

## BRECKLAND DISTRICT COUNCIL

**Report of:** Cllr Chapman-Allen, Leader of the Council

**To:** Cabinet, 9<sup>th</sup> September 2019

**Author:** Robert Campbell

**Subject:** Norfolk and Suffolk Local Industrial Strategy

**Purpose:** To consider endorsement of the draft Norfolk and Suffolk Local Industrial Strategy

### **Recommendation(s):**

- 1) That the Cabinet endorse the draft Norfolk and Suffolk Local Industrial Strategy and request that the Leader of the Council write to the chair of the New Anglia LEP confirming endorsement but pointing out those areas within the Strategy which the Council consider require updating, based on the officer feedback contained in this paper.

### **1.0 BACKGROUND**

- 1.1 The Government has instructed all Local Enterprise Partnerships and Combined Authorities to draw up a Local Industrial Strategy (LIS) in response to the Government's Industrial Strategy White Paper published in November 2017, which sets out a long-term plan to boost the productivity and earning power of people throughout the UK.

In October 2018 Government published the Local Industrial Strategy Policy Prospectus which set out its expectations on Local Industrial Strategies.

A Local Industrial Strategy should bring together a strong, well-informed evidence base about an area's economy and outline a long-term set of priorities that capitalise on existing opportunities in the economy, address weaknesses and resolve an area's needs.

The components of the Government's Industrial Strategy include:

- Five foundations of productivity
- Four grand challenges + Industrial Strategy Challenge Fund
- Sector deals
- Local Industrial Strategies (LIS)
- Links with UK Shared Prosperity Fund (UKSPF).

One of the five foundations of productivity is places. The vision is to drive towards more prosperous communities and tackle the regional and local disparities that exist across the UK. Local Industrial Strategies are central to this focus.

- 1.2 The New Anglia LEP has been consulting on the LIS since late 2018 and has now completed the first full draft. The LIS is being developed through a six stage process:

- Scoping & Defining
- Building the Evidence Base
- Development of Game Changer Interventions
- Draft & Design

- Sign Off
- Publish LIS

1.3 The intention is to get the final version signed off by Government and the LEP board on 25<sup>th</sup> September 2019. The timetable is tight but the LEP consider it advantageous to get sign-off before potential disruption to normal Government business as the Brexit deadline of 31<sup>st</sup> October approaches.

1.4 Norfolk and Suffolk's Local Industrial Strategy will become a key element to the delivery of the existing Norfolk and Suffolk Economic Strategy and will help guide the strategic use of local funding streams. The UK Industrial Strategy states that the Government will ensure that local areas continue to receive flexible funding for their local needs. Government is seeking to launch the UK Shared Prosperity Fund in 2019. This fund will be linked to the delivery of the Economic Strategy and the Local Industrial Strategy.

1.5 Officers have already provided some limited feedback on an early draft Executive Summary of the LIS but this is the first opportunity to provide detailed feedback on a completed draft.

1.6 It is recommended that members study the attached full draft LIS but in summary the key aspirations for Norfolk and Suffolk, stated in the LIS are:-

1.6.1 Striving to be a globally recognised, high-tech and inclusive economy which is leading the transition to a post-carbon economy through sustainable food production and renewable energy generation.

1.6.2 Transform the Norfolk and Suffolk economy into one of the best places in the world to live, learn, work and succeed in business.

1.6.3 Three priority sectors:-

- Clean Energy
- Agri-food
- ICT and Digital Creative

1.6.4 Underpinning Sectors:-

- Financial Services
- Culture and Visitor Economy
- Ports and Logistics
- Advanced Manufacturing and Construction

1.6.5 Four interlinking themes:

**Ideas:** Improving collaboration across businesses and sectors, driving up levels of business innovation, whilst increasing the adoption and diffusion of new technologies.

**People:** Growing an inclusive economy with a highly skilled workforce where skills and employment provision meets business needs and the aspirations of individuals.

**Infrastructure:** Enabling productivity gains and clean growth through the delivery of integrated infrastructure to create places that people want to live and work.

**Business Environment:** Creating more productive jobs and smarter agile businesses.

1.7 Officers have studied the draft Local Industrial Strategy and recommend the following feedback to the LEP, based on matching the LIS to the needs of Breckland District's future economy.

