SPECIAL COUNCIL MEETING

Monday 2 November 2015
11.00 am
Council Chamber
South Norfolk House, Long Stratton, Norfolk, NR15 2XE

Mr D Bills – Chairman of the Council
Mr G Wheatley – Vice-Chairman of the Council

If you have any special requirements in order to attend this meeting, please let us know in advance
Large print version can be made available

This meeting may be filmed, recorded or photographed by the public; however anyone who wishes to do so must inform the Chairman and ensure it is done in a non-disruptive and public manner. Please review the Council’s guidance on filming and recording meetings available in the meeting room

Group Meetings
Conservatives : 10.30am Council Chamber

Contact Claire White on 01508 533669 or democracy@s-norfolk.gov.uk

South Norfolk Council
Working with you, working for you
Agenda

1. Apologies for Absence;

2. Urgent Items;

   Any items of business which the Chairman decides should be considered as matters of urgency pursuant to Section 100 B (4) (b) of the Local Government Act, 1972; [Urgent business may only be taken if, "by reason of special circumstances" (which will be recorded in the minutes), the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency.]

3. To Receive Declarations of Interest from Members; (please see guidance – page 3)

4. Devolution – Update (papers to follow)
DECLARATIONS OF INTEREST AT MEETINGS

Members are asked to declare any interests they have in the meeting. Members are required to identify the nature of the interest and the agenda item to which it relates.

- In the case of **other** interests, the member may speak and vote on the matter.
- If it is a **pecuniary** interest, the member must withdraw from the meeting when it is discussed.
- If it **affects or relates to a pecuniary interest** the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting.
- Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.
- In any case, members have the right to remove themselves from the meeting or the voting if they consider, in the circumstances, it is appropriate to do so.

Should Members have any concerns relating to interests they have, they are encouraged to contact the Monitoring Officer (or Deputy) or another member of the Democratic Services Team in advance of the meeting.
Devolution - Update

Report of the Chief Executive
Cabinet Member: John Fuller

CONTACT
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1. Introduction

1.1. On 4 November, representatives of the Norfolk and Suffolk devolution bid will meet with a Government challenge panel. This report seeks to provide further clarity to Council on aspects raised at your previous meeting.

2. Background

2.1. On 19 October, Council met to consider the next steps for the devolution bid for Norfolk and Suffolk. In particular, it was highlighted that a challenge meeting would take place between Central Government and representatives of the local authorities concerned and the New Anglia Local Enterprise Partnership (LEP) on 4 November. Consideration of the proposals provided Council with the opportunity to put forward its views to the bid representatives.

2.2. At the meeting, it was agreed that further clarity was required in respect of various aspects of the deal and to ensure that any governance arrangements thoroughly reflected a democratic anchorage. The Chief Executive and Leader, in consultation with the Leader of the Opposition, was authorised to progress this approach and that a further special meeting of Council would be held before 4 November to consider progress on the points raised in the intervening period.

2.3. On Thursday, 29 October, an informal scrutiny-led briefing session was held to provide all members the opportunity to gain greater understanding on the present situation regarding the devolution deal and to gain context on the overall national picture. A wide range of questions was asked, which principally reflected that clarity was still required in respect of the same points highlighted in the report to Council on 19 October.
3. Current Position

3.1. At the 19 October meeting, the following matters were raised where further clarity was requested:

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<tr>
<th>Matter</th>
<th>Current Situation</th>
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<tr>
<td>Finance - a demonstration of a better understanding of financial implications surrounding the bid as a whole and to define whether certain elements could be afforded</td>
<td>Although the bid presently includes some detail with respect to the financial implications, the long-term financial offer is not clear at this stage. Further detail is required on the specific financial implications attached to the proposals. This has not presently been considered within the bid documents and clarity is still required in respect of this item. However, further information has been supplied to the Leader of the Council which does provide the basis to undertake further modelling and evaluation.</td>
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<td>Given the Chancellor’s announcement at the Conservative Party Conference that only Devolved areas with a Directly Elected Mayor would be able to charge an Infrastructure Surcharge on business rates, whether the absence of a Directly Elected Mayor for Norfolk &amp; Suffolk would be financially too constraining;</td>
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<td>Strategic Transport - more detail around how strategic transport related matters would be covered, not only for road &amp; rail infrastructure but over bus franchising and passenger transport including through ticketing and concessionary fares;</td>
<td>The bid now contains further details in respect of strategic transport matters in para 53: ‘We would like to build on the partnerships we have with public transport operators and adopt a “franchising-lite” network approach to a jointly developed and delivered network of services, across scheduled local bus and rail services, community based transport and our network of car clubs supported by smart ticketing. We aim to exploit the new opportunities coming forward as part of the Buses Bill.</td>
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South Norfolk Council

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and would be asking for franchising powers too, so we have all of the tools available to us to deliver a first class transport system.”

