

Greater Norwich City Deal

NEWANGLIA
Local Enterprise Partnership
for Norfolk and Suffolk



Norfolk County Council



NORWICH
City Council



Executive Summary

Greater Norwich, defined locally as covering Norwich City Council, South Norfolk District Council and Broadland District Council, is a key engine of growth for the United Kingdom. The area is one of the fastest growing parts of the country and is establishing itself as a leader in science, technology and manufacturing. City Deal Partners' ambition for the Greater Norwich City Deal is to enable these knowledge based industries to develop and grow. The deal focuses on turning world class knowledge and ideas into world class jobs.

51% of workers in Greater Norwich are employed in knowledge intensive industries. The catalyst for new growth in the City Deal lies in the world renowned Norwich Research Park, an international centre of excellence in life sciences, and rolling this model out to other key growth sectors. In capturing this opportunity, Greater Norwich will translate high-tech expertise into economic success.

As a result of the City Deal the local partners predict the Deal will lead to:

- A step change in commercialisation on the Norwich Research Park with a significant rise in spin-out businesses creating 3,000 new high value jobs by 2020
- At least 300 new businesses and 3,000 high value jobs across the Local Enterprise Partnership area established by 2015
- £100 million additional private sector investment to support business growth
- Over £2.3 billion private sector housing investment
- Bringing forward 3,000 additional houses in the North East Norwich Growth Triangle
- 13,000 additional jobs across Greater Norwich

Introduction

“Turning knowledge into jobs and growth”

Greater Norwich can make a significant contribution to the recovery and future growth of the UK economy. It is a major regional centre for employment, tourism and culture and is the region's highest ranking retail centre¹. Greater Norwich has been defined by the local signatories to this deal as covering the area represented by Norwich City Council, South Norfolk District Council and Broadland District Council. The Greater Norwich Development Partnership, which includes Norfolk County Council, was established in 2006 to manage the delivery of the growth strategy for the area.

The Greater Norwich area has a population of 381,200², 203,300 jobs³ and over 14,000 Businesses⁴. 51% of workers⁵ are employed in knowledge intensive industries (including life sciences, creative industries, higher education sector, professional services and advanced engineering).

The New Anglia Local Enterprise Partnership's growth strategy recognises the importance of a vibrant Greater Norwich economy to the economic success of the area. Greater Norwich has been identified as a main focus for growth in the east of England, for new homes and jobs, leisure, cultural and educational development.

The Greater Norwich Deal

City Deal Partners' ambition for the Greater Norwich City Deal is to enable knowledge based industries to develop and grow. The deal focuses on turning world class knowledge and ideas into world class jobs.

The ambition of the deal is to:

- Commercialise world-class research, ideas and innovation to create jobs
- Provide early funding support and finance for small and medium sized enterprises
- Co-ordinate bespoke innovation and enterprise support
- Help deliver critical infrastructure

¹ Javelin Group's Venuescore Retail Footprint 2013

² 2011 census

³ employment, EEFM

⁴ ONS business demography

⁵ Business Register Employment Survey BRES 2012

Norwich Research Park

The catalyst for new growth in the City Deal lies in the world renowned Norwich Research Park, an international centre of excellence in life sciences, and rolling this model out to other key growth sectors. In capturing this opportunity Greater Norwich will translate high-tech expertise into economic success.

The Norwich Research Park represents a huge economic opportunity. Its institutes (with six partners and three of the eight Biotechnology and Biological Sciences Research Council partner institutions) are leaders in their fields, and their specialisms – in food and nutrition, environmental sciences, medical and biosciences – mean the Research Park is uniquely placed to tackle the global challenges of food and energy security, healthy ageing, sustainability and environmental change.

Commercialisation of the research and innovation is already starting to take place, the public and private sectors have worked together to develop a master plan with planning permission to bring forward 55ha of land for development.