#### 1.7.1 **A Partnership Approach**

Breckland Council welcomes the opportunity to fully participate in a partnership approach to ensuring that the aspirations stated in the LIS translate into a robust delivery plan and ensuring that the growth across Norfolk and Suffolk is inclusive and takes account of local district level needs.

#### 1.7.2 **Challenges of growing the economy in a predominantly rural environment**

Whilst the LIS acknowledges some of the challenges of economic development within a region with a predominantly rural environment, Breckland Council would suggest that the LIS needs to address these challenges at greater depth. The LIS has ten specific references to the need for an 'inclusive economy' but only two specific measures, the 'shared inclusive growth toolkit' and the 'Norwich Inclusive Economy Project', so officers are suggesting that the LIS is strong on inclusion aspiration but needs strengthening in terms of proposed strategic actions.

#### 1.7.3 **The key role of market towns**

Many rural districts, including Breckland, rely on the vitality of its market towns to service a large rural population. Officers are concerned that the LIS makes no meaningful acknowledge of the role of market towns within the future economic growth of the region.

There are very few mechanisms available to district councils to fund investment in market towns so officers recommend that the Council ask for the LEP's support to acknowledge the challenge and lobby Government for additional investment, and request acknowledgement in the LIS, of the key role of market towns within the region's economy.

#### 1.7.4 **Cambridge Norwich Tech Corridor (CNTC)**

As founding members of the Cambridge Norwich Tech Corridor, Breckland Council has aspirations for the CNTC to gain a level of status and Government investment of a scale similar to the Oxford - Milton Keynes - Cambridge Arc. The Council would like to see this level of aspiration for the CNTC better reflected in the Local Industrial Strategy.

#### 1.7.5 **The need to develop a region wide energy distribution strategy**

As stated in the draft strategy, Norfolk and Suffolk is the UK's leading producer of renewable and low carbon energy, yet many key housing and employment sites, including several in Breckland, cannot get access to electricity power without major investment.

Whilst Breckland Council, with LEP support, has been proactive in bidding for public monies to overcome this significant barrier to growth, the Council would suggest that a LEP wide approach to dealing with this issue is long overdue and needs to be incorporated into the Local Industrial Strategy. The Local Energy East Strategy may provide some of the framework within which to base strategic actions but more attention to this key issue needs to be reflected in the LIS to ensure that regional clean energy production feeds into local energy supply.

This needs to include lobbying to Government to permit the DNOs to forward fund investment in future demand, in the same way that recent changes to the water regulations now allow.

#### **1.7.6 Manufacturing**

Manufacturing is a key sector within Breckland, employing 17.8% of the working age population, well above the UK average of 8.2%.

Whilst it is positive to see advanced manufacturing named as an underpinning sector for Norfolk and Suffolk and a recognition of the productivity challenge, the Council would wish to see more detail on how manufacturing is going to be supported. As two examples:

- How the significant opportunities for local manufacturing to support the growing offshore wind power industry are going to be realised, beyond the port based service centres?
- How the proposed Eastern Institute of Technology is going to directly benefit workers and companies in localities, such as Breckland, with no local Higher Education provision?

#### **1.7.7 Further investment in Agri-food**

Agri-food is a key sector within Breckland.

The Council supports the LIS ambition to add more value to the local economy by increasing local processing and by the use of high-tech production methods.

The Council also suggests that it important to use innovation as a means to strengthen the supply chain between local farmers, food processing, food branding and distribution to the major retail outlets, so that more of the supply chain added value can be retained locally.

#### **1.7.8 A focus on raising productivity**

Breckland Council fully supports the strong focus on raising productivity across the region. The Council encourages the LEP to ensure that the high levels of aspiration included in the LIS are translated into action through a robust delivery plan. The continuing weakness of the region's competitive position is of great concern to the Council.

#### **1.7.9 Access to innovation support**

Breckland District has no local access to Knowledge Transfer, being relatively remote from the region's Universities and Research Centres. This is reflected in low levels of Innovate UK awards to companies based on Breckland. Indeed at a regional level, the figures in the LIS indicate that Norfolk and Suffolk are amongst the lowest performing in England with regard to diffusion of knowledge and innovation collaboration and that investment in innovation is concentrated within too few businesses.

