the development of suitable premises for new and growing businesses.
- 7.48 **Potential locations for these hubs have already been identified and it is estimated that a further £300k would be required to enhance the current 'Growth Hub' proposal** to include such a network of rural hubs.

## Support for Exporting Companies

- 7.49 In Suffolk the County Council works in partnership with the Suffolk Chamber of Commerce to:
- Build relations with existing businesses to ensure that these continue to invest and grow in Suffolk.

- Deliver practical advice and training in processes for international trade.
- Promote trade opportunities, particularly in the BRIC countries.

7.50 In Norfolk there is a similar approach working with UKTI and the Chamber and there have been specific initiatives to develop bespoke trade missions to China. UKTI is hoping to sign up 10,000 businesses from the East of England in the next three years as part of a national programme to get 100,000 more companies exporting by 2020. This work has been enhanced by the partnership both County Councils have with Essex County Council which seeks to exploit its long standing cultural relationship with Jiangsu province to increase trade and deliver investment.

7.51 Across both counties local partners will work with UKTI to ensure businesses can maximise the opportunities presented by growing global export markets. The County Councils will work with the respective Chambers of Commerce to:

- Enhance support for exporting companies and those planning to export;
- Enhance relations with existing businesses to ensure that they continue to invest and grow;
- Deliver practical advice and training in processes for international trade;
- Promote trade opportunities.

### **Improving Local Procurement**

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

7.53 In Suffolk, the IP Network – a special interest group led by the Suffolk Chamber of Commerce is open to businesses involved in the hi-tech industry, in particular information and communications technology (ICT).

7.54 The Councils are committed to good practice regarding local procurement. Both County Councils use a variety of methods to raise awareness of buying opportunities via their websites ('Suffolk Sourcing' and Norfolk's e-procurement portal). The Councils are committed to working closely with Chambers of Commerce and other groups in the voluntary and private sectors to embed good practice in commissioning, procurement and contract management, promote early engagement, simplify processes and improve access to opportunities throughout the supply chain and in particular to SMEs.

## **Contribution to our Green Pathfinder**

7.55 We will also support the growth of local businesses within the LCEGS sectors. Although diverse and covering a range of sectors, these companies are characterised by a high potential for growth and innovation, as well as a tendency towards a smaller profile with a greater proportion of high-skilled, well-paid jobs. All of these factors, together with the strategic aim of developing the green economy, make this a particular opportunity for growth within New Anglia. An overarching view of delivery will ensure LCEGS growth is captured within the sectoral approach.



7.56 Nationally, over half of SMEs have no or inadequate energy management systems, despite the fact that typically simple measures lead to savings of 10% or more. With average SME energy bills at £1,330 and likely to continue rising, it is imperative that smaller businesses in particular receive the support they need to realise these savings. Analysis from a programme of support to 750 businesses in Suffolk shows that they have implemented measures to deliver savings of 15-23%. The challenge is to reach the rest of the business community, where there is likely to be even greater potential for savings. Increased demand for resource efficiency products will also help to drive this sector.

**Table 1: Summary of our SLGF resource requirement 2015/16 – 2020/21**

<b>Element of business support</b>	<b>Description</b>	<b>Ask (£m)</b>
<b>Growth Hubs</b>	Extension of growth hub offer set out in Ipswich and Norwich City Deals across the two counties.	<b>6.4</b>
<b>Access to finance</b>	<ul style="list-style-type: none"> <li>• Continuation of Growing Business Fund beyond March 2015</li> <li>• Small Grants Scheme</li> <li>• Develop Growing Business Fund</li> <li>• Develop agri-tech growth fund for Norfolk and Suffolk</li> <li>• Bid-writing assistance for growth hub service</li> </ul>	<b>14.4</b>
<b>Start-ups</b>	<ul style="list-style-type: none"> <li>• Expansion of current schemes NWES and MENTA.</li> <li>• Continuation of Enterprise Norfolk</li> </ul>	<b>6.0</b>
<b>Business Resource Efficiency</b>	Continuation of medium-sized business programme – currently targets 170 businesses but will expand to 1,700.	<b>2.4</b>
<b>Encouraging Innovation</b>	<ul style="list-style-type: none"> <li>• New Waterfront Technology and Innovation centre in Ipswich.</li> <li>• Completion of master planning and provision of infrastructure to open up new Hethel Technology Park site</li> <li>• Continuation of Innovation Voucher scheme</li> </ul>	<b>17</b>
<b>Rural support</b>	Develop Growth Hub offer to include rural hubs.	<b>0.3</b>
<b>TOTAL</b>		<b>46.5</b>

## 8. Building a 21<sup>st</sup> century workforce

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- 8.1 Our ambition for the next decade is to develop a highly skilled and flexible local workforce providing businesses with the talent and skills they need to maximise their growth; and for our residents to be well equipped and ready to secure these opportunities.
- 8.2 New Anglia is projected to experience faster than average job growth to 2020, with high demand for people to both replace those leaving the workforce and to meet new demand for professional, technical and managerial occupations. At least 80,000 new jobs in key growth locations are projected by 2025 and across the stakeholder group we will work to ensure that local residents can compete for these opportunities.
- 8.3 There is a common thread within all of our high growth prospects - a strong dependency on science, technology, engineering and mathematics; the STEM subjects. Within our wider focus on workforce development we are particularly focused on excellence in these skills to enable us to realise the potential in our economy.

### Our Workforce Challenges

- 8.4 In 2012 the total New Anglia population was 1.6m. Of this, only 61% are aged 16-65, this is low compared with regional and national averages. 80.3% of the working age population are economically active (77% nationally), but the area suffers from low average wages.
- 8.5 Our key challenge is that New Anglia remains stubbornly characterised in a low wage, low skill economic cycle. This is reflected by businesses consistently facing technical skills shortages as well as a lack of sufficiently qualified applicants. Concurrently, worklessness and a lack of social mobility reduces the prospects for individuals.
- 8.6 We know that low skills levels are a real barrier to our growth and skills shortages are a critical issue. **In our recent Business Skills Survey of 200 local companies, half anticipated difficulty in filling roles requiring skills at Level 3 and above<sup>10</sup>** and numerous business leaders told us how the local skills deficit is holding back their growth. Some 17% of employers reported a skills gap in their workforce, and 40% of those recruiting had at least one hard-to-fill vacancy.
- 8.7 This message was again emphasised at our recent Business Skills Summits held in September 2013, attended by over 300 contributors. The specific occupations in most frequent demand were those involving professionals, skilled trades and machine operatives, while in several growth sectors (agri-tech, engineering and renewable energy) skills gaps are expected to worsen due to an ageing workforce. Given that one in four employers with identified skill gaps are not acting on these, and three in ten provided no training in the past year, a key

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<sup>10</sup> Suffolk and Norfolk Employers' Skills Survey 2013

priority for New Anglia is to work with employers in coming years to address these emerging shortages.

- 8.8 Average pay in New Anglia is below national levels<sup>11</sup> and our workforce is poorly qualified to meet the future skills demands. Although qualification levels in New Anglia are improving, the rate is not fast enough to close the gap on national averages. At school age, learners attaining five or more GCSEs (A\*-C) including English and mathematics was 7% below the national average in 2013, with achievement in adult learners also below national averages. The proportion of the workforce qualified to Level 4 and above is currently 4.6% below the national average with this trend also being notable at levels 1, 2 and 3. Higher education participation in some areas of New Anglia is also low, with King's Lynn, Great Yarmouth and Lowestoft having amongst the lowest rates of participation in the whole country. To address this, the local access to and provision of higher education facilities will be developed such as the creation of a University Centre at the College of West Anglia in partnership with Anglia Ruskin University.
- 8.9 Unemployment also remains high, especially among the young. The rate of youth unemployment in both Ipswich and Norwich has been higher than both the national and regional averages for over a decade. Currently 6,730 (October 2013) young people under 24 are claiming Job Seekers allowance across New Anglia, with 35% of claimants being on the register for more than six months. Challenges also exist for 16 and 17 year olds in New Anglia with participation and attainment consistently failing to meet national levels with the greatest need evident in Norwich, Ipswich, Great Yarmouth, Lowestoft and King's Lynn.
- 8.10 Alongside this, graduate unemployment is at 8% six months after graduation with further analysis revealing that up to 40% enter non-graduate jobs reducing opportunities for less qualified people. Relatively few gain employment in SMEs and given the dependence of our economy on SME this is a trend which we will need to overcome.

## Our Skills Manifesto and Skills Board

- 8.11 In November 2013 we published our **New Anglia Skills Manifesto** which makes public our long term commitment to skills. In it, we explain how we will develop a locally led, responsive skills system by:
- enabling employers to play a leading role, so that the workforce will truly meet the needs of the economy;
  - supporting individuals to make informed choices about their futures;
  - recognising the pivotal role of schools, colleges, universities, training and voluntary sector providers in achieving our vision;
  - forming a strong and enduring partnership, with each of us committed to playing our part in delivering long term, sustained action.

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<sup>11</sup> ONS Annual Survey of Hours and Earnings 2012, workplace-based median annual earnings

8.12 Our Skills Manifesto has been developed based on the extensive body of skills data we already have, augmented by the most recent feedback from our business community. In September we hosted two LEP Skills Summits to bring together all key players within the skills system and enable a further conversation with businesses about the priorities for skills in the future. The summits were well supported and generated clear messages regarding the top concerns for businesses:

- Young people and their advisers do not have good information about the local economy and job opportunities or adequate business connections.
- Young People seeking work do not have the personal employability skills or understanding of work required by employers.
- We need to address specific skills shortages that will impact on our key growth sectors both among new entrants and the existing workforce

#### **A dedicated Board for skills in New Anglia**

8.13 We have already established a **LEP Skills Board** to drive our skills agenda, chaired by a member of the LEP Board, led by employers, and involving delivery partners and relevant Government agencies. The Skills Board has the following responsibilities:

- To ensure the implementation of the actions required to deliver the commitments within the Skills Manifesto;
- To provide the leadership to ensure through implementation of the manifesto commitments the skills levels in New Anglia align with national attainment at all levels;
- To lead on the campaign for the involvement of the private sector;
- To make recommendations to the NALEP Board regarding future skills strategy and investment decisions regarding EU Funding, FE Capital and the Single Growth Fund; and,
- To lead the programme of work to enable the local skills system to become more responsive to the needs of the future economy.

## **City Deals**

8.14 The City Deals have provided a catalyst for developing a much deeper and more effective partnership between businesses, local authorities and the LEP. For example, the Greater Ipswich City Deal has been employer led from its inception, with chairmanship from Paul Winter, Chief Executive of Ipswich Building Society, and active involvement throughout from the Chambers of Commerce; local branches of the Institute of Directors and the Federation of Small Businesses.

8.15 Many other businesses, large and small, have contributed to the development of the skills programme within both City Deals. Our local authorities have also played an integral role in enabling us to secure such an ambitious and forward looking skills programme and have committed their resources, alongside ours, to deliver change. An example of this is the LEP Skills Investment Fund we are creating where local and national public funding will be aligned to private sector investment, creating an overall fund of £4 million to enable local

employers to agree Skills Deals with the LEP. The depth of partnership between the private and public sector in securing our City Deals has been a notable feature and this has provided us with a strong launch pad for the LEP Skills Board.

- 8.16 We already have a good working partnership with learning providers and this has been further strengthened through the process of shaping the two City Deals. Our FE and HE partners have been fully involved in shaping the LEP Skills Board and will be well represented on the Board itself. Our FE and Sixth Form Colleges have also decided to review the way they work together across Suffolk and Norfolk to align their arrangements to the new LEP Skills Board.
- 8.17 Through our City Deals we have already committed to achieving the following skills outcomes:
- we will leverage at least £10m increased private and local public investment in skills through new investment and more effective alignment to future growth needs over the life of the Deal;
  - we will establish new employer led pathways into our growth sectors;
  - we will create 5,000 new Apprenticeships by 2019;
  - we will halve 16-24 yr old unemployment in Greater Ipswich by 2016 using a new approach through our Youth Guarantee. This will mean 1000 more young people will be in employment, education or training by 2016.
- 8.18 We now have a clear and widely shared strategy for skills, and well developed and effective partnerships across business, providers and other partners. We are ready to deliver and our plans are supported by the necessary governance arrangements to maintain the long term focus on skills.

## **Our Skills Priorities**

- 8.19 Through this Growth Deal we will commit to sustaining the momentum and building on these outcomes beyond the life of the City Deals – towards 2024 – the end of the next decade. Our longer term outcomes for 2024 will be:
- By 2024 we will have a well-established and effective local skills system that is closely aligned to the needs of our growth sectors and responsive to the changing requirements of our economy.
  - We will be a national leader in STEM education and have a plentiful supply of well qualified residents to meet the demands of our high growth technology sectors. Companies will be attracted to locate in New Anglia LEP because of the high calibre of our workforce.
  - At least 50% of New Anglia employers will have been awarded the New Anglia Kite Mark recognising their commitment to investing in up-skilling their existing workforce or their contribution to supporting young people into work.