The match of expertise and opportunity demonstrated at the Norwich Research Park is at the heart of the Greater Norwich City Deal. By unlocking entrepreneurial activity, finance, skills, property and infrastructure, the City Deal will not only enable new small and medium sized enterprises to exploit the Research Park's world-class knowledge base, but will provide a range of transferable initiatives that will support growth in the aviation and digital creative sectors.

Locations for New Growth

The city deal will bring benefits to Greater Norwich as a whole. The distinct approach is to drive growth by translating knowledge into jobs through three key clusters:

Norwich Research Park: Agri-tech and environmental sciences super-cluster based around 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

Norwich City Centre: Digital creative cluster based around Norwich University of the Arts, the EPIC television production studios and the fast-growing cluster of digital creative businesses - 48% over the period 2007-2012⁶.

Norwich International Airport: Aviation cluster based around the airport itself and key businesses KLM UK Engineering and Air Livery with the support of the University of East Anglia and Norwich University Technical College. This will support the growth in the overhaul, maintenance, refurbishment and repair of aircraft. The Air Livery expansion will make Norwich their European Head Quarters and operational centre.

The City Deal has three strands

- Targeted enterprise and innovation initiatives to help existing business to expand and enable new small and medium sized enterprises to capture and commercialise research and academic excellence in life sciences and biotechnology at the Norwich Research Park, the digital creative cluster in the city centre and the aviation cluster based around Norwich

⁶ BRES

International Airport. These elements have been agreed through the LEP wide Wave 2 Business Growth Programme.

- Providing essential housing, transportation and utility services necessary to meet the infrastructure needs of a growing and expanding local economy
- A LEP wide skills programme that will provide a locally responsive skills system to maximise employer involvement and investment and increase apprenticeships and graduate internships. These elements have been agreed through the LEP wide elements of the Greater Ipswich City Deal.

City Deal local partners predict the Deal will deliver

- A step change in commercialisation on the Norwich Research Park with a significant rise in spin-out businesses creating 3,000 new high value jobs by 2020
- At least 300 new businesses and 3,000 high value jobs across the LEP area established by 2015 by filling in identified gaps in business support provision.
- 13,000 additional jobs across Greater Norwich (over and above an existing ambitious target of 27,000 new jobs) including:
 - Significant growth of 2,133 jobs at and around Norwich International Airport by key businesses KLM UK Engineering and Air Livery with the support of the University of East Anglia and Norwich University Technical College
 - Expansion of the digital creative industry creating 1,000 jobs based around Norwich University of the Arts and the fast-growing cluster of digital creative businesses
- £100m additional private sector investment to support business growth
- Over £2.3bn private sector housing investment
- A step change in housing delivery from an average of 1,000 dwellings a year to an average of 3,000 dwellings a year for the 5-year period 2014-2019
- Bringing forward 3,000 additional houses in the North East Norwich Growth Triangle
- 6,000 construction jobs supporting the whole economy

Key Elements of the City Deal

Business Support, Enterprise and Innovation

The LEP have identified the potential to enhance business enterprise and innovation that would deliver significant growth as a key priority. The LEP have designated Greater Norwich as a key location to exploit this development potential across a number of growth sectors particularly in life sciences and biotechnology, creative and digital industries and in high-value aviation engineering.

This ambition is captured in the LEP vision that by 2025, Greater Norwich and Greater Ipswich will be two of the most competitive city regions in Europe for domestic and foreign investment. The rate of patent registration from companies in the Norwich Research Park and Adastral Park will be comparable with leading locations in the world.

However, there is a greater opportunity to capitalise on the growth potential of the local knowledge base, particularly its universities and the research institutes that make up the Norwich Research Park.

Business start-up rates and business GVA are below regional and national averages. At the same time the level of commercialisation from the area's research institutes could be higher.

Ongoing discussions with businesses have provided clear evidence that many are not taking up the business support that is available. Those who take up support are often not aware of other initiatives that they could also benefit from.

The proposal – Business Growth Programme

The Business Growth Programme will introduce a suite of business support services to respond directly to the needs of local businesses. City Deal partners aim to continue to improve the enterprise and innovation offer so businesses can find the support they need by providing cost effective support for all small and medium sized enterprises.