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<th>Double Devolution - a definition as what is meant by “double devolution” of certain powers and finances to a more local level of clusters of districts and how it could operate (taking examples from models in operation in the two counties) within the context of a wider Combined Authority (with/without a directly elected mayor);</th>
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<td>Production of a single Strategic Plan to enable targeting of investment in infrastructure to support growth and delivery; enabling faster delivery of local plans working within an agreed strategic framework; better engagement with utility providers. Districts or clusters of districts, such as in Greater</td>
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<td>Key benefits - a clear and concise explanation as to what the key benefits of a combined authority could deliver if powers and budgets were devolved from central government over and above what it is possible to deliver at the moment;</td>
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<td>Geography - an explicit statement that, whilst it is felt that the Norfolk &amp; Suffolk Combined Authority bid was credible, it would be strengthened, especially in the context of strategic transport and for the promotion of local economic growth, if Cambridgeshire and Peterborough were to join in due course noting the global economic and academic leadership in key industrial sectors in the three counties.</td>
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<td>Governance - any proposed governance arrangements for devolution should thoroughly reflect its democratic anchorage — both by elections and accountability — in the communities which it is both to represent and to serve;</td>
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will be appointed by and enjoy the support of all 17 partners and will hold office for a fixed term to provide stable and focused leadership of the authority. In line with all devolution deals agreed to date, the Chair will have some autonomy and some powers will be reserved to the Combined Authority Board.

4. Proposals

4.1. The “Rising in the East – A Devolution deal for Norfolk and Suffolk” is the updated version of the document [released in draft 31st October 2015] presented to Council on 19 October which set out the vision, and headline benefits of a Norfolk and Suffolk devolution bid - attached as Appendix One, with three tracked changes that have subsequently been agreed.

4.2. The table above demonstrates that progress has been achieved in resolving to an acceptable level the matters raised at your previous meeting, for the purposes of the Challenge Panel session on 4th November. Although there are still areas where more detail is required, it is inevitable that some aspects of the bid – for example, the detailed financial implications and the right delivery levels – will be complex to resolve and will necessarily have to be considered in more detail as the bid progresses.

4.3. Given this position, it is proposed to indicate to the Norfolk and Suffolk representatives that this Council is supportive in principal to the bid, however it considers that the following matters will need further detailed discussion and agreement following the 4th November Challenge session before the Council could give unqualified support:
4.3.1. Finance – more robust financial modelling to be developed to enable leaders to make informed decisions on a range of matters including:

4.3.1.1. Does the proposed Norfolk & Suffolk Combined Authority model have a realistic chance of delivering at least financial neutrality whilst absorbing additional responsibilities at a time of further reductions in Central Government support for Councils?

4.3.1.2. Further information to be able to make an informed decision on the most appropriate leadership model, especially as, following recent announcements, the ability to raise additional business rates to fund infrastructure may be predicated on a directly elected Mayor.

4.3.1.3. Mechanisms for agreeing how powers & commensurate resources would be double devolved to areas such as Greater Norwich.

4.3.2. Geography – proposals to have a Combined Authority inclusive of Cambridgeshire to continue to be worked on.

4.3.3. Functions - more detailed work to ensure clarity is given as to how services and decisions will be devolved to the “right” level, i.e. Combined Authorities, clusters of districts, (eg GNDP) and existing authorities, Counties, Districts and Town & Parish Councils.

4.3.4. Clarity that the ‘new statutory functions for planning and housing delivery’ do not conflict with the principles of double-devolution for decision making and delivery at ‘local level’.
5. Recommendation

5.1. It is proposed that Council notes the progress made on the latest drafts of the “Rising in the East – A Devolution deal for Norfolk and Suffolk” document and that the Chief Executive and Leader of the Council be authorised to confirm to Norfolk and Suffolk Councils and NALEP, that South Norfolk Council is supportive in principle to the devolution bid for Norfolk and Suffolk.

5.2. Following the Challenge Panel Session on 4th November, that this council receives a further report satisfactorily addressing the issues outlined in 4.3 above, prior to further endorsement being obtained from South Norfolk Council to move to the next stage. This will help provide greater clarity on what these proposals mean in terms of outcomes and ways of working for government, partner councils / organisations and most importantly for our businesses and residents.
'The Rising East: A Devolution Deal for Norfolk and Suffolk - Two counties' ambition and contribution to the devolution revolution.

A. Why Devolve to Norfolk and Suffolk?

1. We are ready. We are delivering and being ruthlessly focussed on what’s best for local people, we’re ambitious to do much more.

2. Our shared assets and distinct geography mean that we are uniquely placed as a non-metropolitan, southern area to offer a devolution proposal that will unlock productivity and provide a model of devolved arrangements for other non-metropolitan areas, without unitary local government.

3. We are determined to exploit our strengths to increase our contribution to UK growth and establish our position as a global leader in the 3rd industrial revolution with a unique contribution to:
   • feed the world’s population through our expertise and cutting edge agri-tech sector;
   • help the world connect building on our established leadership of and track record in research and innovation in technology; and
   • ensure sustainable global energy supply through the exploitation of our natural assets and playing a leadership role in the country’s energy future.

4. Our contribution to the devolution revolution can be characterised by:
   • A new relationship between central and local government
   • Increased productivity in both the private and public sectors
   • Maximising the potential of our people and places
   • Helping the UK become a global economic powerhouse

5. We share a unique geography – close but very distinct from London with a firm focus beyond our borders both within the UK - to Cambridgeshire westwards and Essex to our south and internationally, with our Europe facing world class energy coastline and the UK’s largest container port. We have a mix of urban, rural and coastal communities, which means a diversity opportunities and challenges that emphasise the need to tailor to local circumstances – a demographic best suited to devolved arrangements.