- The LEP Skills Investment Fund will have grown in its size and reach and have resulted in a significant increase in the level of employer investment in skills, having successfully supported many skills deals to support up-skilling in our growth sectors.
- We will have refined our model for supporting young people into employment and rolled out our successful approach across the whole LEP area resulting in a dramatic reduction in youth unemployment rates.
- Learning about and for work will be embedded into the curriculum of schools across the LEP area and all our young people will have access to high quality information about the local economy, enabling them to make better informed choices about their future.

8.20 Our skills strategy consists of an ambitious package of skills proposals to address the current under-supply of people with the right level and types of skills in the workforce and to tackle the unacceptably high levels of youth unemployment in our area. Our flagship proposal is to develop a locally responsive skills system that transforms skills from an economic barrier to a growth driver. To achieve this we have three priorities for action:

**Priority 1: Creating a skills system that will meet our future economic needs**

**Priority 2: Growing talent in our priority sectors**

**Priority 3: Helping people get into work**

8.21 Our plans to deliver on these priorities are underpinned by our skills philosophy. We believe that to achieve a skills system that can really drive growth there needs to be a whole system approach, with a strong partnership between national and local agencies to blend a national framework with local intelligence and leverage. Our commitments and asks in this chapter are based on this approach and are underpinned by the following premises:

- Placing employers and the needs of the economy at the centre of decision making
- Combining the strengths of a national and local approach
- Focusing on both the supply and demand side of the skills system
- Stimulating significantly increased employer investment
- Achieving better value for money from current public investment
- Securing a long term solution to tackling youth unemployment

**Priority 1: Creating a skills system that will meet our future economic needs**

8.22 *The Challenge:* Across the LEP area our workforce is poorly qualified to meet the future skills demands; overall we have too few people qualified at higher levels and too many people with very low or no qualifications.

8.23 The current funding approach used by SFA and EFA does not take sufficient account of the needs of the local economy nor does it optimise the benefit of public investment for both learner and employer.

8.24 Consequently the skills funding system leaves us unable to secure co-investment from the private sector. Our LEP business skills survey of 200 employers indicated that the majority of

SMEs invest less than £10,000 per annum in skills and training and, as the Richard Review of Apprenticeships recognised, SMEs face ‘*extra challenges*’ investing in training and skills. Local SMEs tell us they would like to do more but need a package that works for them.

- 8.25 *Our commitment:* We will seek to develop a new relationship with Government to maximise the influence that we can have over how public skills funding is spent in our area, with the long term aim that all investments in skills are aligned to the needs of our economy and guided by the needs of our employers.
- 8.26 *How we are already delivering on our commitment:* We are establishing a LEP wide Industrial Skills Partnership involving all our employers, led by our newly formed LEP Skills Board. This will take responsibility for aligning economic need and provider offer and securing greater investment in skills from the private sector. The Skills Board will develop our local skills investment strategy, determine priorities based on local need and use objective evidence to understand future demand for skills. It will determine the education and training programmes required to support growth, use ESF funding to target priorities, and develop strategies to address the needs of our young people.

#### *What we will deliver in 2014/15*

- The NALEP Skills Board will establish a new way of planning skills investment, working with the Skills Funding Agency and local learning providers to ensure adult skills growth funding and European skills investment is better aligned to local economic need. This new approach will be in place from April 2014.
- The LEP and its partners will establish a New Anglia Skills Investment Fund that will give employers more control over how skills funding is spent and provides new ways to reward employers who invest in skills that will drive future growth for our economy; this will also support objectives towards up-skilling and retaining of the existing workforce to meet future demand. This will initially be funded through our City Deals and the Employer Ownership Pilot bid led by Ipswich Building Society (subject to approval in February 2014). The fund will be launched in summer 2014 and will include a direct payments trial, co-designed with BIS and UKCES and the opportunity to access Local Skills Deals for employers seeking new training options.
- We will begin working with our providers to develop a plan for the capital skills investment needed across New Anglia to enable our skills ambitions to be achieved and we will include the early findings from this in our Strategic Economic Plan submission in March 2014.

#### **Our Offers and Asks beyond 2014/15**

- 8.27 We will make a long term commitment to invest in and support the LEP Skills Board and develop business led skills planning within our LEP area, working in partnership with the funding agencies.
- 8.28 We will grow and develop our LEP Skills Investment Fund. In particular we will seek to grow the successful elements of the fund, and continue to innovate new ways to increase employer investment. We will find ways to secure further funds to support this programme,

including exploring the potential to include European funding in this, subject to the SFA aligning a greater proportion of their investment alongside ours.

- 8.29 We will develop a Skills Capital Investment Plan which will set out a coherent investment programme for skills across the LEP, prioritising our growth sectors and setting out our collective investment ambitions across all sectors of post-16 education over the coming decade.
- 8.30 We will seek to secure the resources necessary to achieve our skills capital plan through aligning a range of local and national funding sources, including the FE Capital element of the Single Growth Fund, ERDF investment and private sector investment. This plan will also seek to promote the development of HE/FE Clusters linked to major economic developments such as Hethel Engineering Centre, Haverhill Research Park, Norwich Research Park, the East Anglian Energy Coastline and the Great Yarmouth-Lowestoft Enterprise Zone and specific investments to support skills for the unemployed.
- 8.31 **To do this, we will need:**
- A comprehensive procurement and contracting partnership with the SFA and EFA for all skills funding spent in our LEP area, based on the model we have developed with the SFA for ESF funding from 2014 onwards.
  - A commitment of further SFA and other skills funding beyond 2016 to build on the successful pilot outcomes from the first phase of the LEP Skills Investment Fund, aligning with local employers' investment and other additional sources of funds secured by the LEP.
  - A commitment from BIS, HEFCE, DfE and other Government Departments to align their investments in skills capital assets in New Anglia with the LEP Skills Capital Investment Plan to maximise the collective impact of our combined investment.

## **Priority 2: Growing talent in our priority sectors and supporting businesses**

- 8.32 *The Challenge:* The growth in demand for management professionals, technicians and technologists in Science, Technology, Engineering and Maths (STEM) over the current decade will be considerable. New Anglia faces the twin challenge of an inherently low skills base and the burgeoning demand for new skills in technology based subjects. Locally there is already much evidence that our most significant job growth will be in technology sectors requiring higher level skills (Level 3 and above), without action very few local people will be equipped to access these roles. Employers such as BT, Perenco, Guardline, Hutchison Ports, Pepsico Copella and Delphi are already reporting skills shortages hampering their growth potential and they predict a significant worsening of the position through increased demand and an ageing demographic within the current workforce.
- 8.33 *Our commitment:* We will invest in quality skills data that can support local industry leaders and the LEP Skills Board to make accurate projections about future skills needs. We will support the development of a skills investment plan for each of our priority sectors, led by our LEP sector groups working in partnership with industry representatives and learning providers and we will work in partnership with our LEP Sector Groups and learning providers



to secure the commitment and resources necessary to deliver these plans. We will foster greater collaboration between our higher education institutions and industry to increase commercial innovation, realise the economic benefits of local research and provide businesses with the management and leadership capacity they need to flourish. We will also support enterprise by promoting programmes that develop entrepreneurial skills and support those who can generate new ideas and innovations and use these to drive growth.

- 8.34 *How we are already delivering on our commitment:* Businesses and supporting organisations from across the Energy Sector in Suffolk and Norfolk have already developed an East Coast Energy Skills Plan and a complementary programme to support the development of the Enterprise Zone in Great Yarmouth and Lowestoft. Our area's national status as a Centre for Offshore Renewable Engineering (CORE) increases the imperative to act. Some resources have been secured to deliver these plans through the Coastal Communities Fund and SFA investment in the Enterprise Zone and they are now in the first implementation phase. However we will need significantly more support going forward, and given the embryonic nature of the renewable energy industry combined with the overall growth potential for the wider energy sector we are seeking particular support for this industry.
- 8.35 The LEP Food and Agriculture Sector Group has also developed a skills plan and is taking practical steps to address the sector's need to attract more high calibre technicians into the industry through establishing the EDGE Apprenticeship Scheme. Local buying co-operatives, Anglia Farmers and AtlasFram, working in partnership with Easton and Otley College are leading this project for the industry. These two sectors have provided a good starting point, but we need such a plan for each of our priority sectors – the ICT and advanced manufacturing sectors have a particularly urgent need for action.
- 8.36 Over the coming year we will work with additional LEP Sector Groups to develop similar plans for other sectors – we will need support from Government to help us to secure the best possible local skills data to inform these plans and to identify ways in which national skills funding can be aligned with local investment to take these forward. We will also need to work with national partners to find a way to accelerate our STEM education if we are to meet the widening technology skills gap we face.
- 8.37 *What we will deliver in 2014/15*
- The LEP, in partnership with Local Authorities, will invest in providing a local skills data and intelligence service. The LEP Skills Board will release the first local skills data summary in March 2014.
  - The LEP Skills Board will work with LEP Sector Groups to ensure skills investment plans are in place for our four highest priority sectors by December 2014. This will include working with representatives of LCEGS sector groups and businesses to ensure an appropriate skills plan is in place for LCEGS by December 2014. Plans will set out the current and future demand for skills at all levels, opportunities for new joint ventures with our HEIs and set out practical actions which businesses, learning providers and the LEP will jointly deliver to meet sector need. Plans will be funded through seeking more targeted use of existing public skills funding alongside employer investment and where appropriate use of European programmes.

- The LEP and its partners will develop an innovation voucher scheme to enable businesses to use the expertise within our higher education institutions as part of their growth strategies. These will build on current projects being delivered through the University of East Anglia and be available LEP wide by Summer 2014.
- The LEP will include management, leadership and enterprise skills development in its EU funding and Skills Investment Fund priorities. This will include a specific focus for SMEs that have the potential to grow; and fostering entrepreneurial skills among young people.
- The LEP will seek to support HEIs, colleges and training providers to develop their capacity to play a more active role in Inward Investment activities that are targeted towards our economic priorities.

### **Our Offers and Asks beyond 2015/16**

- 8.38 We will invest local funds in a Skills Data Service that can provide better information to inform skills decisions. We will share our enhanced data with national agencies on a routine basis.
- 8.39 We will commit resources to support our remaining LEP Sector Groups to each develop a skills investment plan for their sector and we will provide enabling support for all of our sector groups to progress their plans.
- 8.40 We will work with our key growth industries and local higher and further education providers to develop a new offer to enhance management, leadership, project co-ordination and entrepreneurship skills – with a focus on impact and outcomes that drive growth. We will commit a portion of our ESF funding to this priority.
- 8.41 **To do this, we will need:**
- A commitment from the SFA, EFA and DWP to align their investment in New Anglia to our local sector skills investment plans.
  - Agreement from SFA, UKCES, EFA and DWP to build on current arrangements to find more effective ways to share LEP skills data in a timely and accessible manner.
  - Commitment from Government to support our CORE through investing in the development of a post-16 bursary scheme to support young people into the energy sector, building on the early outcomes from the Coastal Communities project.
  - Commitment from the DfE and BIS to match local private, public and EU investment in a large scale programme for STEM skills development to achieve a step change in the level of STEM skills across New Anglia.

### Priority 3: Helping people get into work

- 8.42 *The Challenge:* New Anglia has a strong labour market and the unemployment rate is relatively low overall – 14<sup>th</sup> lowest of the 39 LEP areas<sup>12</sup>. However, long term unemployment is increasing with persistent concentrations in growth locations, most notably Ipswich, Great Yarmouth, Norwich and Lowestoft. The claimant count is highest among young people and there are clear challenges in our rural communities many of which are characterised by low skilled and insecure employment.
- 8.43 We have a significant shortfall in appropriately qualified and ‘work ready’ young people entering the workforce. In addition too few of our young people are training in the sectors of the economy projected to grow. Careers education advice and guidance continues to be highly variable and too often ineffective. A series of national studies continues to highlight this deficiency and local evidence gathered from young people in the LEP area underlines the problem. Despite OfSTED’s recent report<sup>13</sup> calling for changes in IAG provision and inspection our recent experience indicates there has been no perceptible change in approach, and without high quality IAG the value of educational achievement is significantly diminished.
- 8.44 Alongside variable IAG, careers education is too often a low priority and young people do not learn about work in a planned progressive way, neither do they have enough contact with employers to shape their career aspirations and create the future networks they will need to be successful. This too was highlighted in the OfSTED’s recent report and in the Minister for Skills’ Inspiration *Vision Statement, BIS Sept 2013*.
- 8.45 If we can get the skills system working more effectively we should, in the longer term, see a reduction in youth unemployment. However, over the next few years NALEP still faces a challenge of long term youth unemployment which further exacerbates our skills shortages and impacts on future generations. Suffolk and Norfolk also have high level of young people 16-18 year olds who are not in education, employment or training (NEET). The current system for supporting young unemployed people has a number of challenges. There is insufficient access to support and advocacy from a trusted adviser who can help the young person take effective steps towards sustained employment or career progression, as well as support prospective employers in taking on a young person. We have already discussed this challenge extensively with Cabinet Office as part of our City Deal negotiations and agreed a pilot project to test a Youth Guarantee and Case Worker Service with a Youth Job Centre in Greater Ipswich. If this is successful we will be seeking support to roll this model out across the LEP area.
- 8.46 As part of our response to youth employment we recognise the role that apprenticeships can play and we note the national aspiration recently expressed by the Social Mobility Commission for “encouraging 50% of firms to offer apprenticeships and work experience”. NALEP has a strong tradition of apprenticeships and an ambition to expand its

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<sup>12</sup> Annual population Survey, Jul 2012- June 2013, Office of National Statistics.