At the same time, the Business Growth Programme will raise awareness and uptake of public and private sector support available at the local and national levels by effectively guiding businesses to the most appropriate support.

The Business Growth Programme will be established covering the Greater Norwich and Greater Ipswich deals through the New Anglia LEP and comprises the following elements:

Early Stage Grant Fund: An early stage grant fund to provide grants of between £5,000 and £50,000 to early stage businesses. These are businesses that have moved beyond the proof of concept stage, but are not yet ready for expansion finance or angel investment. Businesses will provide £3 funding per £1 of grant.

Innovation Readiness Programme: City Deal partners will run an Innovation Readiness programme, to be delivered by a dedicated individual working with a single point of contact at the Technology Strategy Board to raise awareness of the benefits of the national and local programmes with the aim of doubling the number of applicants to the Technology Strategy Board programmes. The Innovation Readiness programme will also promote the innovation vouchers programme outlined below.

Innovation Vouchers: An innovation vouchers programme, to allow companies to purchase specialist expertise from the University of East Anglia, Norwich University of the Arts and University Campus Suffolk.

Ready For Business Start-up Programme: The existing Regional Growth Fund funded Ready for Business programme, currently covering central Ipswich and Norwich, will be expanded across the

wider Greater Ipswich and Greater Norwich areas to include key innovation areas. The programme is a four day masterclass on the key elements of setting up in business.

Coordination and Access: The proposals will increase awareness of the benefits of the business support on offer, provide clear access and bring together local and national provision, creating a single pathway and 'no wrong door' scenario for businesses to connect with business support services and providers. This will be delivered by a dedicated team of coordinators managed by the Suffolk Chamber of Commerce whose role will be to stimulate demand for business support amongst businesses with growth potential as well as provide a referral service, open to all, to the most appropriate business support provider.

Norwich Research Park

The Norwich Research Park has 55 hectares of land available for development with planning consent and it has the physical resources to accommodate the whole enterprise journey from ideas to major business activity.

The Government will commit to support the growth of the Norwich Research Park by providing continued co-ordinated support from key departments and agencies (Department for Business, Innovation and Skills, Department for Environment, Food and Rural Affairs, Technology Strategy Board and the 7 Research Councils) and work with the Norwich Research Park consortium to realise a strong European Union Food4Future Knowledge and Innovation Communities proposal which the European Institute of Innovation and Technology aim to established in 2014.

This work will drive economic growth, inward investment and cement the area's reputation as a knowledge led economy addressing one of the world's grand challenges for the next 30-40 years: how to feed, fuel and water a rapidly growing global population sustainably.

Infrastructure

Strategic Infrastructure

Investment in strategic infrastructure is needed across the Greater Norwich area to prevent the private sector becoming constrained and unable to deliver the housing and job growth programme.

The members of the Greater Norwich Development Partnership have agreed a programme of essential infrastructure to deliver the growth plans for Greater Norwich. This work has been linked to the delivery requirements of the Joint Core Strategy planning policy document required to deliver the growth in homes and jobs for the Greater Norwich area reflecting market signals of future need. 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 capacity to bring forward 3,000 additional homes as per the Joint Core Strategy. In addition it will support delivery of the target figure of 27,000 new jobs plus a further 13,000.

The £440 million of strategic investment covers a range of projects including:

- major transport schemes
 - two strategically important trunk road investments to improve the A11 (Thickthorn) and A1074 (Longwater) junctions on the A47
 - the Norwich Northern Distributor Road and Long Stratton bypass
 - five Bus Rapid Transport Routes
- One new Secondary school and additional primary school place provision
- Community facilities, public realm enhancements and green infrastructure

Funding the strategic infrastructure - To fund the strategic investment, City Deal partners will commit to securing the necessary funds, where they have the legal power to provide funding. The District Authorities commit to pooling Community Infrastructure Levy income to create a substantial local growth fund⁷ which is expected to total £118 million. City Deal partners will have access to the Public Works Loan Board project rate discount on £60 million borrowing and the following flexibilities to the standard rules for borrowing against the project rate have been agreed:

- The rate is not tied to a specific project but rather drawn down from a predetermined list of projects agreed with HM Treasury.
- Access to borrowing at the project rate discount applied will be available for the life of the programme.