6. We have economic scale and clout on a similar scale to City Regions such as Liverpool and Sheffield, with a much faster growing population. We also have the potential to grow our economy faster, with strengths in key sectors such as: agri-tech, food and health, energy and the digital economy. Our strengths are diverse and powerful including:
   a) National hubs for key business sectors that need to be nurtured to become magnets for global inward investment such as:
      o An all-energy coast at the centre of the world’s largest market for offshore wind that is worth about £994 million per annum,
      o Globally-leading research in life sciences worth £1.3 billion across Norfolk and Suffolk
      o agri-tech – a fast growing sector with huge commercial potential worth £2.2 billion GVA per annum almost 10% of Norfolk-Suffolk GVA

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o pioneering technical innovations in ICT research and development worth £1.3 billion with 1,400 companies employing around 10,300 people.

- The UK’s busiest container port
- A fast-growing creative digital sector, recently recognised by Tech City UK
- Market-leading food and drink producers.
- Our first-class cultural heritage attractions mean tourism is worth £4.6bn annually across Norfolk and Suffolk.
- The A11 corridor from Norwich to Cambridge – a world class destination for advanced manufacturing with already more than 100 automotive engineering and related advanced manufacturing companies in growing clusters
- the quality of place to attract significant inward investment

b) City Deals for Norwich and Ipswich that are pioneering successful approaches to increase productivity, reduce welfare dependency and deliver the Government’s ‘Youth Pledge’ to support young people into employment such as Norwich for Jobs and MyGo in Ipswich.

c) Plans to deliver 179,000 homes by 2026

d) An innovative, collaborative and mature public sector that is willing to be bold in transforming public services

e) A net contributor to the Treasury

f) A wealth of local assets including our communities themselves and partners beyond the public sector such as, business and the VCS

7. Although this is a Norfolk and Suffolk proposal we would expect to work with neighbouring authorities – for example building on existing joint work with Cambridgeshire to maximise economic opportunities as appropriate.

8. The potential of our economic growth offer does not stand in isolation. We see a strong and stable economy as fundamental in creating successful, self-sustaining communities. A decent job, home and supportive networks are critical in ensuring people are as mentally and physically well as possible.

9. Our economic ambition is inextricably linked to our public service reform ambition that will: increase individual independence, reduce public service demand and, through more local autonomy, enable public services to implement the transformational change needed to redesign and increase public sector productivity. Something that has been unattainable with the transactional top down change historically imposed.

10. Beyond a simple transfer of powers, we want to re-set the relationship between central government and the local public sector so that we are all better placed to: power economic growth and productivity, unlock the full potential of Norfolk and Suffolk we need a devolution deal that takes into account what makes our counties great and how best to tackle where traditional public service models have historically failed to fully unlock the potential of our people and places.

11. Norfolk and Suffolk have the scale, ambition and leadership to maximise the opportunities offered by additional freedoms and responsibilities. We are clear how devolution can
maximise the potential to both grow our economy faster and transform public services to better enable local people to reach their potential.

12. We are proof that cross border collaboration can work. We already have an Enterprise Zone with sites in both counties, a cross border Clinical Commissioning Group that, through its joined up out of hospital team has improved patient satisfaction and reduced emergency admissions to hospital by over 10% in its first year bucking the national trend; a Local Transport Body and Skills Board led by New Anglia LEP including local councils and businesses.

13. We have a track record of prioritising outcomes over organisational boundaries, including where this means going beyond our county borders. For example, we have worked flexibly with partners in the Greater Cambridge economic region with its strong influence on the west of the county.

14. Our Enterprise Zone in Great Yarmouth and Lowestoft has consistently been one of the country’s best performing zones, creating more than 1,300 jobs by May 2015 and £29m of private sector investment. We were the first Enterprise Zone to introduce Local Development Orders on all our sites.

15. However, our ambitions have often been hampered by a lack of ability to influence the economic and social levers which accelerate the pace of growth and improve outcomes for local people. Our employment figures are among the best in the country, but our skills and productivity levels are below the national average. We need to tackle this problem head on, if we are to shift our economy to the next gear and compete and win on a global stage.

16. Growing the economy and improving productivity, underpinned by public service reform, provides a framework to improve the opportunities and life chances for the people of Norfolk and Suffolk.

B. The Norfolk and Suffolk approach: Principles and Governance

17. Our goal is to improve outcomes for local people. To do this we must increase our productivity – closing our GVA per head performance to the national average by 2020. This builds on our clear blueprint for growth as outlined in the New Anglia Strategic Economic Plan which will see 95,000 new jobs and 10,000 new businesses.

18. More widely, we want to work more effectively together with Government to achieve a radically re-set relationship between central and local public services and local people. One that is enabling and responsible; one that is adaptable and progressive and one that works in driving growth, enabling opportunity for our people and places and delivering a more efficient public sector that influences better outcomes.

19. Firmly grounded in what’s best for local people, Norfolk and Suffolk’s approach to devolution is (although not restricted to) cross public sector and cross county with the ambition to both drive growth and public sector reform. Our approach to public sector reform is rooted in: integration and shifting to prevention. We want to create an integrated system that is designed around Norfolk and Suffolk residents to keep them safe, healthy and cared for.

20. We would therefore, expect our devolved arrangements to be firmly rooted in the principle of subsidiarity so that the right decisions and delivery are made at the right level. Therefore,
beyond transfer from central government to the Combined Authority local public sector this
could also include transfer between existing tiers of government within Norfolk and Suffolk –
for example from county to clusters of districts, such as the GNDP, or to districts or district to
parish council as locally relevant. This principle is the basis for our approach to double
devolution.