<sup>13</sup> “Going in the right direction? Careers Guidance in Schools from September 2012. OFSTED Sept.2013

apprenticeship offer to provide local businesses with a skilled workforce for the future, reduce youth unemployment and disengagement from the education system. In both Suffolk and Norfolk, the County Councils have committed to investing in increasing the numbers of apprenticeships available and we have already committed to an additional 5,000 by 2019.

- 8.47 *Our commitment:* We will seek to nurture ambition from an early age by opening our young peoples' eyes to the abundance of opportunities our economy can offer. We will promote the need for high quality advice and guidance from an early age and preparation for work within the school system. We will build on our recent success in growing apprenticeships by supporting more employers to get involved and encouraging more young people to follow the apprenticeship route. We will prioritise investment in reducing worklessness especially among young people and those excluded long term from the labour market. We will develop new and additional approaches to high quality English and Mathematics and other basic skills training where this enables people to secure employment and progress in work.
- 8.48 *How we are already delivering on our commitment:* We are already responding to the national call for employers to take a more active role in the education process. We are trialling a range of approaches to embedding learning about work in the curriculum and bringing employers into the classroom to determine which will work best for employers and schools. We have agreed to establish a young person's job centre and a 'Youth Guarantee' providing a planned and long term pathway to work for every young person aged 16-24. Alongside this we are developing an Employer Kite Mark to recognise employers that are making a contribution to the skills agenda and our Skills Board will be responsible for leading a strategy to stimulate more local jobs for young people.
- 8.49 Both Norfolk and Suffolk County Councils are already investing significant sums in local apprenticeship services and over the coming year we will establish local Apprenticeship Hubs across the LEP working in partnership with NAS to stimulate employers' and young peoples' participation. Hub services will be aligned to the Business Growth Services across the LEP area and will be an integral part of our Youth Guarantee offer for Greater Ipswich.
- 8.50 *What we will deliver in 2014/15*
- The LEP and Local Authorities will invest in an open access web platform to Showcase Our Local Economy to young people, their parents and advisers. This will be launched by Autumn 2014.
  - Local authorities will work with NALEP to develop a better way to bring business into the classroom from primary age. Once we understand the best approach we will seek to invest in this across the LEP area. The LEP will launch an Employer Kite Mark to recognise the contribution that employers make to support our future workforce and challenge more employers to play their part. The Marque will be launched in April 2014.
  - The LEP Skills Board will promote information about the destinations of young people leaving school and college to parents and employers so that they can make their own decisions about which providers offer young people the best preparation for work. We will publish the first set of local data in 2014.

- Local partners will build on their early successes to establish a Local Apprenticeship Service for employers and young people working in partnership with the National Apprenticeship Service. The new service will work closely with the Growth Hub and be fully operational by Summer 2014.
- The LEP will support the innovative projects being developed across the area to support more young people into work. Norwich for Jobs is already operational; the Greater Ipswich Youth Guarantee Project will begin to work with the young unemployed in Autumn 2014; and the planned Big Lottery Talent Match Project expected to commence in 2014.

#### **Our Offers and Asks beyond 2014/15:**

- 8.51 We are working with our college providers to develop a plan for capital skills investment across New Anglia to enable our skills ambitions to be realised. Details of this will be included in our final SEP document on 31 March.
- 8.52 We will use locally apportioned EU funds to sustain a long term approach alongside our own local investment to tackle the issue of long-term unemployment, including extending the Youth Guarantee model, subject to successful trials. As part of this we will explore the specific issues that the rurally based unemployed face and potential ways to address these challenges.
- 8.53 We will lead the development of a significant programme across the LEP to get businesses into schools and colleges – responding to the national calls from Ofsted, the CBI, FSB and the Commission for Social Inclusion. This programme will build on our learning from the trial work in 2014/15.
- 8.54 We will continue to develop and invest resources in kite mark to recognise employer contributions to skills.
- 8.55 We will champion destination data and raise awareness of its importance amongst parents, school leaders and employers.
- 8.56 We will continue to prioritise local investment in apprenticeships beyond 2017, including through ESF where appropriate, and work towards aligning our local apprenticeship offer across the LEP as we move beyond City Deal.
- 8.57 We will ensure that welfare to work providers are responding to local need and will make an investment to ensure the long term unemployed are receiving the support they need to progress into sustained work.
- 8.58 We will seek to develop a new approach to basic skills delivery where this is impacting upon economic growth or is an impediment to the future career potential of individuals.
- 8.59 **To do this, we will need:**
- Our initial estimate a need for capital funding for our providers is £10-£12m for 2015/16 and a similar figure per annum for the following five years. A spend profile will be included in our final SEP submission.

- Ofsted to implement its recommendation regarding inspection of IAG in schools and place real significance in the inspection frameworks on this critical aspect of education provision through making clear judgements relating to careers advice and guidance, preparation for employment and the destination outcomes for young people at each stage.
- DfE to invest alongside us in the most effective strategies for bringing employers into the classroom and raising awareness of work.
- The SFA and NAS to commit to long-term support from the NAS alongside our offer to make a commitment to continue to prioritise local apprenticeship services beyond 2017.
- The government to include future funding in the Single Local Growth Fund equivalent to the current AGE grant delegated to LEPs to use in the best way locally to drive up apprenticeship participation.
- The government to commit to rolling out and investing with us in the best elements of the Youth Guarantee and Youth Job Centre Model, subject to refining the model to achieve the best possible impact following the learning from the Greater Ipswich pilot.
- The government to devolve funding for the future delivery of national employment programmes to LEPs, including successors to the Work Programme and Youth Contract.
- Support from Government to work with us to develop a new approach to basic skills development.

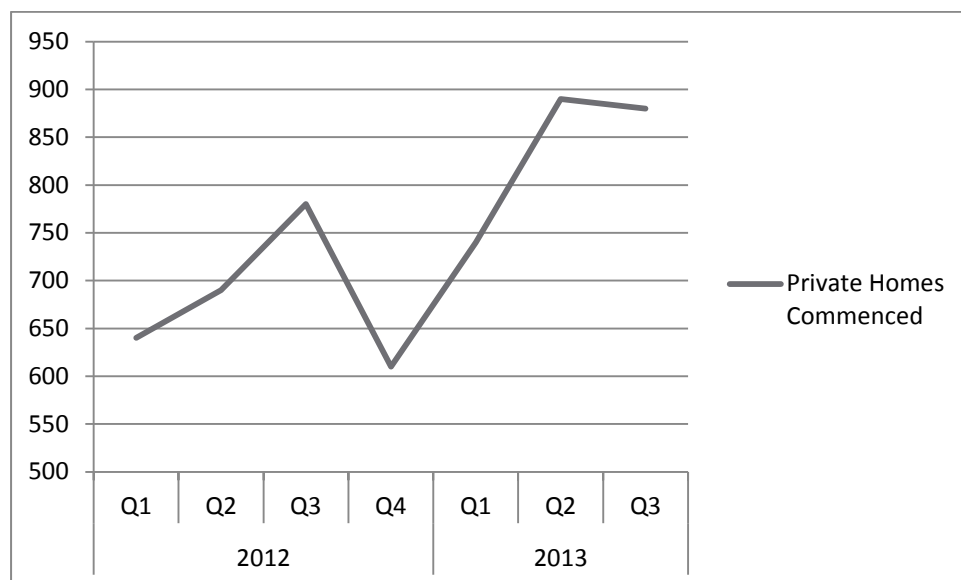
## Contribution to our Green Pathfinder

- 8.60 New Anglia already has 1,224 companies within Low Carbon and Environmental Goods and Services (LCEGS) sectors, employing 21,399 people and generating sales of nearly £3bn. With growth in the sectors predicted to be at 4.8-5.9%, there is an immediate opportunity for new, disproportionately high-skilled jobs. This is not accounting for sectors that stand to benefit from the wider elements of the Green Economy, such as tourism and food and farming. Ensuring that we have the right skills to deliver within these fast changing areas is a challenge that will need involvement from government, business and education.
- 8.61 New Anglia LEP intends to secure the jobs potential in Low Carbon and Environmental Goods and Services contributing to achieving the Green Economy Pathfinder target of New Anglia developing 25% of the growth in the UK's low-carbon and environmental goods and services sector and associated jobs by 2015.

## 9. Enabling housing growth

- 9.1 The right housing offer for Suffolk and Norfolk is essential to support and grow the economy. The inability of the local housing market to respond to demand restricts options, particularly for younger households. Alongside this, the area's ability to attract a highly skilled workforce depends on the right kind of housing being available. House builders are major investors as well as valuable employers and contributors to the local economy. There are approximately 5,200 firms in New Anglia building new or improving the existing housing stock. Housing associations are also significant employers and are linked closely to the local economy through the management and maintenance of their housing stock.
- 9.2 Within New Anglia, there are some encouraging signs the housing market has started to recover and that more and more new homes are being built (see figure 1).

**Figure 1. New Housing Building – Private Dwellings Commenced in New Anglia (DCLG)**



- 9.3 In a recent survey, 83% of business managers in the East of England agreed that the cost of buying a home was a problem in their local area and 74% said that building new homes would stimulate the local economy.<sup>14</sup>
- 9.4 At present, lack of movement in the housing market constrains choice, limits mobility of labour and, therefore, restricts business growth. New supply is vital to an active housing market. Sites with planning permission for thousands of homes are waiting to be developed out. We need to increase the pace of development, which will stimulate economic growth and create both short and long-term employment.

<sup>14</sup> [http://s3-eu-west-1.amazonaws.com/doc.housing.org.uk/Editorial/Comres Affordable Housing Line Managers Survey.pdf](http://s3-eu-west-1.amazonaws.com/doc.housing.org.uk/Editorial/Comres_Affordable_Housing_Line_Managers_Survey.pdf) ]

- 9.5 Access to mortgage finance remains challenging and the requirement for a large deposit excludes many potential purchasers – a 20% deposit for an average priced house in Suffolk costs over £40,000 – twice the median income. The Government’s Help to Buy scheme is making an impact on demand and other lenders are coming forward to compete in this area of business. It will be essential that the right homes are built for the right markets however, and that emerging households across the New Anglia area can access the homes coming to market.
- 9.6 New Anglia LEP will take a strategic role in promoting and supporting housing growth, especially as a key part of the infrastructure required for employment growth. The LEP has a leading role in promoting the business and environmental opportunities arising from improving the efficiency of the existing housing stock.
- 9.7 The right homes at the right prices in the right places:
- reduce commuting pressures on transport infrastructure;
  - encourage positive place-making;
  - shape new local economies; and
  - respond to aspiration whether that be for starter homes or at the higher end of the housing market.

## The Potential for Growth

- 9.8 Local authorities across New Anglia are ambitious about housing growth as evidenced in the adopted Core Strategies and plan for a further 100,000 homes to 2026, over 7,000 per year. This is more than 10% above 2001-2012 delivery. New starts are rising but remain below the pre-credit crunch peaks. Without the 100,000 new homes being added to the housing stock, the economy of New Anglia would underperform by approximately £3.7bn (GVA) in 2026; or, put another way, the average economic value of each new home in New Anglia is £36,700.
- 9.9 There are a number of strategic locations for housing development which are well located to support economic growth, particularly New Anglia’s growing sectors. Different strategies apply to local circumstances. There are corridors (A11, A14 and A47) connecting the major growth centres of Norwich and Ipswich to Cambridge and Peterborough, housing supports regeneration in Great Yarmouth, King’s Lynn and Lowestoft, and there are local needs in market towns like Downham Market and Sudbury.
- 9.10 The largest single development in New Anglia is the North East Growth Triangle on the edge of Norwich (within Broadland District), which includes 10,000 homes and 120ha of employment land. This growth includes the latest thinking on sustainable development through the Rackheath eco-community and the “Beyond Green” development.
- 9.11 Whilst house prices across Suffolk and Norfolk are generally lower than in neighbouring areas of Essex and southern Cambridgeshire, there are pockets across the LEP area where there are exceptionally high house prices, for example, the north Norfolk coast. Affordability remains a key concern because local wages are lower and a high number of second homes in parts of the rural area.



- 9.12 Private rented accommodation is a growing market, particularly for young people who want to remain flexible or that are not in a position to buy. New Anglia's focus on technical and knowledge economy job creation, which use higher skilled and more mobile labour, will require a housing offer for those employees. A growing market for high-quality, privately rented accommodation presents an opportunity to explore major developments of this kind in partnership with institutional investors, and new models of management by established and trusted landlords such as housing associations. An example of this approach is a major housing scheme in King's Lynn where 587 new dwellings are to be built on local authority owned land through an institutional investment model.