In addition City Deal partners will maximise the use of future mainstream funding and taking full advantage of competitive bid opportunities and LEP funding.

Thickthorn and Longwater Junctions - Two strategically important trunk road investments are part of the infrastructure requirement to deliver the Joint Core Strategy. These are plans to improve the A11 (Thickthorn) and A1074 (Longwater) junctions on the A47 near to the Norwich Research Park. These 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. 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.

⁷ The District Authorities have worked together to introduce the Community Infrastructure Levy and have an adopted rate of Community Infrastructure Levy across the three Districts.

Local infrastructure

Upfront funding for onsite infrastructure is seen as one of the biggest barriers to the creation of new jobs and homes. Across Greater Norwich there is planning consent for some 10,000 dwellings (July 2013).

To establish a local infrastructure fund City Deal partners will have the ability to borrow £20 million from the Public Works Loan Board at the project rate discount. This fund will provide loans to developers for site specific help to enable housing sites to be delivered quickly, managed on a rolling basis. The fund will be repaid over a 20 year period.

This fund will be used to support infrastructure required to open up sites for housing or employment development, including:

- Norwich Aeropark – a £3.8 million spine road to open up a major site for air related industries at Norwich Airport which could accommodate 1,000 new jobs.
- Bowthorpe Threescore housing site – a £3.5 million spine road to deliver land for 1,000 dwellings.
- Wymondham subway – £3.5 million to undertake engineering works to deliver 1,200 dwellings on two sites

Working with Government Agencies to deliver infrastructure

To help the private sector and local authorities deliver the growth agenda it is essential that statutory bodies, including the Highways Agency and Environment Agency 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.

Governance

Greater Norwich Growth Board:

A Greater Norwich Growth Board will be established to oversee the delivery of the City Deal. The area has a long tradition of joint working and a shadow Growth Board met in August 2013. The Board will provide strategic direction, monitoring and coordination of both the City Deal and wider growth programme for the Greater Norwich area. It will have representation on, and links with, the LEP Business Growth Programme Operational Board and the LEP Skills Board. In this way the Greater Norwich Growth Board will co-ordinate and drive the local growth agenda for the Greater Norwich area and will provide a local focus for the associated work of the New Anglia LEP.

The governance structure will ensure local democratic accountability and also include representatives from the New Anglia LEP and the wider scientific, academic and private business interests in the Greater Norwich functional economic area. The Growth Board will have the authority to take decisions based on a business plan agreed by the constituent authorities and the LEP. In this way it will be able to prioritise investment proposals, allocate resources to deliver growth quickly and responsively and provide strong and effective leadership. The Board will have the ability to respond to any change in funding requirements that may arise during the programme.

To manage the infrastructure investment programme and associated financial instruments (such as a revolving local growth fund) there will be an operational board with membership from the financially accountable bodies (constituent local authorities and the New Anglia LEP). As well as providing the local focus, coordination and single point of contact for the LEP and the associated Growth Hub and Skills Boards, the Greater Norwich Growth Board will co-ordinate and manage the locally agreed strategic investment programme on behalf of the local authorities and LEP. The Growth Board will be supported by an officer team drawn from the local authorities and the New Anglia LEP.

