

BRECKLAND DISTRICT COUNCIL

Report of: Cllr Phil Cowen, Cabinet Member for Finance and Growth

To: Cabinet: 13 July 2020
Full Council: 22 July 2020

Author: Anna Graves, Chief Executive
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Subject: Innovative Projects Fund – acceptance and spend of grant, and associated match funding.

Purpose: To accept and spend a grant award from the Innovative Projects Fund (IPF), along with associated match funding, on behalf of the Cambridge Norwich Tech Corridor (CNTC) for carrying out an exercise aimed at supporting and growing the manufacturing and engineering industry in the area.

Recommendation(s):

- 1) To approve acceptance and spending of an Innovative Projects Fund grant to the value of £180,700, and associated financial contributions of £19,500, in order to support the delivery of an exercise aimed at growing the manufacturing industry in the area, as set out within this report.
- 2) Delegate authority to the Chief Executive to sign the grant offer letters in consultation with the Cabinet Member for Finance and Growth.

1.0 BACKGROUND

- 1.1 Productivity (when measured as GVA per hour worked), levels of innovation, and new firm entry are long-standing challenges that this project seeks to address. The gap that exists between this region and that of the UK, not to mention other parts of the World, is well documented. The Innovative Projects Fund (IPF) is a revenue source administered by New Anglia Local Enterprise Partnership (NALEP) aimed at financing projects that will help address these issues.
- 1.2 In December 2019 a bid to the IPF was submitted in the name of the Cambridge Norwich Tech Corridor (CNTC) on behalf of the New Anglia Advanced Manufacturing and Engineering (NAAME) group which is the NALEP sector group for manufacturing and engineering. The bidding round was extremely competitive, attracting in the region of 40 applications, many of which were not approved. However, the NAAME application was successful and £180,700 was therefore awarded.
- 1.3 NAAME is not an Accountable Body and nor does it have one. It was therefore discussed and agreed that on this occasion the CNTC could administer the funds on behalf of NAAME. The Accountable Board for the CNTC is Breckland Council who would receive the grant on behalf of CNTC.
- 1.4 Manufacturing and engineering is a priority sector within the Norfolk and Suffolk Economic Strategy, which outlines how the sector underpins the supply chain of the specialisms such as agri-food and energy. NAAME has been NALEP's sector group since 2014 and since then has made some significant achievements including creating a network of over 200

engaged businesses by developing manufacturing groups across Norfolk and Suffolk and has overseen the development of Productivity East. It is also the group tasked with delivering the Sector Skills Plan on behalf of NALEP.

- 1.5 Given its significance to the regional economy, it is vital that the sector can fully support the ambitions of the Local Industrial Strategy (LIS). In order to do this, NAAME needs a clear evidence base and delivery strategy for the next five years. As a regional network group, NAAME works closely with several partner organisations, and the CNTC will lead the work to take forward the recommendations in the development plan.
- 1.6 Although NAAME and the CNTC are actively engaged in supporting Engineering and Manufacturing in the region, the project aims to generate a step-change for the sector through the delivery of a series of impact-based interventions intended to develop and grow activity throughout the region based upon the principles of clusters.
- 1.7 The key outputs from the project will be:
 - A development plan which analyses the economic profile of the manufacturing and engineering sector in Norfolk and Suffolk and sets out a list of evidence-based strategic recommendations to grow the sector, improve productivity and develop a cluster-led approach to economic development;
 - A talent sharing platform which enables staff to be shared between firms; and
 - A staff resource for a fixed-term period of 2 years to deliver the interventions identified by the development plan.
- 1.8 In the short to medium-term, the project will seek to connect the regional supply chain and enable new market opportunities to be exploited by firms through collaborations with other firms in the area. The talent sharing platform element of the project will increase the productivity and growth rate of those businesses that are able to benefit from this resource if it enables them to fulfil a contract. In addition, it will help to retain the skilled labour that exists here and may serve to attract new talent to the area by offering the opportunity to work flexibly across a range of businesses. Furthermore, as staff rotate between firms this will lead to the transfer of knowledge/best practice and increase innovation. The platform will also facilitate cross sector collaboration insofar as much of the project-based work undertaken by manufacturing firms is reliant upon it being undertaken by people with IT/digital expertise such as industrial coders or 3-d CAD software designers.
- 1.9 In the longer-term, the project will seek to enable NAAME to provide the opportunities for leadership development, delivery of industry-specific training and increased social mobility since the actions undertaken by NAAME will shape and complement the activity occurring at Productivity East as well as linking to Further Education providers such as West Suffolk College. The project will also be aimed at increasing the rate of new firm entry in the longer-term, both in terms of increasing the attractiveness of the area as a destination for inward investment and relocation but also encouraging and supporting the establishment of new businesses.
- 1.10 This project is identified as one of the key activities within the restart phase (short term - next 12 months) and indeed forms an integral component within the Rebuild phase (longer term – 3 years+) of the CNTC Delivery Plan 2020-2023.
- 1.11 The project also features prominently within the emerging Economic Recovery Restart Plan being produced by New Anglia LEP as it is cited as a specific action within the Manufacturing and Engineering sector section of the report.