## The Challenge

### Removing barriers to delivery

- 9.13 There are a number of strategic sites that need infrastructure improvements to be delivered before the full scale of development can come forward. Forward funding can bring sites along more quickly but there is also an opportunity for the LEP to influence infrastructure providers to more closely align their own strategic or asset plans to housing delivery.
- 9.14 New Anglia and its partners have already been successful in unlocking stalled sites for housing and employment and can develop this role. Whilst significant regeneration has already been achieved using brownfield sites in Norwich and Ipswich, some brownfield housing development has stalled due to the high costs of such development and the effects of the recession. At present there are seventeen sites around Ipswich alone which are waiting to progress and could provide in excess of 2,000 homes.
- 9.15 However, where schemes have yet to be started, a common barrier is programming and funding the necessary up-front infrastructure costs that arise on and off the site such as transport, flood defence and utilities connections. Housing providers across the LEP area would welcome a co-ordinated approach to forward-fund infrastructure which can unlock new sites. An example to address this barrier is the LEP's Growing Places Fund, which has allocated £3.5 million of funding to contribute to the costs of road infrastructure, including a bridge to unlock 670 homes in Norwich.

### Access to land

- 9.16 Accelerated release of public sector land can play an essential role in driving growth. There are good examples in New Anglia: Norfolk County Council is a major landowner in the emerging "Beyond Green" scheme for 3,520 dwellings to the north of Norwich. Suffolk County Council is the major landowner of land for 1,050 homes in Sudbury. Elsewhere, as part of an innovative partnership with the HCA, Norwich City Council are bringing forward 1,000 homes and Ipswich Borough Council are investing £5m a year in new affordable homes. In other parts of the country LEPs have been the centre point for negotiations to bring forward major growth sites with public landowners such as the MoD. There is a partnership role for the Homes and Communities Agency who have experience in bringing land to market and are currently working on a substantial public sector portfolio.

## Planning

- 9.17 There is substantial co-operation across local authority boundaries with the most developed example being around Norwich where the partnership of authorities has developed the Joint Core Strategy for Broadland, Norwich and South Norfolk. This momentum needs to be enhanced and local political leadership is essential to build support for new developments, and address local concerns early. New Anglia LEP will continue to promote sustainable development, such as through the Green Economy Pathfinder and will support local partners to demonstrate the economic benefits of growth to the area.

## Finance and funding

- 9.18 Compared to neighbouring areas, Norfolk and Suffolk has lower property values that can sometimes inhibit the optimum benefit from development, particularly the delivery of much needed affordable housing. However, the Homes and Communities Agency, housing associations, the LEP and local authorities have successfully worked together on joint Local Development Plans. In Ipswich, for example, the Local Development Plan is delivering a further 386 homes on the waterfront, which are nearing completion, and a contribution towards the £53million for flood defences to unlock land.

As the emphasis has shifted away from capital subsidies for affordable homes, new forms of financing are required not only to deliver new affordable homes, but provide more certainty to developers on the mixture of properties. New forms of financing include: joint ventures and local housing companies, asset-backed vehicles, land assembly and institutional investment such as through private rented models. A mixture of approaches is likely to be needed to address specific challenges in the delivery of new homes.

## Our progress so far

### Co-operation

- 9.19 There is strong support for growth at local and political levels across New Anglia. A number of major schemes and initiatives are already contributing to delivery. The production of assessments and commitment through strategies is an iterative process. New Anglia LEP has aligned its priorities to the existing work which has been done through Local Development Plans, Strategic Housing Market Assessments, and local planning documents.
- 9.20 Housing associations and local authorities are planning to make substantial investments in housing delivery across New Anglia. Local housing authorities, such as Waveney, Ipswich and neighbouring Babergh and Mid Suffolk councils are innovating through the Housing Revenue Account (HRA). Norfolk County Council and the Borough Council of King's Lynn and West Norfolk have committed £1m to support a brownfield redevelopment of 155 homes in King's Lynn and Suffolk County Council is funding the planning stage for 1,050 homes in Sudbury to provide more certainty. In addition, there is the potential for New Homes Bonus to be linked to projects that support the delivery of new homes. These demonstrate the impact that public sector joint ventures can make and now that the mechanisms are in place, we want to take this further by involving the private sector so as to deliver more in shorter timescales.

- 9.21 Social enterprises delivering a range of housing options for sale and rent, housing associations are set to develop 2,086 new affordable homes in New Anglia between 2011 and 2015, adding £204m to the economy and supporting around 4,400 jobs. For example, Saffron Housing Trust issued a bond in 2012 for £125m which will drive the development of 6,000 homes across Norfolk. Set against this, challenging viability on housing sites is tending to reduce the contribution of affordable housing from this source.

#### **Timing of Infrastructure**

- 9.22 As with all major infrastructure, housing needs to be brought forward at an appropriate time with aligned projects such as transport hubs, utility improvements and broadband. Local concern to new homes often centres on infrastructure deficits and these objections can be reduced where there is clear accountability for the delivery and scheduling of infrastructure. The accountability is shared between private developers, utility providers, local authorities and New Anglia LEP, which has a clear role to act in as a co-ordinator to reduce uncertainty and align delivery, particularly with transport schemes and utilities infrastructure.

#### **Develop a new housing offer to match employment growth and demographic change**

- 9.23 New Anglia will work with partners to develop alignment between this economic strategy and local plans. This will ensure that the land for employment and housing remain linked, and that the right kind of homes are built to accommodate a growing skilled workforce and to attract companies to the area. Some places are likely to focus on market renting and entry-level house purchase whilst others will need to include more aspirational homes at the higher end of the market.
- 9.24 Whilst new development tends to be the focus in addressing additional needs and demands, the existing stock will form the main component in meeting the overall need and demand. With the ageing population and the provision of more home-based care, the existing stock may not meet the needs and aspirations of older people, many of which are already resident in the area. Given the value of assets of older households, there is potential for new homes to meet the aspirations of this market, freeing up some of the existing stock for new households. Local authorities in Suffolk will be undertaking primary research into the needs and aspirations that will inform future strategies and, critically, the investment decisions of developers.

#### **Building skills and training options**

- 9.25 House building is a good stimulus for growth and supports around 1.5 jobs directly and 2.4 additional jobs in the wider economy for every home built. In addition, major development sites provide the opportunity for training and apprenticeships. Across Norfolk and Suffolk over 100 apprentices are supported by housing associations alone per year. Most employers and young people are still not sufficiently aware of the apprenticeship offer and too may do not value it as a good option. The new Local Apprenticeship Service will be a critical part of the process, as will linking new apprenticeships to new contracts. New Anglia already has strong skills links with construction; the Construction Industry Training Board's head office and its National Construction College East are based at Bircham Newton in north west Norfolk. Further information can be found in the skills chapter.

## Our Ask

- 9.26 The priority for housing is to accelerate the pace of delivery, focussed on strategic growth points. This level of pace is not just influenced by the LEP, its partners and the development industry, but also central government through finance and regulation. The New Anglia LEP will work with public and private sector partners, including GCGP LEP, in West Suffolk and West Norfolk to help unlock sites for housing and employment such as through the LEP Growing Places Fund. However, there are two connected factors which could inhibit such interventions: the feasibility of different financial packages, and the need to be flexible and respond to opportunities.
- 9.27 There are a number of strategic sites that need infrastructure improvements to be delivered before the full scale of development can come forward. Forward funding can bring sites along more quickly. We are therefore requesting £10m from the Single Local Growth Fund to expand our Growing Places Fund as outlined in **chapter 5 – Growth Locations**.

### **Feasibility of different financial packages**

- 9.28 Given the shift in emphasis from capital subsidies, the New Anglia LEP and its partners are keen to develop new forms of financing further but need assistance from the Homes and Communities Agency to test what type of model or intervention is the most appropriate to the different range of developments across Norfolk and Suffolk. A clear example of how institutional investment in the private rented sector could support urban regeneration.

### **Need to be flexible and respond to opportunities**

- 9.29 Whilst different forms of interventions are required; different funding streams (such as HRA) are better suited to different forms of development. Combining resources such as land improves co-ordination but can reduce flexibility and resources cannot be left idle. In working with the LEP and its partners on new forms of financing, the HCA should consider whether the risks of its partners can be reduced such as through Local Asset Backed Vehicles.
- 9.30 There are other light interventions where central government could provide support or relax existing constraints. The pace of delivery could be enhanced through more advantageous conditions for borrowing – lower rates of interest and lifting borrowing headroom for example.
- 9.31 We are also evaluating the Government’s announcements regarding Housing Revenue Account (HRA) borrowing in the autumn statement. A relaxation on borrowing was a request made by Norwich City Council as part of the City Deal negotiations and Norwich; plus other local authorities in the LEP area are keen to explore this opportunity as part of our Growth Deal.

## 10. Inward Investment

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- 10.1 Attracting inward investment embraces both efforts to attract foreign direct investment and working with companies that are already based in New Anglia to support their efforts to invest in expansion. This is a key element of economic growth strategies for Norfolk and Suffolk. Success will depend on strong partnerships at both county and district levels. We must maintain confidence that Norfolk & Suffolk's key assets and sector strengths are being promoted effectively to government and businesses at home and abroad.
- 10.2 *'Britain's Open for Business'* is UKTI's 2011-2016 strategy. It sets out plans to provide support to exporters and inward investors over the next five years. New Anglia works within UKTI's *'UK First Approach'*, which means that no part of the UK is promoted over another as a matter of course. Inward investment enquiries are targeted at the areas of the UK that best meet requirements.
- 10.3 In 2012/13 the UK attracted 1,559 notified projects (businesses) that created 59,000 jobs. England accounted for just under half of these and in Norfolk and Suffolk, there were six projects – this is slightly fewer than the population proportion would dictate. So far in 2013/14 there is only one success with one pending. Clearly, there is considerable scope to attract more inward investment.

### Working Together

- 10.4 The New Anglia LEP responds to "leads" from UKTI via the two county councils who have entered into a Memorandum of Understanding with UKTI and the National Investment Service (NIS) setting out responsibilities for foreign direct investment. All of the New Anglia partners across county councils, districts and boroughs will continue to work together closely to ensure value for money and make best use of proximity and shared economic interests. Examples of joint working include:
- a joint MoU with New Anglia LEP to service the work within UKTI's *'UK First Approach'*;
  - jointly commissioning an Inward Investment Director for the Energy sector;
  - working jointly to promote Norfolk and Suffolk to the Jiangsu province of China;
  - joint marketing of the Enterprise Zone in Lowestoft and Great Yarmouth including joint officer and marketing materials.
- 10.5 By working together we are increasingly attracting the interest of national UKTI sector specialists and this gives us a far better chance of getting onto the shortlist when enquiries are handled at national level. Our assets link up well with UKTI's initiative to establish and resource a number of Investment Organisations (IOs) that are being charged with pulling together all of the key assets within key sectors and promoting them internationally:
- Life Sciences Investment Organisation;
  - Regeneration Investment Organisation;
  - Financial Services Investment Organisation;

- Automotive Investment Organisation;
- Offshore Wind Organisation;
- Tech City.

- 10.6 Each county council has established a dedicated team to support and advise businesses considering investing in New Anglia. Both counties provide an updated portfolio of information available via their websites and in print.
- 10.7 The Gt. Yarmouth and Lowestoft Enterprise Zone makes both towns key locations for investment into the UK. This is enhanced by CORE status and the next stage is to achieve Assisted Area Status. The outcome of our bid for Assisted Area Status (AAS) for the urban areas of Gt. Yarmouth and Lowestoft, plus the small rural area linking them into a single area (incorporating 5 of the 6 Enterprise Zone sites) looks increasingly positive. This will be a huge boost to the area's inward investment potential, and will particularly help UKTI to present a product consistent with the other national COREs. Other activity is focussing on creating additional employment space, e.g. the South Denes Regeneration project, and Powerpark; seeking to build relationships with major tier 1 suppliers and undertaking an extensive promotional and awareness campaign.
- 10.8 In terms of investment into Ipswich and Norwich there are major unprecedented opportunities to attract and retain investment via City Deals:
- The Greater Ipswich City Deal will drive forward local growth by empowering Greater Ipswich, Suffolk and the wider New Anglia Local Enterprise Partnership to make the most of their economic assets and opportunities. In the coming decade there is major development potential in key industrial sectors including energy, ICT, financial services, advanced manufacturing, logistics, biotechnology and agri-tech. The flagship proposal for the Deal is the development of a local skills system that is responsive to the needs of employers and supports economic growth. To complement this, a business growth service will be established to provide enhanced support for innovation, improved access to finance and more targeted business support.
  - In terms of investment into Greater Norwich, the City Deal proposal seeks to deliver over £2.3bn private sector housing investment and the capacity to bring forward 3,000 additional houses in the North East Growth Triangle. It will provide a capital pot of infrastructure funding to unlock private investment and support growth, providing the essential housing, transport and utilities necessary to meet the infrastructure needs of an expanding economy. It will accelerate local house building, releasing £125m private sector infrastructure investment to help build 20,000 homes, with 2,000 affordable homes.