As Norfolk and Suffolk has some of the highest concentrations of people working in innovation and research centres, there is a clear opportunity to better connect these centres to the region's businesses in order to improve the use of innovation as a driver of business productivity and growth.

The Council would suggest that more research and analysis is needed to understand why such a large disparity exists and what needs to be done as a matter of urgency to correct the imbalance, so that innovation knowledge and investment reach more companies as a major contributor to productively and competitiveness.

The Council would want to see additional measures in the LIS to ensure that our rural districts have additional support for innovation, especially in terms of increased engagement with the LEP's business support team, leading to higher levels of innovation activity.

#### 1.7.10 **Ensuring that knowledge-intensive jobs reach across the whole region**

Whilst the draft strategy acknowledges the high concentrations of knowledge-intensive jobs within Norfolk and Suffolk, this masks significant variation across the region. Breckland's employment by occupation figures show that high level occupations (Groups 1 – 3) are 11.4% below the national average.

Whilst skills levels may be increasing in some parts of the Norfolk and Suffolk, the latest figures for Breckland show a sharp decline in the percentage of the district's population qualified to L3 and L4, the latest comparators being:

NVQ L3 and above: Breckland 39.8%, UK 57.8%

NVQ L4 and above: Breckland 19.7%, UK 39.3%

Breckland Council seeks assurance from the LEP that measures to improve skills levels do reach across the whole of Norfolk and Suffolk and that the New Anglia LEP sets up monitoring at a district level. The LEP needs to ensure that some districts are not left behind as the region grows, with a particular focus on the need to significantly improve access to further and higher education in Breckland.

## 2.0 **OPTIONS**

- 2.1 That the Cabinet endorse the draft Norfolk and Suffolk Local Industrial Strategy and request that the Leader of the Council write to the Chair of the New Anglia LEP confirming endorsement but pointing out those areas within the Strategy which the Council considers require updating, based on the officer feedback contained in this paper.
- 2.2 That the Cabinet endorse the draft Norfolk and Suffolk Local Industrial Strategy on the condition that New Anglia LEP agree to incorporate updates based on the officer feedback summarised within this paper.
- 2.3 That the Cabinet do not endorse the strategy and risk losing influence during the next strategy delivery period.

## 3.0 **REASONS FOR RECOMMENDATION(S)**

- 3.1 To ensure that Breckland's local future growth needs are incorporated within the Local Industrial Strategy whilst fully supporting the strategic objectives of the strategy.
- 3.2 To ensure that Breckland Council continues to have a strong voice within Norfolk and Suffolk's future growth strategy and delivery plan.

## 4.0 **EXPECTED BENEFITS**

- 4.1 Breckland is in a position to benefit from the next round of Government growth funding through the new UK Shared Prosperity Fund.

- 4.2 Breckland's particular needs to strengthen its local economy are well articulated to the LEP and are reflected in the Local Industrial Strategy.
- 4.3 Breckland is well positioned to benefit from significant growth through the success of the Cambridge Norwich Tech Corridor and a future A47 economic corridor.
- 4.4 Breckland's market towns are able to access future funding to ensure their renewed vitality.
- 4.5 Breckland is able to access high quality higher education aligned to its key sectors, especially manufacturing.

## 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; Stakeholders/Consultation/Timescales; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

### 5.1 **Corporate Priorities**

5.1.1 The recommendation is in line with the Council's Corporate Priorities;

- 'We strive to ensure each of our five market towns and their surrounding areas are great places in which to live, work, visit and invest'
- 'Maximise the benefits that the 'Cambridge Norwich Tech Corridor' will bring to business growth'
- 'Proactively work with partners to identify and optimise funding opportunities that will draw resources into our district to support our plans for substantial and continued growth'

## 6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All wards.

## 7.0 **ACRONYMS**

- 7.1 LIS Local Industrial Strategy
- LEP Local Enterprise Partnership
- DNO Distribution Network Operator

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Background papers:-

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### **Lead Contact Officer**

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**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Discretionary Service**

**Appendices attached to this report:**

Appendix A	Draft Norfolk and Suffolk Local Industrial Strategy
Appendix B	Government's Industrial Strategy White Paper, November 2017
Appendix C	Government's Local Industrial Strategies Policy Prospectus, October 2018