1.12 This report seeks member authority to accept and spend the IPF grant allocation, along with the associated match funding, as a means of enabling the project to be delivered as originally envisaged and to delegate authority to the Chief Executive to sign the offer letters, in consultation with the Cabinet Member for Finance and Growth, in this regard.

2.0 OPTIONS

2.1 **Option 1 – Accept and spend the IPF grant, and associated match funding, on behalf of the CNTC (Recommended).** Under this option, the authority will accept and spend £180,700 of IPF grant from NALEP, £10,000 match funding from Norfolk County Council (NCC) and £9,500 match funding from the University of East Anglia (UEA), on behalf of the CNTC in order that the project can proceed.

2.3 **Option 2 – Do not accept the IPF grant, and associated match funding, on behalf of the CNTC (Not recommended).** Under this option, the project would not proceed. The Council is the Accountable Body for the CNTC and therefore it is only the council that could accept the funding on behalf of the CNTC.

3.0 REASONS FOR RECOMMENDATION(S)

3.1 Acceptance of the grant funding will enable the completion of the project in line with the application submitted and the conditions of the funding awarded. Doing this at the earliest opportunity will enable the project to proceed as quickly as possible and thus maximise the benefits that are anticipated to be delivered.

3.2. Delaying the decision, or not accepting the grant funding on behalf of the CNTC, would result in a significant adverse impact upon the delivery of the project and therefore all of the manufacturing businesses throughout the region.

4.0 EXPECTED BENEFITS

4.1 In the short to medium-term it is anticipated the project will:

- Lead to a more established and better connected regional supply chain;
- Enable new market opportunities to be exploited;
- Support the development of new products;
- Assist in bringing new products to market;
- Increase the growth rate of businesses that exist here;
- Retain the skilled labour that exists here;
- Attract skilled labour to this area;
- Facilitate knowledge transfer;
- Facilitate exchange of best practices;
- Facilitate innovation; and
- Facilitate cross sector collaboration.

4.2 In the longer-term, it is envisaged the project will:

- Enable NAAME to provide mentoring opportunities for leadership development;
- Facilitate the delivery of industry-specific training;
- Increase social mobility;

- Increase rates of inward investment and relocation to the area; and
- Increase the incidence and longevity of new businesses being established.

5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision – particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholder/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one of more of these headings these are identified below.

5.1 **Constitution & Legal**

5.1.1 The acceptance of this grant is over £100,000 and therefore requires Council approval.

5.2 **Contracts**

5.2.1 Any contracts entered into will be procured in accordance with the financial regulations of the Council that has agreed to act as Accountable Body for the CNTC.

5.3 **Corporate Priorities**

5.3.1 This project contributes to the following Council priorities:

- Your Opportunity
 - Continue to deliver a clear “open for business” approach across all Council services that promotes and supports business growth
 - Maximise the benefits that the ‘Cambridge Norwich Tech Corridor’ will bring to business growth

5.4 **Financial**

5.4.1 Breckland Council acts as the Accountable Body for the CNTC. The CNTC funds will be held separately under a bespoke budget code.

5.4.1 The IPF grant awarded towards the cost of delivering the project amounts to £180,700. There is also match funding to the value of £10,000 from NCC and £9,500 from the UEA towards the cost of delivering the project.

5.4.2 A Proforma B is attached.

5.5 **Reputation**

5.5.1 There will be a communications strategy to ensure to promote the project and acknowledge all partners.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 District Wards: All

7.0 **ACRONYMS**

7.1 CNTC: Cambridge Norwich Tech Corridor
IPF: Innovative Projects Fund
LIS: Local Industrial Strategy
NAAME: New Anglia Advanced Manufacturing and Engineering group
NALEP: New Anglia Local Enterprise Partnership
NCC: Norfolk County Council
UEA: University of East Anglia

Background papers:-

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Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Proforma B