21. Together we have the momentum to take our economy to the next level, maximise the
potential for local business rate and business rate growth retention, create more effective,
joined up public services and secure better outcomes for our people. To do this the Norfolk-
Suffolk deal will be focussed on a number of key policy priorities – these have been chosen
because in their totality, we know that they will secure more prosperous, healthy, safe and
sustainable local communities and places:
   a) Productivity, business support and inward investment
   b) Housing and planning
   c) Assets and Infrastructure (including flood management)
   d) Education, employment and skills
   e) Public sector Productivity: Health, care and safety reform
   f) A new model for Public Sector Finance

22. All of the above will be supported by more locally autonomous, accountable, simpler, joined
up governance that brings decision making closer to local people. We are clear that form and
resources must follow function and therefore, the getting the content of our negotiation right
takes precedence over structures; however, we are ready to be radical and agree a Combined
Authority across Norfolk and Suffolk would fit with our principles of simpler, joined up,
transparent decision making and subsidiarity – the right decision at the right level, which
reflects our commitment to double devolution.

23. Building on our successful track record of collaborative governance, Suffolk and Norfolk aim to
become the first entirely two tier two county Combined Authority taking what is best about
the Manchester model but creating something better for our distinct geography. Our model
will provide strong collaborative strategic leadership as well as accountability and a clear line
of sight for both the Government and our many local communities. We will create a combined
authority comprising 2 County Councils, 14 District and Borough Councils and the New Anglia
Local Enterprise Partnership that will build on the strong relationships of trust and confidence
that exist and be able to take the right decisions in the best interests of the whole of the two
county area.

24. Recognising the need for an individual who can speak for the Combined Authority and who
Government can do business with on our behalf, the Combined Authority Chair will be
appointed by and enjoy the support of all 17 partners and will hold office for a fixed term to
provide stable and focused leadership of the authority. In line with all devolution deals agreed
to date, the Chair will have some autonomy and some powers will be reserved to the
Combined Authority Board.

25. These arrangements will ensure that the streamlined governance works from the bottom up as
well as at a strategic level and assure central government of our ability to deliver and clarify
accountability. It will also enable governance models to evolve as implementation becomes
clearer and secure best fit with existing governance such as the Health and Wellbeing Boards
and New Anglia LEP (which is already cross Norfolk and Suffolk).
C. Core Elements of the Norfolk-Suffolk proposal

26. The following gives an overview of the most significant benefits to be realised and requests of Government across the devolution proposal’s policy priorities. These requests are a combination of transferring central control (of assets, funds and decisions) as well as setting a different ongoing way of working between central and local partners.

27. Whilst there is considerable detailed modelling behind the business cases that support each of the priority policy areas for the Norfolk-Suffolk proposal it can be characterised by the following changes in existing policy and benefits that will be unlocked as a result.

Productivity, business support and inward investment: A more productive Norfolk and Suffolk that supports businesses to maximise their potential

28. Norfolk and Suffolk have weathered the economic downturn well compared with other areas, largely due to our diverse economy, which is not reliant on one sector. Employment and GVA figures are at similar levels to pre-recession level and business start-up levels are performing well. Whilst this is positive - the area is still largely a low wage, low skilled economy compared with the East of England and UK as a whole - and our productivity performance needs to be improved. At the same time, the population of Norfolk and Suffolk is forecast to grow substantially over the next few years.

29. We have the potential to grow our economy faster and are seeking a step change to improve GVA as well as attract thousands of new private sector jobs to cater for our growing population.

Therefore, we propose:

30. Productivity Commission - Establish a Productivity Commission, chaired by an independent economist, (eg, from British Chambers of Commerce) to look at improving productivity at the local level by understanding local root causes of poor productivity and implement a clear action plan of rapid change. This would be a national pilot, enabling Government and local partners to utilise the Norfolk and Suffolk economy to test and evaluate measures to improve productivity, which can then be transferred to other areas.

31. Productivity Fund – We will create a £2.25 billion multi-year productivity fund. This will be funded by local partners, match funded by Government and then matched again by private funding. We will contribute £25 million per year over the next 30 years from local partners and propose that Government match fund to unlock private investment to create an investment pot of £2.25 billion. This will enable the Combined Authority to invest in larger projects that will deliver a step change in growth. Our target is that every £1 invested by the productivity fund pot at least a further £4 of economic growth will be unlocked.

32. Business Support - Build on the success of the Norwich and Ipswich City Deals that created the New Anglia Growth Hub to improve local business support. The Hub will have a key role in coordinating and delivering actions from the Productivity Commission and will offer more integrated, cost effective business support. It will also help improve alignment of economic development resources to maximise the impact of support for businesses.

33. Exporting and Inward Investment - Develop the existing positive relationship with UKTI to improve inward investment through a whole system approach (using local assets better as well as working with UKTI). This would result in a coordinated inward investment service for
Norfolk and Suffolk focussed on key locations and sectors and support to enable more businesses to maximise their export potential.

34. **Innovation** – continue to invest in and align with national policy the local network of innovation centres and work with Government on an audit of science and innovation to map and better maximise strengths and assets. In return we would want the New Anglia area and neighbours such as Cambridgeshire and Essex to be included in the first round of science and innovation audits and Government commitment to invest in local assets as a result.