Summary of Commitments

BUSINESS SUPPORT, ENTERPRISE AND INNOVATION PROPOSAL

| Greater Norwich Commitments | Central Government Commitments |
|--|---|
| <ul style="list-style-type: none"> • New Anglia LEP and Local Authority funding to establish a Business Growth Programme providing a consistent approach to coordination and delivery of business support including the establishment of a chain of finance to support every stage of growth specifically: <ul style="list-style-type: none"> - Increased awareness of existing Government Programmes including the Start-up Loan Scheme - Expansion of existing local schemes such as the Low Carbon Innovation Fund and the Norwich Research Park Proof of Concept Fund - Expansion of the New Anglia Growing Business Fund from £3 million to £12 million - Develop our angel investment network New Anglia Capital - Launch with Greater Cambridge Greater Peterborough LEP colleagues the £3.2 million East of England agri-tech growth Initiative providing tailored support to the Agri-tech cluster ○ Use of European Structural Funds and local funding to leverage and amplify national programmes as demand increases ○ Provision of conduct studies and intelligence that monitors/maps business support so resources are tailored to deliver growth ○ Market the Norwich Research Park's assets to enable businesses to commercialise the Park's research. As part of the financial package South Norfolk Council have agreed in principle, that business rates can be reduced provided certain criteria are met. | <ul style="list-style-type: none"> • Through the Wave 2 Business Growth Programme funding of £3,928,971 has been awarded, subject to final contract, for the following elements: <ul style="list-style-type: none"> - The New Anglia Early Stage loan fund - An Innovation Voucher scheme - Expansion of the Ready for Business Start-up Programme - Coordination of business support ○ An enhanced offer, activity and engagement from national scheme commissioners and providers, through partnership agreements with Growth Accelerator, UK Trade and Investment and the Manufacturing Advisory Service and through detailed and ongoing discussions with the Technology Strategy Board. ○ Sharing of referral pipelines ○ Use of national data assets to enhance online business support ○ Establish a formal working relationship between the Technology Strategy Board (TSB) and the Norwich Research Park to strengthen the delivery of common areas of growth, including sharing expertise through engagement and mentoring with the Park's Proof of Concept fund. ○ Strengthening the mechanisms to create demand amongst small businesses for, for example, innovation vouchers, the Smart Award scheme, coaching and mentoring. • Continued co-ordinated support from key departments and agencies (Department for Business, Innovation and Skills, Department for Environment, Food and Rural Affairs, Technology Strategy Board and the 7 Research Councils) to work with the Norwich Research Park consortium to realise a strong European Union Food4Future Knowledge and Innovation Communities (KIC) proposal |

INFRASTRUCTURE

| Greater Norwich Commitments | Central Government Commitments |
|---|---|
| <ul style="list-style-type: none"> • The local authorities will advance fund strategic infrastructure to support private sector growth in housing and employment sites. • To pool local and mainstream funding into a single investment fund of £440 million to help finance infrastructure investment • Commitment to repay the full cost of infrastructure investment over a 25 year period • Use of local authority land and property to deliver new homes and create more investment opportunities • Bring forward 3,000 additional homes (on top of target of 37,000) by 2026 in the North East Growth Triangle • The Greater Norwich local authorities agree in principle to upload land and property assets to ePIMS • The Greater Norwich local authorities to allow their individual asset management strategies to be challenged by the Government Property Unit | <ul style="list-style-type: none"> • Approval for the local authorities to borrow up to £60 million at the reduced Public Works Loan Board Project Rate (gilts plus 60 basis points) for the strategic infrastructure investment, under the conditions set out above, including allowing the funding to be used for a range of investment projects over the life of programme⁸ • Approval for the local authorities to borrow up to £20 million at the reduced Public Works Loan Board Project Rate (gilts plus 60 basis points) to establish a local infrastructure growth fund. • As part of the A47 Feasibility Study, the Department for Transport will work with Greater Norwich on the prioritisation process for potential future investment solutions for the A47 corridor, including those measures to mitigate current and future congestion at Longwater and Thickthorn junctions. 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 A47. • A compact will be agreed with government agencies involved in the development process to support delivery of the Greater Norwich growth agenda. This should include connections to and commitment from, any funding agency for national schemes via a memorandum of understanding. |

⁸ This includes up to £36.7m at the reduced Public Works Loan Board Project Rate (gilts plus 60 basis points) for a mix of strategic and local infrastructure investment that HMT has approved over period 2013-14 to 2015-16.