

Report to Cabinet
14 January 2013
Report of Deputy chief executive (Operations)
Subject City Deals – submission of expression of interest

Item

5

Purpose

The purpose of this report is to update Members on progress made in preparing the Expression of Interest, which will be tabled at the meeting, following the invitation from Rt Hon Greg Clark MP to participate in the Wave 2 City Deals and to seek approval to make a formal submission for the greater Norwich area.

Recommendation

- a) That, in partnership with Broadland and South Norfolk District Councils Norfolk County Council and the Local Enterprise Partnership, the Council submits an Expression of Interest to central government for a city deal covering the Greater Norwich area; and
- b) Delegate authority to the Deputy Chief Executive, in consultation with the Leader, to make any final changes to the EOI for submission on the 15th January 2013.

Corporate and service priorities

The report helps to meet the corporate priority “A prosperous city”.

Financial implications

There are no financial implications arising from the submission of the expression of interest. If successful the City Council will be able to influence the priority and direction of central government funding at a local level. Furthermore the Council will need to consider the funding arrangements for major infrastructure projects required to support the growth of the greater Norwich area. These are matters that we be considered in more detail as further progress is made on the development of a city deal for the area.

Ward/s: All wards

Cabinet member: Councillor Arthur - Leader

Contact officers

Jerry Massey, Deputy Chief Executive (Operations) 01603 212225

Background documents:

Report to Cabinet on 14 November 2012 – City Deals.

Report

Introduction

1. In November members were advised that the City Council and New Anglia LEP had been invited by the Government to submit an Expression of Interest (EOI) for a city deal for the Greater Norwich functional economic area (covering the area administered by Broadland, South Norfolk and the City Council). A city deal is a negotiated agreement between central and local government and the LEP that allows freedoms and flexibilities at a local level (including the ability to access and influence devolved government funding streams) in return for enhanced economic activity. Members agreed to work with all the constituent local authorities and LEP and prepare an EOI for submission. Cabinet also agreed that it would sign off the EOI.
2. The purpose of this report is to update Cabinet on progress made in preparing the EOI, to consider the current draft, and to delegate authority to the Deputy Chief Executive in consultation with the Leader to sign-off the final submission to meet the deadline of 15th January 2013.

Background

3. As reported to Cabinet in November, in July 2012 Government agreed the first wave of 'City Deals' with the eight largest cities outside London and their wider economic areas. These arrangements were bespoke to reflect the different needs of individual places, but every deal aimed to:
 - a) Give cities the powers and tools they need to drive local economic growth;
 - b) Unlock projects or initiatives that will boost their economies; and
 - c) Strengthen the governance arrangements for each city.
4. Each deal represented a genuine transaction with both cities and Government offering and demanding things in return.
5. On 29 October 2012, the Government announced a second wave of 'City Deals' by inviting 20 towns and cities in England to submit proposals which will include an element of competition. The EOI is required to be submitted by 15th January 2013 and include initial propositions that focus on a single economic issue requiring an innovative and transformative response. Those propositions that meet the Government's tests will go forward to the negotiation stage. The expectation is that final deals will be agreed by November 2013.
6. Greater Norwich has been invited to participate along with the following towns and cities: the Black Country, Bournemouth, Brighton and Hove, Greater Cambridge, Coventry and Warwickshire, Hull and Humber, Ipswich, Leicester and Leicestershire, Milton Keynes, Oxford and Central Oxfordshire, Reading, Plymouth, Preston and Lancashire, Southampton and Portsmouth, Southend, Stoke and Staffordshire, Sunderland and the North East, Swindon and Wiltshire, and Tees Valley.

7. It is intended that this second wave of City Deals will build on the success of the first wave, accelerating the pace of decentralisation and unlocking new and innovative ways to drive local economic growth. In participating in the process there is no guarantee that a 'deal' will be agreed.

The process

8. Following the invitation the Greater Norwich Councils along with the New Anglia LEP has been preparing a draft EOI which identifies a landmark proposal to address a single economic challenge or opportunity which requires a transformative response. These bespoke arrangements will be complemented by a core package, consisting of measures that will devolve significant powers and functions to all cities and their wider areas that go on to negotiate a deal with Government. The core package is being developed by civil servants following a workshop held with representatives from the Wave 2 local areas, including participation from Greater Norwich.
9. An initial draft EOI was submitted by the first deadline of 30 November 2012 and feedback has been received from government departments and Ministers. This has been incorporated into the latest version of the EOI which will be tabled at the meeting for Members information.
10. Work is continuing on refining the EOI as part of the on-going dialogue with Cabinet Office officials. The final EOI has to be submitted by 15th January 2013, following which it will be assessed by The First Secretary and his team with an announcement on the successful bids made in February 2013.
11. The assessment of the EOI will focus on five criteria:
 - a) stronger and more collaborative governance in their area, so that decisions necessary for the growth of the area as a whole can be taken quickly and effectively;
 - b) harnessing significantly greater private sector input, expertise and resources;
 - c) demonstrating strong political commitment and readiness to put resources into delivering the deal;
 - d) driving efficiency in the use of public money in the area, doing more with less, in pursuit of the medium term goal to eliminate the deficit; and
 - e) reforms for the area which represent the leading edge of the Government's general economic strategy – to reduce regulation, create well functioning markets and an enabling environment for business and boost private sector growth and investment;
12. Over the following 3 months the Cities Policy Unit will work with the successful cities to develop detailed options on transformative proposals for consideration by an Ad-Hoc Ministerial group meeting May through to July. The 'City Deals' will be announced in November 2013.