35. **European Structural Funds** – European Structural & Investment Funds – work with Government to improve the delivery system underpinning the performance of the programmes delivered through ESIF, particularly exploring how through increased local control, programme management and planning we can enhance performance for the region, the UK and the Beneficiary. Devolving intermediate body status would be one enabler for this.

**This will deliver:**
- a. Clarity of what local productivity challenges are and means (through shared intelligence and resources) to address them
- b. Two new Enterprise Zone bids
- c. More integrated, cost effective and tailored business support
- d. A whole system approach to inward investment that mirror the approach in Government’s ‘Fixing the Foundations’ productivity plan.
- e. Maximising our strengths in innovation and science and translating research into viable business propositions
- f. More productive outputs from EU funding due to more locally sensitive management

**Coherent Housing and Planning: More appropriate housing, delivered more quickly for local people**

36. Sufficient and appropriate housing is vital to ensure people can live healthy and prosperous lives as well as having a major impact on developing the economy. An undersupply of homes reduces the mobility of the workforce, increases pressure on public services and fails to meet people’s aspirations. However, many planning permissions are being granted but the homes are not being built.

37. To deliver sustainable development, a significant proportion of committed growth is formed by major sites, which require upfront infrastructure provision and are planned to be built out over a number of years. There is now a need to look towards investing in those which can be delivered as well as providing for a greater range of sites to encourage SMEs to build and to stimulate supply.

38. Through the Combined Authority we will significantly increase housing delivery through four inter-related elements:
- 1. expanding our direct involvement in development activity, building capacity in the private sector especially SMEs, and through planning reform;
- 2. establishing a Land Commission to drive development on publically owned land;
- 3. develop a Strategic Plan to provide a single coherent vision that will address future challenges to stimulate growth, overcome blockages, identify strategic growth opportunities, provide better integration and free up resources at local level to focus on delivery, and
- 4. embedding utility providers in the formation of strategic and investment plans

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Therefore we propose

39. To deliver at least 180,000 new homes by 2036

40. To go further by supporting an ambitious target for an increase in new homes, to be determined through the process of producing a Strategic Plan for Norfolk and Suffolk using the new statutory planning powers we are seeking, in return for our 5 year land supply being calculated on the basis of objectively assessed housing need.

41. In the short term guarantee to increase delivery by 15% year on year to 2020 through delivery on sites within local authority control through our own investment of approx. £150m

42. By 2020 annual delivery will exceed required annual delivery rate to meet local plan commitments

43. In the medium to long term we will continue to increase delivery through the locally managed Housing Investment Fund (£150m match funding from government) utilising publicly owned land identified through the new Land Commission; a new relationship with the HCA; providing support and assistance to SME’s to increase delivery on allocated sites; using new strategic planning powers to identify and bring forward strategic sites including new settlements/garden cities/urban extensions.

44. Production of a single Strategic Plan to enable targeting of investment in infrastructure to support growth and delivery; enabling faster delivery of local plans working within an agreed strategic framework; better engagement with utility providers. Districts or clusters of districts, such as in Greater Norwich being responsible for producing Local Plans and determining where the new homes will go.

45. Becoming a Planning Reform Pathfinder to consider and pilot recommendations from the Planning Reform Review Panel; local plan process; planning fee regime; faster decision-making.

This will deliver

   a) Delivery of at least 180,000 homes by 2036.
   b) A joined up and strategic approach to spatial planning ensuring needs are met and investment in infrastructure is better aligned to future development so that it is enabling not reactive but linked directly to local and neighbourhood plans’ needs.
   c) Efficiencies achieved by: developing a shared evidence base and sharing skills (demography, economy, housing, viability, and delivery),
   d) A single point of contact and information for the private sector;
   e) A stronger and more diverse range of house builders many with a local connection and locally skilled employees to deliver
   f) As a result of greater certainty and flexibility on funding (such as Housing Revenue Account borrowing) we will be able to stimulate housing growth through more proactive investment - for example, in infrastructure
   g) Accelerates delivery of new homes by both private and public sectors, and jobs growth in a planned and coordinated way
   h) Significantly improve the effectiveness of planning to deliver long term sustainable growth and the alignment of strategic investment priorities
   i) Address public concerns that infrastructure cannot cope with the growth through accessible local investment plans
   j) Ensure that the delivery of nationally significant energy infrastructure enables the wider growth and infrastructure opportunities to be maximised.
   k) Makes better use of constrained resources creating capacity to better focus on delivery on the ground
   l) Opportunity to pilot different methods of working in a positive and collaborative environment
m) Incentivises developers to work in partnership to achieve smarter outcomes
n) Facilitate upskilling, building and maintaining an appropriate skills base at local level
o) Creates new opportunities to support emerging parts of the development industry such as custom build sector
p) Decisions on housing numbers and locations being taken at the appropriate geography reflecting our commitment to engaging our distinctive communities.

**Assets and Infrastructure: Enabling growth, unlocking potential and protecting communities through more local autonomy and influence and proactive use of our assets**

46. If we are to maximise our growth and productivity potential we must improve use of our assets and ensure delivery of excellent infrastructure. Currently key infrastructure projects that will bring forward housing and jobs growth are not progressed to a shovel-ready state because of the uncertainty about funding for delivery. This lack of certainty means that other ways of raising funding – e.g. through borrowing against the future stream present excessive risk to councils. In the current system there is also considerable disconnect between Government investment and local priorities with too many centrally held pots that would be more efficiently utilised if devolved.