## Our challenge

- 10.9 Despite the enviable strengths of investing in Norfolk and Suffolk there are a number of challenges we face in attracting and retaining investment.

- 10.10 Resource availability within the public sector to attract and retain investment is diminished and under pressure. Supplemented by the UKTI national team, there is still a resource of expertise, and leadership driving a UK first approach. We have benefitted by having access to a new national resource and our assets are better known nationally. However, there is a resource deficit and that can only be filled locally. Although within Norfolk and Suffolk, through the LEP, the local authorities and other partners there is a commitment to drive up investment this is not yet up to the coverage previously available from regional structures providing sector specialisms, funding and investor development support. Despite our best efforts, we still believe that the key assets across the counties are not universally appreciated, although the UK first approach at least means that better resourced regions are no longer able to eclipse our offers simply by having more resource to promote what they have.
- 10.11 Invest in Suffolk recently asked companies 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. Asked what information they would need to help them make an investment decision, nearly half identified skills, training and workforce; other common areas were on existing business networks, transport connections, and industry-specific research. The picture is similar for Norfolk, with poor infrastructure and journey times to and within the county potentially reinforcing – and exacerbating – perceptions of the county's remoteness from the capital and other major urban centres. However, the diversity of the business and research bases is strong in spite of these difficulties.

## **Our current offer**

- 10.12 Despite challenges, there have been high quality Inward Investment propositions that have been prepared to attract and retain businesses here.
- 10.13 In addition to our partnership working through our MoU with UKTI and the NIS, we also promote our offers, particularly our emerging sectors, strongly to UKTI in a drive to ensure overseas posts – those who receive many of the first enquiries – are better equipped to present our offer.
- 10.14 Other enquiries are locally generated. For example there is a partnership formed with Essex County Council, where Norfolk and Suffolk have agreed to promote links between businesses, universities and industry associations with the Jiangsu Province in China, to increase two-way exchanges of trade, investment, knowledge and expertise in the energy sector. Through trade exhibitions and company visits to the region, the counties have developed a pipeline of leads. The next steps are to establish a 'China Office' offering 24/7 support to investors looking to further research opportunities in the energy sector.
- 10.15 Early recognition of the opportunities offered within the energy sector has meant we have targeted proactive promotion of Investment across the sector. This has largely come from the resource devoted to the sector by members of the Norfolk and Suffolk Energy Alliance.
- 10.16 We have promoted niche sectors, for example renewable energy along the coast, oil / gas Great Yarmouth, ICT at Martlesham, Horseracing at Newmarket, Felixstowe as a premier

port and Norwich Research Park. We usually try to avoid paid advertising, although in the case of the wind energy sector we have undertaken exhibitions, as this is such a new and emerging opportunity.

- 10.17 We will continue to promote Norfolk and Suffolk separately wherever appropriate, or joint products such as the East of England Energy Zone. There will be no attempt to create a brand or market presence for New Anglia which has no penetration as a location for inward investment.
- 10.18 In Suffolk, in 2013 there was the launch of *Invest in Suffolk*. The website can be translated into 72 languages and hosts a property database, a news feed, sector information, film, and testimonials and is supported by the Economic Development team at Suffolk County Council. Through its regular newsfeed (twitter and e-newsletter) the service is communicating with a growing number of businesses. We are responding to / preparing propositions for at least ten companies a month with an increasing number of these enquiries coming directly into the service.
- 10.19 *World Class Norfolk*, which has a property search facility, a Twitter feed, a newsletter service and case studies, is the primary route by which the county expects investors to find out directly about the county. The County Council also leads on the Investor Development programme linking up with local partners and sector specialists as appropriate to work with locally based (mainly foreign owned) businesses to support growth opportunities or respond to threats.

## Our approach

### Attracting inward investment

- 10.20 We will continue to pursue the primary objective of ensuring that UKTI, other government officials, overseas posts and other key influencers are fully appraised of the two counties' important assets. Both county councils, together with local sector specialists are planning a year of enhanced activity to promote key sectors and geographies.
- 10.21 Both counties, in association with district councils and sector specialists will work with UKTI to deliver an investor development programme, whereby a number of key accounts will be managed to ensure those businesses are provided whatever support necessary to retain their investment, or to grow, as appropriate. There is an agreed list of companies where UKTI is the lead agency – Category C businesses. In addition, the local partners will maintain a further visit programme for businesses described as Category D.
- 10.22 Suffolk will pilot a number of additional actions for one year and Norfolk will seek to work alongside Suffolk for those activities marked with an asterisk.

### Partnership Development

- 10.23 We will establish and maintain links with 100 high profile Suffolk Ambassadors (political and business leaders) in order to effectively promote Suffolk with influential networks.



### **Marketing and Promotion**

- 10.24 We will target the BRIC economies with the Invest in Suffolk messages, and attend two international conferences\* per year. We will ensure within the Invest in Suffolk offer there is targeted place-base marketing of Suffolk, and Norfolk will produce generic marketing material to promote key assets in the county.

### **Enquiry Management**

- 10.25 Both counties have a full-time inward investment resource to handle inward investment enquiries, map the county's key assets, host inward visits, manage and actively participate in an investor development programme. In addition we will look to: commission sector specialists tasked with bringing a specified number of new jobs into the county; ensure that there is an aftercare service for businesses moving into the area or growing in the area\*; and, facilitate introductions for new and existing successful businesses\*.

### **Intelligence**

- 10.26 We will develop strengthened and specific sector propositions that can be used to target key companies to come to Suffolk\*. We will map and promote business centre and other commercial land and property availability in Suffolk\*, and develop excellent statistical information required to service and run an Inward Investment service\*.

### **Customer Relationship Management**

- 10.27 All enquiries into Suffolk will be logged centrally to allow us to build up intelligence of types of enquiries and success factors\*. We will roll out a CRM from Suffolk County Council to all districts and boroughs to ensure that there is coordinated business engagement particularly amongst our top growth and foreign owned businesses\*.
- 10.28 Through this activity, in Suffolk, we will achieve: 100 active ambassadors; 30 new leads; 1,000 unique visitors to the website; 2 visits with a minimum of four businesses on each; 75 companies with account management; 15 new companies locating or expanding; and, 450 jobs created or safeguarded.

## **Our Ask**

- 10.29 Scaling up our activity and ensuring long-term proactive promotion will be the key to ensuring sustained retention and growth.
- 10.30 We would like at least 3 sector-focused visits by key UKTI staff per year – and at least one per county – where staff spend at least one day visiting and understanding key assets.
- 10.31 In any event, our main ask is for government to establish a stronger working partnership between New Anglia LEP and national UKTI efforts.

## Contribution to our Green Pathfinder

- 10.32 The development of the Green Economy in New Anglia is a bankable opportunity for inward investors when the national and global size of the Low Carbon and Environmental Goods and Services sector and the very positive manner in which this sector is growing is considered. The New Anglia LEP will develop low carbon criteria to assess and judge the appropriate nature of inward investment opportunities to ensure they deliver its Green Economy aspirations and to establish this important part of our economic USP.

# 11. Governance

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- 11.1 Maximizing the opportunities presented by our Strategic Economic Plan will require strong leadership and robust governance. Our current LEP governance model has put New Anglia LEP in a strong position – enabling us to be fleet of foot, but be accountable to stakeholders locally and nationally for our actions and use of public funds.
- 11.2 Our Local Enterprise Partnership was established as a company limited by guarantee in 2011 with a balanced membership of local authority, business and education leaders. The board is supported by a small executive team, which is able to draw upon wider local authority resources.
- 11.3 The board has been steadfast in not creating a “bureaucratic” machine and has made effective use of local authority resource and experience to deliver the outcomes required. This has gone beyond the accountable body role to create strong cross authority teams across the two counties.
- 11.4 Our existing governance structure has proved itself to be robust, transparent and accountable as evidenced by our success with our Enterprise Zone, our Growing Places Fund and the Growing Business Fund, our RGF funded business expansion programme.
- 11.5 As the remit of the LEP has increased, structures to support the main LEP board have also evolved. We established a Green Economy board, bringing together, business, academia and local authority partners in support of our national role as the Green Economy Pathfinder.
- 11.6 We have established a Local Transport Board covering Norfolk and Suffolk which operates as a sub-group to the main LEP board and using the SEP as key policy guidance will be responsible for decisions and advice on transport infrastructure programmes. And we have supported the development of industry-led sector groups which are focused on growing businesses and creating jobs in our key sectors.
- 11.7 We have also developed new boards to deliver and oversee our two City Deals covering our largest urban centres of Greater Norwich and Greater Ipswich, as well as LEP-wide boards for skills and business support.
- 11.8 The development of the LEP Strategic Economic Plan has been overseen by Growth Groups for Norfolk and Suffolk chaired by district council chief executives, ensuring that all 16 local authorities in our area are represented.
- 11.9 The LEP also holds quarterly engagement events with district council members to ensure all are engaged and can effectively influence the LEP and hold it to account.
- 11.10 Business engagement is critical and we have held a series of conferences, bringing together businesses and other stakeholders to inform and influence the work of the LEP. This year our conferences have been attended by almost 1,000 delegates.

- 11.11 We have also established a business representatives group – enabling the FSB, Chambers, IoD and others to meet regularly with board members holding the LEP to account and ensuring business priorities are at the heart of the LEP strategy.
- 11.12 Our sector groups are led by business – enabling priorities and resources to be committed in support of business growth. A liaison group has been established with college and university principals to ensure the role of higher and further education is embedded in the work of the LEP and we are currently establishing a group to connect the voluntary sector more effectively with the LEP.
- 11.13 Our website, newsletter, Linked In group and Twitter account are also key means by which the LEP engages with businesses and the wider community. But we are not complacent and recognise that we need to evolve our governance further and build on these firm foundations, ensuring we have democratic accountability and a business-led approach.
- 11.14 In autumn 2013 the LEP board initiated a Governance review which is designed to strengthen existing arrangements and ensure that the LEP is well positioned to deliver the Strategic Economic Plan and the EU Strategic Investment Framework. We are keen to ensure that our LEP operates from the grass-roots up and truly represents the needs of its local partners. Any changes in governance will be driven by our commitment to transparency, accountability and the ability to make binding decisions.
- 11.15 The final governance arrangements will also need to reflect the level of funding, the types of programme and degree of additional freedoms agreed as part of our Growth Deal with Government.

## 12. EU SIF proposals

- 12.1 New Anglia will submit the final version of its EU Investment Strategy at the end of January 2014, in line with the government timetable. This follows submission of a draft Strategy in October and considerable further refinement and focus. Our notional allocation of European funding for the period 2014-2020 is €94.5m (around £81m), to be split equally between ERDF and ESF priorities. We are also expecting a small amount of EAFRD to be added to this allocation, but this is currently unknown.
- 12.2 The Strategic Economic Plan and **European Structural and Investment Strategy (ESIFS)** are complementary documents. Both can be standalone in their own right, but their strength is as one. The final SEP will be much more comprehensive in its demonstration of coherence with the ESIFS, which will have been submitted to Government some two months in advance.
- 12.3 We intend to allocate ESIF funding as follows (subject to minor change). This has been the result of significant stakeholder consultation, balanced with the known priorities of the LEP and partners.

Thematic Objective		ERDF	ESF	% spend	£ spend (m)
TO1	Innovation	✓		30%	12.14
TO3	SME competitiveness	✓		45%	18.20
TO4	Low carbon economy	✓		20%	8.09
TO5	Climate change	✓		5%	2.02
TO8	Employment and labour mobility		✓	30%	12.14
TO9	Social inclusion		✓	20%	8.09
TO10	Education, skills		✓	50%	20.23

- 12.4 At the time of submitting the draft SEP, our ESIF is still in development and subject to change and in need of LEP Board endorsement. In this section we introduce, at headline level, how the two strategies will co-exist and 'become one' going forward. This is best achieved by a brief assessment of how the ESIF will support the emerging priorities of the SEP, chapter by chapter.

### **Growing our key sectors**

- 12.5 The ESIFS was the starting point for a focus on smart specialisation – targeting investment where growth can be maximised through unlocking potential suffering from certain market failures or blockages. This is still work in progress. The SEP will define the sectors that the

LEP wants to intervene in and how. The ESIFS will follow suit, being one opportunity for resourcing action against SEP priorities. In the absence of a final SEP, our ESIFS will not propose specific sector interventions, but will be generic enough to respond to the direction of travel in the SEP. This will include ERDF support for business and sector development, cluster activity as well as ESF support for skills and workforce development in a way that is responsive to employer demands. We are also considering opting in to the Low Carbon Innovation Fund for England Financial Instrument to provide equity investment into SMEs, though the exact details of this are to be finalised.