The Expression of Interest

13. Under the title 'Transforming world class research into world class business' the bespoke element of the Greater Norwich EOI recognises the international significance of the Norwich Research Park which comprises five world-class institutions that have established global leadership in research in environmental, food and plant sciences. The proposal focuses on the provision of the technical infrastructure and the development of a commercial environment by exploiting the NRP to drive forward growth in the wider local economy.
14. Based around the three themes of enterprise and innovation, skills and infrastructure the aim is to create a public/private sector delivery team to work alongside the NRP, landowners and businesses to address the identified barriers that are holding back growth in the Greater Norwich area and beyond.
15. Across the NRP there is a lack of specialist support to assist scientists and researchers to identify opportunities to commercialise and progress development of ideas into spin-out ventures. There is a lack of access to finance restricting opportunities for commercialisation of innovative research and the national system of support for enterprise and innovation is fragmented, affording little join-up between national activity with that on the ground.
16. On the skills front, local businesses have identified for a number of years the mismatch between skills provision and the job opportunities locally, and they are keen to play a role in shaping that provision, which is not provided by the current arrangements.
17. The local infrastructure deficit, which includes hard infrastructure such as transportation and soft infrastructure such as broadband is widely understood, where existing policy tools are limited and prevent delivery at the speed that the local area demands. The physical and soft infrastructure requirements that constrain the expansion of the NRP, are replicated in other parts of the Greater Norwich area, and delivering solutions to facilitate the transformative growth of the NRP will be instrumental in unlocking capacity elsewhere in the local area.
18. Although the draft EOI concentrates on the opportunities to drive forward growth of the NRP, it is also mindful of the core package offer that will form part of the 'city deal', the elements of which have the potential to overcome the barriers to growth affecting the wider area.
19. Taken as a complete package the objectives of the Greater Norwich proposal, is to secure influence and control over government funding streams and where appropriate new powers to address:
 - a) Enterprise and Innovation gap – the lack of specialist support to translate innovation into jobs
 - b) The skills gap – including tackling the low attainment and low ambition of our young people. By providing more commercial opportunities, young people will see a pathway to high-value jobs; and
 - c) The infrastructure gap – investment required in local transport network, ready-to-move into office accommodation and extending high capacity Broadband and data processing capability

20. The Government is clear that no new money will be available to support the initiative, and the objective is to identify new sources of funding, or how existing funding streams can be used more effectively through management locally. The draft EOI identifies the potential for pooling of funds raised locally through development activity, such as Community Infrastructure Levy and Business Rates with the proportion to be pooled to be negotiated between the local partners. It is also proposed that national funding streams directed through the Local Enterprise Partnership such as the Growing Places Fund, Regional Growth Fund and Local Transport Majors, in addition to funding managed by national bodies such as the Skills Funding Agency, will be included in the city deal.
21. One of the key tests for success of the proposal is the governance arrangements for the 'city deal'. These are being developed from the starting point of the Greater Norwich Development Partnership, which has demonstrated the political commitment of the local authorities to work together to achieve common objectives. The EOI recognises that the governance structure will need to reflect the detail of an agreed city deal. Therefore at this stage it is not possible to be specific on the format. However overall responsibility for managing the City Deal would rest with the local authority partners and the LEP. The broad remit of the deal would cover the three components of Enterprise and Innovation, Skills and Infrastructure.
22. To deliver this approach the governance arrangements would also include private sector partners, major research institutions, local authorities and other bodies. A key responsibility of the local authority partners will be to secure appropriate funding for key infrastructure. To do this there will be a need to develop robust governance arrangements that are contractually binding where joint funding is required. The detail of the arrangements will be developed as further information is available on the full scope of a city deal for the Greater Norwich area.
23. In its widest sense the 'city deal' initiative provides the opportunity to:
- a) Secure control over existing funding streams spent in the local area by government departments and agencies
 - b) Determine locally priorities to meet local requirements and direct funding accordingly;
 - c) Secure powers from government which are inhibiting growth and determine locally how they could be best used to stimulate economic activity;
 - d) By directing funding and powers to accelerate growth and generate benefits to the local area in terms of jobs, homes and infrastructure and enterprise in a shorter time than in 'business as usual' mode; and
 - e) Secure the benefits of accelerated growth through increased income from business rates, new homes bonus and community infrastructure levy.
24. A final draft of the EOI which is being developed on a partnership basis will be tabled at the meeting.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	14 january 2013
Head of service:	Deputy Chief Executive (Operations)
Report subject:	City Deals
Date assessed:	21/12/2012
Description:	submission of expression of interest

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There may be additional pollution arising from increased levels of activity
Sustainable procurement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment

Positive

The aim of the city deal is to increase economic activity and higher level job creation together with increased employment opportunities across Greater Norwich

Negative

The only negative area identified arises from the possible increase in pollution arising from the increased level of economic activity. However, the promotion of sustainable travel and enhanced environmental regulation together with high standards of sustainable development should help to mitigate this concern

Neutral

Issues