47. There is currently no spatial plan for the economic area (the LEP) and our economic geography is not bound by county boundaries – it stretches west (working with Cambridgeshire and GCGP LEP) and south (working with Essex and the SE LEP). Currently there is no mechanism to properly consider and plan for big strategic issues, such as the ongoing growth of Greater London and Cambridge, which will continue to impact on the local economy, and affect planning of transport and other infrastructure.

48. Under a devolved arrangement the Norfolk-Suffolk Combined Authority would provide coherent strategic leadership and set the framework for the strategic plan of our geography. By bringing strategic responsibility for key functions such as: transport, housing and spatial planning together the Combined Authority can speak with one voice and offer a simpler and more effective way of unlocking productivity and growth and more effective relationships for public and private sector partners within and beyond our geography.

**Therefore, we propose:**

49. **Funding** - Devolution of funding and decision making for investment with a longer term multi-year settlement incorporating all of the capital funding streams from a range of current and proposed new government programmes (e.g. Integrated transport and maintenance blocks, Growth Deal, science capital) and revenue support (e.g. for highway maintenance and local transport). This would be matched by local funds to create an Investment Fund and would align with the concept of the National Infrastructure Commission at a micro level. We want to explore options for such an Investment Fund to be managed by the Combined Authority to allow flexible use for bringing forward priority based investment for maximum impact. This would help unlock the development of stalled employment and housing sites across the counties, support increased productivity within growth sectors and existing businesses to enable the development of a modern, integrated transport system with a secure future.

50. **Strategic Transport Networks** - Greater local engagement and influence over planned improvements to the Strategic Road Network, and the development of rail franchises and rail infrastructure programmes of spend. We would want to explore with Government the role
that a Combined Authority could take in decision making with key strategic bodies such as Network Rail and the Highways England to improve connectivity, cut congestion and keep the economy moving.

51. **Flood Risk and Coastal Management** – We want government to commit to long term funding settlements and local flexibility to the assessment and allocation of Flood Grant in Aid that will allow existing investment in Flood and Coastal Erosion Risk Management (FCERM) to meet wider economic development objectives and attract additional partnership funding. This will enable us to create a strategic, integrated approach between FCERM and other infrastructure investment to support long term economic growth as well as greater protection from flood and erosion.

52. **Utilities and Energy** – In order to shape and influence the priorities for utilities to support growth in key locations, we would like to form a pilot that makes stronger links between utility companies’ (electricity, water supply and treatment and telecoms) business plans and the expected delivery of development. This could include financial mechanisms to reduce uncertainty of costs (through more detailed design work) and even incentivise developers and landowners to deliver (by a supportive investment programme).

53. **Public Transport** - We would like to build on the partnerships we have with public transport operators and adopt a “franchising-lite” network approach to a jointly developed and delivered network of services, across scheduled local bus and rail services, community based transport and our network of car clubs supported by smart ticketing. We aim to exploit the new opportunities coming forward as part of the Buses Bill and would be asking for franchising powers too, so we have all of the tools available to us to deliver a first class transport system.

54. **Digital Economy** – We would like government commitment to support authorities in meeting public expectations of 100% superfast broadband coverage by 2020, through centralised or devolved funding and consideration of pooled budgeting for infrastructure. This would offer local authorities discretion to evaluate the relative local priority of local infrastructure projects (e.g. transport, broadband, mobile, etc.). We will also determine the right technological solution – fibre based, with mobile, wireless and satellite potentially playing a role. This may well offer less expensive solutions to maximise value for money.

**This will deliver:**

a. A combined Strategic Planning Framework (see Housing and Planning) covering housing and employment growth and combining the two counties’ Local Transport Plans would provide a light touch, robust single coherent vision to stimulate growth, overcome blockages and provide better integration and efficiencies, focussed on delivery.
b. Better value for money with the leveraging in of more local authority and private sector funding
c. Stronger delivery of growth through better engagement with the market, and better linkages between planning and the delivery of infrastructure
d. Swifter delivery and more efficient projects because of better proactive planning as a result of more local autonomy (and therefore, less time taken responding to funding deadlines)
e. As a result of greater certainty and flexibility on funding (such as Housing Revenue Account borrowing) we will be able to stimulate housing growth through more proactive investment in infrastructure
f. Significantly improve the effectiveness of planning to deliver long term sustainable growth and the alignment of strategic investment priorities

g. Make better use of constrained resources creating capacity to better focus on delivery on the ground

**Education, employment and skills: accelerating workforce productivity to support our growing economy**

55. The demand for skills is already outstripping supply at all levels in our economy, including in skilled technical trades such as engineering, logistics and construction, and in the professional fields of computing, creative digital, agri-tech, and health. This situation is likely to worsen without decisive action. We will, therefore, focus to secure the high skilled workforce needed to realise our productivity and growth ambitions.

56. Our proposals build on our successful City Deals, will deliver an ambitious programme to turn around the intractable workforce issues that would otherwise limit growth and productivity. Our solutions are driven by the needs of the economy and developed with the private sector, giving local businesses the skilled labour they need to grow.

57. While we still face the challenge that the skills of local people are not keeping pace with the needs of our rapidly changing economy there is good evidence that our recent actions are starting to have impact. We have made good progress in improving education outcomes and will continue to focus relentlessly on our goal that every child should be able to attend a good or outstanding school. We have used the new opportunities of City Deal, Growth Deal and European Funding to make significant strides in strengthening our skills and employment offer and have demonstrated our ability to innovate and deliver in partnership with Government, through projects such as the MyGo Youth Employment Service.