### **Enterprise and Innovation**

- 12.6 In the ESIF, we have chosen to allocate around 75% of our ERDF allocation (approximately £30.3m) to Thematic Objective 1 (Strengthening research, technological development and innovation) and Thematic Objective 3 (Enhancing the competitiveness of SMEs) combined. This signals the importance of investment in these areas, with focus on start-up and existing businesses, and social enterprise.
- 12.7 The Growth Hub elements of the Greater Ipswich and Greater Norwich City Deals will form the key platform for co-ordinated and comprehensive enterprise support across the LEP geography. We expect that ERDF will play a key role in the sustainability and expansion of these activities from 2015 onwards. With limited EU funding available, it is important that this money is spent in areas where impact and return on investment will be greatest, making existing physical assets work even harder for growth. Where the SLGF might target investment in infrastructure, ESIF resources can be more usefully utilised for supporting delivery of complementary activities. We will focus ERDF spend on innovation and enterprise in the following broad areas:
- Increase the provision of business support and finance for all stages of business start-up, development and growth and for investment in improving productivity and resource efficiency. This will include multiple products and forms of finance, including support for investment readiness.
  - Provision of multi-faceted support for growing existing businesses, start-up and early stage business creation and development, including support and encouragement for entrepreneurship and self-employment.
  - Support for SMEs, individually and through collaborative supply chains, to target new domestic and international markets through assistance with export.
  - Enabling and building collaborative research between business, research institutions, academia and the public sector – with a particular focus on products, technologies and spatial investment zones, that support the growth of the NALEP priority sectors and the emerging NALEP smart specialisation strategy.
  - Investment in the commercialisation of new and existing research, products and processes.
  - Some limited physical infrastructure, such as equipment and demonstrator facilities, to support innovation and clustering, and collaborative networking.

- 12.8 We have decided not to pursue a standalone Financial Instrument through ERDF as our allocation did not facilitate this. We will, however, use ERDF to add value to business finance provision through the use of delegated grants, including for the provision of support for business resource efficiency.
- 12.9 It is likely that New Anglia will opt-in to the national programme enhancements being offered by UKTI-Trade, the Manufacturing Advisory Service and Growth Accelerator, though the exact terms of potential opt-ins are to be determined.
- 12.10 In recognition of the strategic value of bottom-up and top-down pursuit of growth objectives, we are in discussions with Norfolk County Council about supporting the Community Led Local Development (CLLD) delivery model for some locally determined interventions through a number of Local Action Groups in Norfolk. This is potentially going to use around £3m of ERDF and £3m of ESF, but is still subject to LEP Board endorsement.

### **Skills**

- 12.11 As with our approach to sectors and to enterprise and innovation, our ESIFS will play a complementary role in delivering some of the key activities required – rather than creating new needs and priorities. We recognise the key importance of skills and will therefore allocate around half of our ESF funding allocation to Thematic Objective 10 (Investing in education, skills and lifelong learning) – approximately £20.2m over the programme period. Our ESF funds will support some of the commitments made in our recently published Skills Manifesto and will also support some of the identified actions on skills in the City Deals. More specifically, we shall target ESF funding on skills in the following broad areas:
- Developing new and flexible projects which are aligned to sector specific Skills Investment Plans - this could include provision at Level 3, 4 and above.
  - Increase and widen participation in Science, Technology, Engineering and Mathematics (STEM).
  - Deliver better links between business and young people and give them an improved understanding of the local economy and/or build the skills they need to successfully enter employment, including starting and growing their own business.
  - Support businesses, particularly small and medium sized enterprises, to provide additional apprenticeships, graduate placements, internships or other activities which enable young people to develop the skills they need to be successful.
  - Additional or innovative approaches to supporting adults to improve their basic skills leading to employment or progress within work.
- 12.12 It is likely that New Anglia will opt-in to the Skills Funding Agency national offer, though the exact terms of the potential opt-in is to be determined.
- 12.13 We will also allocate approximately 30% (£12m) of our ESF funding to Thematic Objective 8 (Promoting employment and supporting labour mobility) and around 20% to Thematic Objective 9 (Promoting social inclusion and combatting poverty). Our focus on social inclusion will be about addressing barriers to work, training and education.

**Growth Locations / Infrastructure (transport)**

- 12.14 Capital funding will be limited through the ESIFs, due in part to the size of the allocation but also to EC or UK government restrictions on the use of ESIF resource for large scale infrastructure projects such as roads and broadband in 'more developed regions'. However, ESIF funding can be used to help support delivery of revenue activity in growth locations.

**Inward Investment**

- 12.15 Government guidance suggests that inward investment should not be a core component of ESIF activity, though there may be scope for some complementary activity where this is part of a wider scope of interventions. UKTI have only released an opt-in for their Trade service, not their Inward Investment service. Whilst we are likely to opt-in to this service, its focus will be on increasing market penetration of overseas economies rather than on inward investment.



# 13. Appendix I

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## Appendix ROAD

### Strategic Road Network

#### Summary

##### A14 Corridor

The A14 corridor is vital in linking the Port of Felixstowe (forecast to see the creation of 1400 jobs by 2021) to the Midlands, and in linking the economic centres of Ipswich, Stowmarket, Bury St Edmunds, Newmarket and Cambridge with each other. The government has recognized the need for investment in this strategic route with the confirmation of funding for improvements to the A14 through Cambridgeshire. The A14 Consortium are agreed that this will need to be followed by investment to tackle other pinch points if we are to unlock the significant economic growth forecast along the corridor over the next 15-20 years. For example, the major economic centre of Ipswich is forecast to see an additional 15,000 homes and 18,000 jobs, particularly in the internationally significant IT technology centre at Adastral Park, Martlesham. Bury St. Edmunds is forecast to see 5000 homes and 13,000 jobs by 2031.

##### A11 Corridor

The A11 is the main route connecting West Suffolk and Norwich via Cambridge to London. There is ongoing work to complete its dualling by the end of 2014. We are not asking government to include any further government-funded schemes on this route, other than Thickthorn Junction, Norwich, which is included under A47, and the Fiveways junction at Mildenhall, covered later.

##### A47 Corridor

The A47, together with the A12 between Lowestoft and Great Yarmouth, forms the main strategic road link connecting the Enterprise Zones and the ports on the east coast to the rest of the UK. The A47 provides connections to the A11 at Norwich and – further west – the A1 at Peterborough. Whilst the ultimate aim is for full dualling of the A47, we recognise that a phased approach to improvements is needed, with a combination of improvements brought forward to improve the strategic function of the route and focused improvements at junctions which would unlock growth at adjacent development sites. Our evidence shows that targeted improvements could release at least 10,000 jobs and at least an increase in GVA of £400m per annum across the NALEP area.

The A47 Alliance, which brings together stakeholders from all along the route including GCGP LEP, has agreed its short, medium and longer term priorities. It is vital that scheme development work is put underway now to enable these necessary improvements to start towards the end of the decade. If development work is started now, work could commence on the ground on our priorities towards the end of the decade (around 2018). Our full timetable is set out below whilst a more detailed explanation of scheme costs and benefits is given in the sections later in the chapter relating to the identified growth locations.

##### Proposed Interventions

Interventions are listed in proposed order of delivery (see Appendix 2)

**A14/A12 Seven Hills capacity improvement**

This junction east of Ipswich provides the main connection to the national road network for all of East Suffolk. A capacity improvement is needed to help bring forward planned housing and jobs, including 2000 homes and 4000 jobs at BT's world leading Research Park at Martlesham.

**A14 J57 Nacton, Ipswich capacity improvements**

This is a very busy section of the A14 carrying about 55,000 vehicles per day with a high proportion of HGVs. Significant improvements to capacity at the junction are required.

**A14/A12 J55 Copdock, Ipswich – major improvement**

The Copdock Mill Junction of the A14 with the A12 trunk road south of Ipswich is a route of national and European importance. A significant capacity improvement at this junction is necessary to ensure future growth of the major ports of Felixstowe and Harwich in Essex.

**A14 J45 Bury St Edmunds (Suffolk Business Park) Eastern Relief Road**

These improvements will enable the long-term employment growth at Suffolk Business Park, unlocking 68 ha of available land.

**A14 J44 Bury St Edmunds (Moreton Hall) capacity improvements**

Bury St Edmunds is expected to grow by an additional 5,740 homes and 13,000 jobs by 2031. The town is well connected to the rest of the county and the Midlands by the A14. The junctions at Bury St Edmunds require capacity improvements to deliver the planned housing.

**A14 J43 Bury St Edmunds (central) and J42 Bury St. Edmunds (West)**

Bury St Edmunds is expected to grow by an additional 5,740 homes and 13,000 jobs by 2031. The town is well connected to the rest of the county and the Midlands by the A14. The junctions at Bury St Edmunds require capacity improvements to deliver the planned housing

**A14/A142 J37 Newmarket capacity improvement**

This junction connects Newmarket to the A14. It also connects Ely and other towns in Cambridgeshire to the A14.

**A47 Longwater/Easton junctions, Norwich**

Longwater junction is already subject to congestion. Further planned growth – 1,000 houses and further employment at the strategic employment site – will require improvement at one or both of these junctions. Norfolk County Council has commissioned work to identify what this improvement strategy might be. A scheme could cost in the region of £30m and start around 2017/18 if government commits to further development work and delivery.

**A47 / A11 Thickthorn Roundabout, Norwich**

An improvement is required to the A11/A47 interchange to enable the junction to accommodate additional traffic arising from planned growth. It will help to facilitate the accelerated growth at the Norwich Research Park and serve other commercial and housing growth to the south and west of the City, comprising 10,000 jobs and 4,500 houses. The county council has invested in feasibility work and identified a potential improvement, costing circa £30-50m. £1m is being asked for scheme development work from SLGF. The council proposes to put this work underway now, to bring forward the scheme to allow and earliest start in 2018, and recoup the money from SLGF when it becomes available.

**A47 Easton to North Tuddenham dualling**

This section of single carriageway is already operating over its capacity and suffers from chronic congestion particularly Norwich-bound in the morning peak. Dualling is estimated to cost £75m, and could be started during 2017/18 at the earliest.

**A47 Blofield/Burlingham**

Design and development of this scheme was completed in the 2000s and a dualling scheme included in the HA's programme, but dropped in early 2009. This section remains difficult (safety and congestion, route stress >1). The dualling scheme, estimated between £38-52m is a stand-alone scheme that could be completed in the short term (start 2017/18).

**A47 / A12 Vauxhall Roundabout Great Yarmouth**

Norfolk County Council has undertaken some feasibility work on this junction which suggests that a scheme costing approximately £20-30m would overcome the bottleneck at this junction, which currently leads to chronic congestion on the A47 Acle Straight into Great Yarmouth. Improvements would help to stimulate growth within the town and at the Enterprise Zone sites in Great Yarmouth and Lowestoft.

**A47 Hardwick junction King's Lynn**

Work is ongoing to look at the implications of development within King's Lynn, particularly the south east quadrant / West Winch and its impact on Hardwick Junction. When the development proposals are further defined, it will be possible to identify the nature and scale of the improvement. However, it is anticipated that a scheme will be circa 320, and we would wish this to start delivery during the end of the period, around 2019/20.

**A12 Capel St Mary Upgrading**

See main infrastructure chapter

**A11 Fiveways Junction, Mildenhall**

Fiveways junction at Mildenhall is not being grade separated as part of the A11 dualling scheme and this junction is likely to be a pinch point. Full grade separation is required

**A12 junctions (Gapton Hall, Harfreys Roundabout) Great Yarmouth**

The issues at these junctions are likely to manifest in the medium-longer term and will benefit from being considered in conjunction with the Third Crossing since if the crossing is built it will reduce traffic through the junctions. We would want government to put scheme feasibility underway to allow delivery post 2021.

**A47 Middleton Bypass**

This £75m scheme is seen as a longer term, post 2021 scheme, and we would wish to work with government further about how, and when, it could be taken forward to delivery.

**A47 Acle Straight**

Analysis (Norwich to Great Yarmouth Multi-Modal Study, Atkins 2004) suggests that journey times and reliability are governed by the capacity of junctions and urban conditions in Great Yarmouth, noting that Vauxhall roundabout is at a critical point in the network. As well as there being merit in phasing Vauxhall Roundabout improvements before Acle Straight dualling, the dualling scheme cannot be brought forward immediately. Firstly, there must be work to establish if the habitats in the adjacent dykes can be recreated; a trial being estimated to cost several hundreds of thousands of pounds and take at least three years. In view of this, Acle Straight is considered as a longer-term scheme.

## Appendix LOCAL

### The LGF / local transport programme

#### Great Yarmouth and Lowestoft

##### Summary

Great Yarmouth is Norfolk's second largest settlement and with Lowestoft is home to the Enterprise Zone sites. Both towns are located at the end of the A47 trunk road. Other growth locations along this corridor are included in the A11 and A10 sections.

##### Transport Barriers to Growth

- Great Yarmouth and Lowestoft sit at the end of the A47 trunk road.
- Major trunk road junctions are at or approaching capacity and will hold back growth within the towns.
- Great Yarmouth suffers from congestion in the town, arising in particular from bottlenecks at key locations including North Quay, Haven Bridge, and on approach to town on A47 Acle Straight due to bottleneck at Vauxhall Roundabout
- Only two crossings of the river, forcing all traffic onto these routes which become congested and lead to slow and unreliable journeys.