**Therefore, we propose:**

58. **School Standards and Place Planning** – Government commitment to and investment in a Education Board. This would enable the Combined Authority to work with the Regional Schools Commissioner (RSC) to accelerate the pace of improvement by bringing together our expertise and capacity with that of the RSC. Through this approach we are also seeking to agree a joint Education Infrastructure Plan to enable us to collectively meet the demands of our growing population within available resources.

59. **Skills that Drive Productivity and Growth** - Establish, with our highest performing colleges and universities, specialist Institutes of Technology in priority industries, such as Engineering, Agri-Tech, Civil Construction and Health. These institutions will lead on the development of a more responsive training offer and increase the proportion of young people and adults that are completing the high level qualifications that employers need. Growing the market for apprenticeships will be central to this approach and we will build on our existing activity to assume responsibility over apprenticeship brokerage activities targeted at SMEs and raising the profile of apprenticeships amongst young people, parents and their advisers. To support this we want to work with Government to support this new model of delivering including to: pilot Post-16 Area Reviews which fully include sixth forms where there are concerns about quality, capacity, or the financial sustainability of institution; design the Institutes of Technology model and grant us the ability to award this prestigious status to our highest performing Further Education colleges and a co-commissioning partnership with the Skills Funding Agenda for our Adult Skills Budget.

60. **New Anglia Youth Pledge** – Build on the success of the MyGo Youth Employment Project to deliver the Government’s Youth Obligation through a local Youth Pledge that ensures every young person aged 16-24 is earning or learning. To achieve this we will need Government to
agree to integrate JobCentre Plus resources into the Youth Pledge and agree a shared long term investment model with Government.

61. *Growing the Economy* – We will work with Government to develop and test strategies to accelerate in-work progression at part of the Productivity Commission and use the findings to develop a new approach to building peoples’ earning capacity, therefore reducing reliance on benefits. To achieve this we will ask Government to agree to a joint review of local public sector estates and enable local partners to retain a proportion of any cost savings that are created to reinvest in local employment and skills provision with DWP, for DWP to participate in the commission and invest, alongside local partners, in the testing and rolling out of a progression support model and to be involved in the commissioning of any future adult careers advice programmes to ensure they are aligned to our local approach.

62. *Enabling the Hardest to Help to Work* – To work with Government and local partners to pilot a more effective, integrated employment support offer to help those people with the most barriers to improve outcomes for those furthest from being able to secure work.

**This will deliver:**

- More integrated and costs effective ways of achieving the best possible standards in schools and bring together expertise to identify underperformance and intervene with struggling schools before they reach crisis point.
- A stable and vibrant post 16 education and skills system which is closely aligned to the local economy and providing clear, high quality academic and technical routes to employment and the high level skills valued by employers in our key industries.
- Build on the success of the MyGo Youth Employment Project to deliver the Government’s Youth Obligation through a New Anglia Youth Pledge.
- Ensure that work pays – reducing reliance on benefits
- Help individuals to stay in employment and where appropriate, encourage them to increase their earnings
- Help those that find it hardest to secure work

**Health and care redesign: People are able to live as healthily, safely and independently as possible for as long as possible and if needed, receive early and joined up public sector support**

63. The current system does not adequately support people to live as positive and independent lives as possible. This is bad for our people and offers poor value for money. The current system is not financially sustainable both in terms of public service spending and demographic pressures facing Suffolk and Norfolk. We want to shift financial incentives and planning towards activities that maintain health rather than just treat ill health.

64. If we succeed we will not only have stemmed the increasing demand for high end in patient services but actually reduced it. We are seeing significant increases in hospital activity this year, we think we can turn this trend around to a 3% reduction in 5 years, achieved through working on two fronts, preventing people from becoming ill as well as treating illness earlier and better, out of hospital. With proper join up we could crack delays for people who are ready to go home, designing sensible services that enable people to live as independently as they can having a significant positive impact on delayed transfers of care across the county.

65. We want to continue to develop an integrated system that is designed around our residents to keep them safe, healthy and cared for and through our economic ambition offer more opportunity to unlock their potential to live independently and well for as long as possible.
Our residents don’t care about traditional service boundaries, just that they are as independent as possible and get help when they need it and this remains our biggest priority to deliver

Therefore, we propose:

66. **Funding** – Optimise resources across the local system through a more integrated, medium term approach to financial planning that enables a shift to models of prevention and early help to enable independence and reduce demand. This would require Government to devolve multi-year settlements for health, care and safety.

67. **Estates** – local control over public service estates and capital assets including NHS and police to unlock assets across local public services. To do this we would want first rights on central government estates in Suffolk and Norfolk as highlighted in our finance section.

68. **Changing model of support** – explicit support from Government departments, inspectorates and regulators to enable longer term systemic shifts in service delivery

**This will deliver:**

a. Fiscal neutrality (asking for freedoms not more funding) and a public service that is more sustainable and in the longer term cheaper

b. Greater demand reduction

c. Quicker and broader integration and more effective and efficient use of resources as a result

d. Greater economic growth and increased productivity as health and wellbeing improves and public assets are more effectively maximised

e. the NHS Forward View more quickly

f. Accountability and simpler decision making

g. the better use of resources across the local system including a more integrated workforce that will increase productivity and efficiency as highlighted in the Carter Review

h. Better public sector productivity as highlighted in the summer budget’s accompanying command paper ‘A country that lives within its means’

**Finance: a radically different approach to local public service funding, where greater local autonomy creates a system that is more locally self-sufficient**

69. Underpinning all elements of the Norfolk-Suffolk proposal, greater local autonomy over resources is absolutely critical to its success. We are seeking a radically different approach to local public service funding, where greater local autonomy creates a system that is more locally self-sufficient. This certainty and increased local autonomy would enable more rational, creative and medium term planning across local public resources. More flexibility and significantly longer term funding support is required to deliver our ambitions and manage the risks we are taking on.