Mott MacDonald estimate that in the absence of a package of road improvements within Great Yarmouth, 200 of the planned homes and 2,310 jobs would not arise on the Enterprise Zones (one-half of the jobs at South Denes and one-fifth of the jobs at Beacon Park). Motts estimate that with the road improvements tourist employment would be 10% greater, or some 550 additional jobs, and GVA will be greater by £14m per annum in tourism. In total, GVA will be greater by around £140m per annum in total if the road improvements proceed.

In addition, Lowestoft, which also hosts enterprise zone sites, is forecast to see the development of up to 3000 new additional dwellings and 4000 new jobs by 2031. The town, like Great Yarmouth suffers from a high level of localized and strategic traffic congestion, and measures need to be put in place to ensure that the negative effects of traffic congestion on business activity are mitigated so that the planned growth can occur.

##### Proposed interventions

##### Lowestoft Denmark Road Improvement (LTB priority)

To improve access to Enterprise Zones in Lowestoft. The scheme would bring forward the development of 120 Ha of employment land will create more than 4000 jobs by 2025. It will also support the growing energy sector, which will see investment of £50bn over the next ten years. Estimated cost £10m, including £2m from local sources. It will allow the re-routing of traffic away from the centre of Lowestoft via the northern spine road, whose completion is being partly funded by the Pinch Point Fund.

##### Lowestoft Third Crossing

A third crossing, to improve and increase travel opportunities in Lowestoft, would support the town's growth and help ensure its future prosperity. It would be located close to the focus for growth in the town, around Lake Lothing, the town centre and the port. This scheme is unlikely to be constructed before 2021 and funding at this point is only required for preparatory work.

### **Beccles Southern Link Road (LTB priority)**

This Road will provide a new direct link from the A145 to Beccles Business Park and Ellough Industrial Estate and through to the Enterprise Zones. Planning permission is currently being sought for the scheme and it will be ready for implementation in 2015/16.

### **Great Yarmouth Third Crossing**

This is a new bridge crossing of the River Yare to the south of Great Yarmouth, linking the South Denes peninsula, containing the port area, to the trunk road network. Approximately 95% of the Borough's future general industry requirement – some 22,000m<sup>2</sup> – will be located within the South Denes Peninsular, which has been declared as an Enterprise Zone. Norfolk County Council has undertaken development work of the scheme up to Stage 2. It is estimated to cost £112m, with a BCR of 4.8. The Third Crossing is one of the priorities identified by the Norfolk and Suffolk Local Transport Body. £1m scheme development work in each of 2017/18 and 18/19 has been allocated to allow delivery post-2021.

### **Great Yarmouth station improvements**

Interchange improvements is one of the priorities identified by the Norfolk and Suffolk Local Transport Body. £1m LTB funding in each of 2017/18 and 18/19 has been allocated to deliver a range of measures including public transport, walking and cycling interchange improvements. It is anticipated that additional money can be drawn in from outside sources including grants and the railway industry.

### **Great Yarmouth Package:**

- Gt Yarmouth congestion
- Sustainable transport package
- Structural Maintenance

### **Great Yarmouth congestion schemes**

This comprises measures to overcome pinch points on the local network as identified through ongoing monitoring. The £4m package is designed to overcome barriers on the local transport network causing congestion, leading to slow and unreliable journeys.

### **Great Yarmouth sustainable transport package**

A package of sustainable transport measures will be focused on connecting with the main employment and business sites. We are looking at a £5m package of measures and could support the capital programme through a future bid for LSTF funding. This level of funding is scalable, dependent on the final level of SLGF received.

### **Great Yarmouth: Maintenance of primary and principal network**

The transport needs of businesses will only be met if the main road network functions efficiently. We will target a £9m of road maintenance on the main road network within – and on the approaches to – Great Yarmouth. This level of funding is scalable, dependent on the final level of SLGF received.

## A14 corridor

### Summary

Greater Ipswich

Significant future housing and employment growth is planned for the Greater Ipswich area. However, traffic congestion is already a major problem for the town and is expected to increase by 15% - 20% by 2032. The cost to the town's economy is estimated at £17 million a year. An effective response to the threat to businesses of this congestion is needed to help bring this development forward.

### Proposed interventions

#### **Ipswich Radial Corridor Improvements (LTB Priority)**

This scheme aims to improve access to the centre of Ipswich (its principal economic centre) from the main road corridors by tackling congested junctions, introducing bus priority measures and providing better facilities for cycling.

#### **Ipswich garden suburb – rail bridge (Ipswich Northern Fringe)**

The development for approximately 200ha of land including new homes and mixed use district centre, 4,000 dwellings, 3 primary and 1 secondary school. A new bridge across the East Suffolk railway will be needed to provide connectivity between the development sites.

#### **Bury St Edmunds Eastern Relief Road (LTB Priority)**

Planned growth in St Edmunds will add almost 6000 homes to the dwelling stock. This will add pressure to already congested local networks and will require mitigation. The town is situated close the A14 and has several junctions with the trunk all of which will require capacity improvement to mitigate the impact of the proposed development on strategic traffic.

Development of the Suffolk Business Park and housing development at Moreton Hall will also require the construction of an eastern relief road for the town, including a new layout for A14 junction 45.

Further measures on the local road network to manage traffic and address pinch points will also be required.

## A11 corridor

### Summary

#### Greater Norwich

Norwich is the largest economy in the New Anglia area and will see the largest concentration of growth. Three growth locations have been identified: Norwich City Centre, South West Norwich and the North East Norwich Quadrant.

#### Infrastructure Barriers to Growth: Greater Norwich

- Relatively slow and unreliable connections to other major centres including London by road and rail
- Constraints of urban transport network leads to problems relating to people's ability to access employment, chronic and acute congestion across the road network, and dominance of traffic on key city centre spaces.
- Major on trunk road junctions and single-carriageway links are unable to accommodate growth and already suffer from chronic congestion.

### A11 corridor

The A11 is the main strategic link out of Norfolk to Cambridge and London. The corridor is home to almost half of all Norfolk's planned new housing and has high potential to develop a high-tech manufacturing and advanced engineering sector.

#### Transport Barriers to Growth: A11 corridor

- Lack of capacity to support growth at key locations on the major road network
- Poor access (especially shorter distance walking and cycling) to the train stations in the towns
- Lack of frequency on Norwich-Cambridge rail services
- Ability for the transport networks within the towns to accommodate the growth, and that advantage is taken to ensure that the town centres remain attractive places for business and residents who will comprise the workforce. In particular, better sustainable links between employment locations and residential areas or transport interchanges in the town centres need to be made
- Lack of connectivity to growth locations sited outside of the immediate town centres will make it difficult for the workforce (and others) to access the sites unless they have access to a car.

## Proposed interventions

### Greater Norwich and City Centre

#### A47/A11 Thickthorn Scheme Development

£1m of LGF funding towards development of improvement in order that the scheme can be brought forward into the Highways Agency's programme for earliest delivery. It is proposed to undertake scheme development during 2014, and for Norfolk County Council to recoup the money from LGF when it becomes available in 2015.

#### Long Stratton Bypass

A bypass of the village of Long Stratton on the A140, required to release 1,800 homes and provide traffic relief to the village. Estimated to cost £20m.

### Norwich Area Package

- Structural maintenance
- BRT: Salhouse Rd, A1067, Dereham Road, Yarmouth Road
- Bus priority Harford, Bittern Line infrastructure improvements, Cycle City Ambition

### **Norwich Area: Structural Maintenance of primary and principal network**

The transport needs of businesses will only be met if the main road network functions efficiently. We will target a £9m of road maintenance on the main road network within the Greater Norwich area. This level of funding is scalable, dependent on the final level of SLGF received.

### **BRT Salhouse Rd, A1067, Dereham Road and Yarmouth Road**

SLGF contribution (£4.4m, £5m, £7m and £6m respectively) towards the start of a roll-out of Bus Rapid Transit to better connect existing and proposed new development to Norwich City centre.

### **Bus priority Harford**

Improvements to the A47/A140 junction to provide additional capacity to allow enhance public transport corridor and priority along the A140 linking Norwich and strategic growth at Long Stratton.

### **Bittern Line infrastructure improvements**

Provision of a new station at Broadland Business Park to serve a growing strategic employment location and the North East Growth Triangle in which 10,000 new homes are planned by 2031. Additional infrastructure to provide enhanced capacity is required to enhance frequencies on a line with existing capacity problems.

### **Norwich Area Package (LTB Priority)**

Norwich Area Transportation Strategy (NATS): City Centre enhancement

This package of measures is one of the identified priorities of the Norfolk and Suffolk Local Transport Body. It consists of SLGF funding of £5.5m towards a package of measures to improve the environment for business, residents and visitors. It (as are all the schemes within Norwich) is part of the full package of Norwich Area Transportation Strategy Implementation Plan (NATSIP) measures. This programme is scalable and delivery of BRT in particular will be tailored in accordance to the timing – and locations of – growth coming forward. Additional SLGF funding will allow accelerated delivery of the programme, which will act as a catalyst to investment within the centre and bring growth forward earlier. We anticipate supporting delivery of the NATSIP package with a future LSTF bid.

### **South West Norwich Quadrant**

#### **A47 Longwater Scheme Development**

£1m of LGF funding towards development of improvement in order that the scheme can be brought forward into the Highways Agency's programme for earliest delivery. It is proposed to undertake scheme development during 2014, and for Norfolk County Council to recoup the money from LGF when it becomes available in 2015.

#### **South West Norwich Quadrant Package**

- Hethersett Link Road
- Norwich Research Park access infrastructure
- Walk/cycle to Longwater

#### **Hethersett Link Road**

£2m to construct a link road to release a strategic housing site of 1200 homes at Hethersett. The site has PP and funding the spine road will promote early delivery and allow additional affordable housing to be delivered (%?). The project one a few key



capital projects identified for early delivery in the successful bid tie HMT for access to LEP project rate PWLB borrowing.

#### **Norwich Research Park access infrastructure**

£7m to complete the package for transport improvements to unlock a 60ha expansion of NRP. Up front funding will contribute to delivery of a fully serviced site that will increase the take up of NRP and promote enhanced economic and jobs growth at this important location that is at the heart of the Greater Norwich City Deal.

#### **Walk/cycle to Longwater**

£1.5m funds pedestrian and cycling facilities across the A47. This provides sustainable transport link between strategic housing and employment areas to the south (Easton) and north (Longwater and Queens hills) of the A47 at this location.

### **North East Norwich Quadrant**

#### **North East Norwich Quadrant Package**

- NE Norwich link road
- Rackheath Spine road and site assembly
- Norwich Airport access road
- BRT A140 Airport
- Sustainable Transport Package

#### **Rackheath Spine road and site assembly**

The spine road will open up the part of the North East Growth Triangle outside the line of the NDR that includes 25ha of employment land and about 4000 homes. A spine road of £3.5m is needed to link to site to other growth in the 'triangle and existing transport links. The route requires intervention to ensure growth targets are maintained.

#### **NE Norwich link road**

£8.5m for the provision of an inner link road, necessary to connect new residential development of about 6000 houses inside the route of the NDR, and to provide safe and direct orbital public transport and cycling facilities across the NEG, as expected by the JCS. There is likely to be the need for public sector intervention in order to ensure that the link is delivered in a timely manner. Such intervention is likely to include design work related to the Salhouse Road and Plumstead Road junctions of the link, the delivery of the final part of the link to Plumstead Road, and the front funding of the link between Plumstead Road and Postwick Junction. The project one a few key capital projects identified for early delivery in the successful bid to HMT for access to LEP project rate PWLB borrowing.

#### **BRT A140 Airport**

£1.5m contribution towards the start of a roll-out of Bus Rapid Transit to better connect existing and proposed new development to Norwich City centre.

#### **Norwich Airport access road**

£3.8m spine road to open up a major site for air-related industries at Norwich Airport which could accommodate 1,000 new jobs. Planning consent has been granted.

#### **Norwich Sustainable Transport Package**

A package of smaller scale walking cycling and public transport measures aligned to the NATS interventions to promote and maximize the potential of the growth location for sustainable travel choices and reduce reliance on the private car.

## **A11 Corridor**

### **A11 Corridor Package**

- Bus (Hethersett-Colney-Cringleford-Wymondham)
- Structural Maintenance
- Sustainable transport package
- Attleborough Town centre transport improvements
- Attleborough A11 link road
- A11 - Thetford junction improvements
- Hethel sustainable transport package
- Wymondham subway

### **Bus (Hethersett-Colney-Cringleford-Wymondham)**

SLGF contribution to complement the existing bus priority on this corridor and continue the Bus Rapid Transit roll-out to better connect existing and proposed new development with Norwich City centre.

### **A11 Corridor, Norfolk: Structural Maintenance of primary and principal network**

The transport needs of businesses will only be met if the main road network functions efficiently. We will target a £9m of road maintenance on the main road network within – and on the approaches to – the main settlements on the corridor. This level of funding is scalable, dependent on the final level of SLGF received.

### **A11 Corridor, Norfolk: Sustainable transport package**

A package of sustainable transport measures will be focused on cycling, building on the already-good links and connecting with the main employment and business sites. We are looking at a £4m package of measures and could support the capital programme through a future bid for LSTF funding. This level of funding is scalable, dependent on the final level of SLGF received.