70. We want to work with government to develop this this model which will require a new relationship with DCLG/Treasury to ensure that new arrangements for funding can operate successfully in combined Norfolk/Suffolk authority.

71. A number of our fiscal ‘asks’ are around local taxation so it is probably worth setting this in context. Land and Property taxes (i.e. Council Tax, Business Rates, Stamp Duty) are tied to a place and so the devolution of such taxes to combined authorities does not distort the system
in the same way as income tax would (London Finance Commission May 2013). Land and Property taxes also play a much smaller role than Labour taxes, accounting for around 11% of total tax take at the national level. At the geography of the New Anglia LEP which broadly covers Norfolk and Suffolk this amounts to about 12.5% but if Stamp Duty is removed then this would fall to 11.3%. See attached Tax and Spend factsheet for New Anglia LEP.

72. However what our devolution proposals will seek to do amongst other things is to increase the economy taxes (i.e. Labour, Land and Property, Consumption and Capital) which in turn will contribute to bringing down the deficit or avoid further unpalatable ‘cuts’.

Therefore, we propose:

73. Fundamental to our financial model are two key proposals:
   a. Work with Government as an ‘early adopter’ or trailblazer to develop the model for how 100% local retention of Business Rates can bring maximum benefit and minimise risk for both central and local government in advance of the 2020 universal retention. Text amended to clarify trailblazer
   b. 100% Retention of Business Rates Growth

74. Other Potential Finance ‘Asks’ that we could work with Government to develop are:
   a. An infrastructure investment fund based on a ‘gain share’ arrangement similar to what other authorities have been able to negotiate e.g. Sheffield.
   b. Use of Bonds. – given that the general power of competence will be endowed to Combined Authority through the Cities and Local Government Devolution Bill. 
   c. Health and Social Care work stream.
      i. Devolved multi-year settlements for health, care and safety.
   d. Transport and Infrastructure work stream.
      i. Devolution of other funding streams e.g. trunk road delivery from Highways England backed by integrated operational delivery teams across Norfolk and Suffolk
      ii. We would like a guaranteed share, determined by the economic potential of the area, of future bidding rounds, e.g. Local Sustainable Transport Fund (LSTF), maintenance bids, pinch-point, incorporated into the longer-term secured funding stream.
      iii. We want government to commit to long term funding settlements and local flexibility to the assessment and allocation of Flood Grant in Aid that will allow existing investment in Flood and Coastal Erosion Risk Management (FCERM) to meet wider economic development objectives and attract additional partnership funding.
      iv. The flexibility to use capital to invest in maintenance when it is the most effective response
      v. We would like to explore a funding mechanism for schemes of £50m to £150m which are currently ‘too big for Growth Deals’ and not on the trunk road network and hence out of scope for Highways England.
      vi. Commitment that government will support authorities to meet public expectations of 100% superfast broadband coverage by 2020, through centralised or devolved funding.
   e. Planning & Housing work stream
      i. Access national Infrastructure Fund for large scale delivery on land pooled within the region.
      ii. Freedom to set up a localised planning application fee regime to help drive delivery
   f. Productivity and Business support work stream
      i. Funding from national programmes MAS and Growth Accelerator to be devolved into the Growth Hub from 2017 when the existing contract comes to an end.
      ii. A funding commitment from Government to support the Growth Hub (matched by local partners)
priorities or vary the level of financial support available to different types of learner, size of business and subject area.

iv. A co-commissioning partnership with the Skills Funding Agency (SFA) for the Adult Skills Budget in New Anglia.

v. A 3 year block-allocation which would be distributed to providers through outcome agreements.

vi. To agree a shared long term investment model with Government

vii. An extension in the scope of the adult loan system to include 19 to 23 years olds within the existing funding envelope and to ensure high level training is open to all who can benefit.

viii. For DWP to participate and support the work of the New Anglia Productivity commission and invest, alongside local partners, in the testing and rolling out of a progression support model

h. Public Sector Estates

i. To agree to a joint review of the local public sector estate (to include DWP and NHS in particular) and enable local partners to retain a proportion of any cost savings that are created to reinvest in local employment and skills provision and to unlock sites for employment and housing.

This will deliver:

a) More funding certainty (if the risks can be mitigated).

b) Local discretion to fund infrastructure and essential development to promote housing and economic growth.

c) Enable more integrated public services across Norfolk and Suffolk particularly the Health and Social Care Agenda.

Conclusion

75. Our Devolution Proposal is broad and ambitious. It makes the links between people, their health, wellbeing and safety; and Places, the infrastructure, housing and connectivity which is essential to Productivity. Achieving this requires a commitment to a new long-term relationship between central and local government and a joint approach to long-term investment which provides the confidence for local businesses to deliver the growth we need in Suffolk and Norfolk, and more generally for the benefit of UK plc.