### **Attleborough Town centre transport improvements**

£2.5m to implement traffic management proposals in the town centre to compliment that link road, this will include a through HGV ban and measures to reduce other through traffic by providing better facilities for pedestrians, cyclists and public transport.

### **Attleborough A11 link road**

Link from A11 to B1077 required to release 4,000 homes and allow environmental measures to be implemented in the town centre to promote local walking and cycling. Requires funding of £12m.

### **A11 - Thetford junction improvements**

Capacity improvements at junctions which are currently bottlenecks and, unless improved, will constrain growth within the town.

### **Hethel sustainable transport package**

£0.5m towards a package of sustainable transport measures to improve the links between the site and nearby Wymondham town centre and train station. This is needed

to ensure that people – especially those without a car – can access the site. This package of sustainable capital measures will be supported by a programme of revenue measures to help people take advantage of the infrastructure. These measures are anticipated to include such things as travel planning and funded through a future LSTF bid.

**Wymondham subway**

Scheme would improve access to proposed 1,250 houses on the south-east side of Wymondham by improving access to/from the town centre through provision of a separate underpass for pedestrians and cyclists. Scheme would improve this bottleneck and help to mitigate the severance effect of the railway line in Wymondham. SLGF contribution: £3.5m.

**Brandon Relief Road (LTB Priority)**

To enable up to 1,000 homes to be built and 10 ha of employment land to be developed to the west of the town and to remove strategic and HGV traffic from the town centre. The scheme will also provide a new rail/river crossing point to allow the closure of the existing level crossing. Featured in LTB priority list. Estimated cost £25m.

## A10 corridor

### Summary

The A10 corridor links King's Lynn with Downham Market and beyond to Ely, Cambridge and London. Transport Barriers to Growth:

- Bottlenecks on transport network, leads to congestion, leads to slow, unreliable journeys, leads to business inefficiency
- Air quality in King's Lynn town centre
- Congestion in King's Lynn town centre, especially on London Road, Gaywood Road/Tennyson Avenue and A149 corridor
- Major junctions on trunk road unable to accommodate growth
- Connectivity to other major centres including more productive jobs in Cambridge
- Importance of freight connections on strategic transport networks, especially A10 and A47 road links due to the existing nature of employment and the growth sectors.

### Proposed Interventions

#### A47 Hardwick Scheme Development

£1m of LGF funding towards development of improvement in order that the scheme can be brought forward into the Highways Agency's programme for earliest delivery.

#### King's Lynn Package:

- A10/A47 Link
- Lynn Sport Link Road
- Town Centre Gyratory
- Bus Station Improvements
- Sustainable Transport
- King's Lynn Congestion
- King's Lynn Structural Maintenance

#### A47 / A10 Link

This is an A10 bypass of East Winch to link with the A47 east of Hardwick roundabout. It will release housing and jobs growth and relieve East Winch of A10 through traffic. Scheme cost £5m.

#### Lynn Sport Link Road, King's Lynn

This scheme is one of the agreed Local Transport Body priorities. It opens up development sites for 590 houses, as well as reducing traffic on the existing network at congestion pinch points and in air quality management areas.

#### King's Lynn Town Centre Gyratory

The centre of King's Lynn town is dominated by a road traffic gyratory leading to air quality problems (an air quality management area has been declared) and a poor environment for pedestrians, visitors and businesses. This scheme will be designed to overcome the problems, acting as a catalyst for development within the town – and is estimated to cost £5m.

#### King's Lynn Bus Station Improvements

A rebuilding of the bus station to provide adequate public transport provision in the town centre. The scheme is linked to redevelopment of the adjacent shopping centre. Estimated LGHF contribution £3m.

**King's Lynn sustainable transport package**

A package of sustainable transport measures will be focussed on cycling, building on the already-good links and connecting with the main employment and business sites. We are looking at a £1m package of measures and could support the capital programme through a future bid for LSTF funding. This level of funding is scalable, dependent on the final level of SLGF received.

**King's Lynn congestion schemes**

This comprises measures to overcome pinch points on the local network as identified through ongoing monitoring. The £4m package is designed to overcome barriers on the local transport network causing congestion, leading to slow and unreliable journeys.

**King's Lynn: Maintenance of primary and principal network**

The transport needs of businesses will only be met if the main road network functions efficiently. We will target a £9m of road maintenance on the main road network within – and on the approaches to – the main settlements on the corridor. This level of funding is scalable, dependent on the final level of SLGF received.

## Fakenham/Wells Corridor

### Summary

There is a proposal for an Enterprise Zone at Egmere, which will support the energy, including low carbon sector through a 28ha employment site, with key supporting housing provision of 1,000 dwellings at Fakenham.

#### Transport Barriers to Growth

- The proposed employment site is relatively remote from nearby populations leading
- Access to labour markets (people without a car will find it difficult to get to the employment site due to low levels of public transport services)
- Peripheral to main strategic transport networks and main markets, suppliers and other similar clusters
- Wells harbour restricts size of support vessels, limiting range of operation of servicing of offshore sites

### Proposed Interventions

#### Fakenham / Wells Sustainable Transport Package

We propose to put £1m SLGF towards a package of sustainable transport measures to better link the site to labour markets in the nearby centres of population, which will also improve the wider network of links boosting the tourism offer. The package could comprise cycling / public transport measures. This package will be supported by a suite of travel planning measures on the site, embedded into the businesses as they move onto the site. An LSTF funding bid will be used to support the revenue aspects. We would envisage the measures coming forward once development of the site takes place toward the middle of the plan period.

## Supporting growth across the LEP area

### Proposed Interventions

#### **A12 Four Villages Bypass (LTB priority)**

The A12 is the main route linking East Suffolk to the national road network. There are long standing issues of traffic volume through the villages of Marlesford, Little Glemham, Stratford St Andrew, and Farnham on the A12. The development of the new Sizewell C nuclear power plant will add further pressure on existing congestion and air quality issues. This is featured in LTB priority list. Estimated cost £50m.

#### **Felixstowe – Ipswich Rail Capacity Improvements**

The port of Felixstowe is in a period of expansion and is forecast to add 1400 jobs to the region's economy in the next 15 years. Its recent and planned expansion will allow it to triple the amount of freight that can be carried to and from the port by rail. Extra capacity is needed on this branch line to accommodate this increase in the transportation of freight by rail and to safeguard and improve the passenger rail service between Felixstowe and Ipswich, a valuable source of sustainable transport for commuters and leisure passengers between the two towns and takes some of the traffic burden off of the A14. Total cost = £37m.

#### **Sudbury Chilton Woods link road**

A 1km link road to unlock the site of Chilton Woods development, 15.7 ha of greenfield land, soon to be allocated as a mixed use development of 1050 homes and will also support the creation of 2500 jobs. Estimated cost £8m.

#### **Haverhill NW relief road**

A project which is required to unlock a development of 1,150 dwellings and reduce congestion in support of the delivery of a further 3,000. The proximity to the Cambridge biotech and research centres and to the developing Haverhill Research Park will enable the road to help create employment opportunities in these sectors. Estimated cost £6m.

#### **Haverhill - Cambridge A1307 corridor improvement**

Congested during peak times the A1307 is a vital connector between businesses in Haverhill and Cambridge. The Haverhill research park is to include 150 homes and 4.1 ha of office/laboratory/technology space. Work to be undertaken in consultation with Cambridgeshire County Council and GCGP LEP. Estimated cost £3m.

#### **Felixstowe – Nuneaton Rail Line Electrification**

The rail line between Felixstowe and Nuneaton provides an important means of passage of freight from the port to the West Midlands by rail and takes some of the strategic traffic off of the A14. In the longer term, electrification of this line is needed, as is additional capacity at Ely North Junction, to safeguard the passenger and freight rail services and to enable the provision of an hourly passenger rail service between Ipswich and Peterborough and a half-hourly one between Ipswich and Cambridge. Total cost of contribution towards prep work = £2m.

#### **Sudbury Western By-Pass (preparation)**

The A134 is a national primary route which passes through the narrow streets of the historic town of Sudbury. This represents a significant pinch point, and delay to journey times, as well as having major impact on local air quality, the historic built environment and general quality of life in the town. There is a long standing proposal for a north-south bypass to the west of the town linking at its northern end to the Long Melford By-Pass.

There is significant economic and housing growth planned for the north of Sudbury which will further increase the economic benefits of the proposed scheme. The scheme has a number of complexities which means it currently cannot be delivered quickly. Within the period of the SEP it is proposed to undertake scheme development work to move closer to delivery and be able to capitalise on later funding opportunities.



## Urban Growth Package

### Summary

A programme of smaller scale measures with a particular focus on the market towns and urban areas outside the growth locations but nevertheless with significant planned growth. These programmes of smaller-scale measures are scalable, and their implementation will depend on levels of funding available through SLGF or other programmes such as the local authorities' own programmes. Designed to ensure:

- Transport networks within the towns do not constrain growth
- Urban and town centres remain attractive for investment to support the workforce and employers
- That people from the more remote rural areas can access employment and training opportunities.

### Urban growth package

Measures to promote the use of sustainable transport in urban areas in Suffolk, including the engagement of urban communities with smarter choices travel, bus, walking and cycle network improvements, and network management measures aimed especially at reducing congestion at bottlenecks. Estimated cost £12m.

In Norfolk, a package of Sustainable Transport (£6m), Network Management (£15m) and Maintenance (£9m) to support the economic vitality of the area, encouraging inward investment and an attractive environment for the workforce. Supported by potential future LSTF or other funding bids.

## Appendix TRAIN

### Summary

Rail is the key to job creation and a new economy; the potential economic growth of our region is substantial, but cannot be taken for granted. Across our region's rail network, there are flashpoints, bottlenecks and key routes in need of improvement. Working with a wide range of partners, below are key priorities identified for improvements to our rail network

### Felixstowe/Nuneaton

The strategic freight route from Felixstowe to the Midlands has been improved in recent years but further work is still required. A national priority is to support further development of the Port of Felixstowe, to increase capacity and provide electrification for the route.

### Great Eastern Mainline Rail Improvements (GEML)

The GEML is the main intercity rail route from Norwich into London, and connects the major regional employment centres of Ipswich, Colchester, and Chelmsford, which are all forecast to see an increase in employment of at least 15% to 2031. A shortfall of 5,000 seats at peak times is forecasted if capacity is not increased. Average journey times are also significantly slower than they were 15 years ago and the rolling stock and carriages need reconditioning. To solve capacity issues, Bow Junction must be remodelled within control period 6, and platforms 16-18 at London Liverpool Street lengthened. This would allow the use of more and longer trains on the GEML. A triple-tracked section of the line at Boreham, plus investment in the track infrastructure and overhead line equipment between Chelmsford and Norwich will enable faster average journey times. The re-fitting of the rolling stock with plug doors would also allow faster boarding and egress times. More capacity, faster journey times and re-fitted rolling stock on the GEML would produce up to £2.5 billion of economic benefits for the NALEP area over 60 years.

The need for improvements has been recognised by government through the creation of a dedicated taskforce, co-chaired by LEP Board member, Mark Pendlington.

Failure to make these improvements would present a real risk to our economy. York, for example, is significantly further away from London than Norwich but has quicker journey times. This situation will increasingly worsen as rail connections improve elsewhere in the country, especially given HS2. The recent KPMG report on HS2 predicts lower growth for our region with HS2, so improvements to our strategic rail connections are vital for the competitiveness of the area.

### King's Lynn to Cambridge

Government has specified half hourly King's Lynn to Cambridge frequency in the forthcoming franchise; services to start in 2017. This is welcome, but any required infrastructure or rolling stock must also be provided.

### Better east-west connections on existing lines

Our evidence shows improvements would realise primary benefits of about £220 million over a 60-year appraisal period. The work also found that the enhanced rail services would assist housing and employment development sites, bringing forward almost 750 dwellings and over 1,500 full time jobs within the settlements and provide an alternative to the car. Increased frequencies on passenger services between Ipswich - Peterborough, Ipswich -

Cambridge and Norwich – Cambridge are needed to accommodate the increase in travel between these key economic centres.

#### **Connections to Stansted Airport**

Onward connectivity to international markets is especially important to bring business investment in the region. Stansted Airport is well connected from the south. Improving its connectivity from the north through the provision of half-hourly services will open up the airport to markets in Norfolk, Suffolk, Essex and north Cambridgeshire.

#### **East West Rail**

Connecting Oxford to Cambridge would provide much-needed east-west connections for passengers and potentially freight. The western section has received commitment for implementation, whilst the eastern section (east of Cambridge) is already in place. Commitment from government is needed for the Central Section.

#### **Branch Lines**

Additional capacity is required on the lines connecting into the main urban areas; principally the Sheringham to Norwich line, which is already at capacity and will act as a barrier to people commuting into Norwich from the north of the county. The East Suffolk Line and Felixstowe Branch also require additional capacity and work is needed to improve reliability and to reduce journey times.

#### **Wickham Market Rail Loop**

A passing loop is required to increase capacity on the east Suffolk line to provide freight distribution for the construction of the Sizewell C power station. Estimated cost £5m, including local contribution of £1m.



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