

## **Council**

Members of the council are hereby summoned to attend the extraordinary meeting of the council to be held in the council chamber, City Hall, St Peters Street, Norwich, NR2 1NH on

**Tuesday, 28 June 2016**

**19:30**

## **Agenda**

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**1 Lord Mayor's announcements**

**2 Declarations of interest**

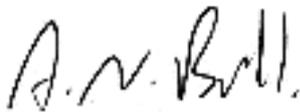
(Please note that it is the responsibility of individual members to declare an interest prior to the item if they arrive late for the meeting)

**3 The devolution of powers and resources to East Anglia 5 - 16**

**Purpose -**

1. This report sets out Norfolk and Suffolk's ambition for and approach to devolution based on the East Anglia Devolution Deal announced by the Chancellor in the Budget on 16 March 2016. It builds on Government commitment to enhance local autonomy through devolution, reflected in the *Cities and Local Government Devolution Act*.
2. The report updates Council on the progress made in the Devolution proposal by the sixteen local authorities in the Norfolk and Suffolk area and details the process for the next stages in the devolution programme. It includes the latest elements of the devolution proposal and requires council to consider the approach for moving to the next stages of the devolution process.

<b>Appendix A Norfolk and Suffolk Devolution Agreement June 2016</b>	<b>17 - 40</b>
<b>Appendix B The Norfolk and Suffolk Governance Review</b>	<b>41 - 88</b>
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<b>Appendix E The principles agreed to be applied to the £30m housing money for Ipswich Borough and Norwich City</b>	<b>127 - 128</b>
<b>Appendix F Norfolk and Suffolk scheme of delegation consultation arrangements</b>	<b>129 - 130</b>



Anton Bull  
Executive head of business relationship management and democracy

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Date of publication: **Monday, 20 June 2016**

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**Report to** Council  
28 June 2016  
**Report of** Executive head of regeneration and development  
**Subject** The devolution of powers and resources to East Anglia

**Item**  
**3**

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### **Purpose**

1. This report sets out Norfolk and Suffolk's ambition for and approach to devolution based on the East Anglia Devolution Deal announced by the Chancellor in the Budget on 16 March 2016. It builds on Government commitment to enhance local autonomy through devolution, reflected in the *Cities and Local Government Devolution Act*.
2. The report updates Council on the progress made in the Devolution proposal by the sixteen local authorities in the Norfolk and Suffolk area and details the process for the next stages in the devolution programme. It includes the latest elements of the devolution proposal and requires council to consider the approach for moving to the next stages of the devolution process.

### **Recommendation**

Having regard to the Norfolk and Suffolk devolution agreement (Appendix A), the governance review (Appendix B), the scheme of governance (Appendix C) and the equality assessment (Appendix D);

Council considers the right decision for Cabinet is:

- a) To endorse the signing of the Norfolk and Suffolk devolution agreement by the Leader of the council and the associated recommendations set out in paragraph 19 of the report

OR

- b) Not to continue to support the process leading to the establishment of an elected mayor and combined authority for the East Anglia region

### **Corporate and service priorities**

The report helps to meet the corporate priority a prosperous and vibrant city

### **Financial implications**

The resource implications are dependent on the next stages of the development of the devolution process. Most will involve the use of existing officer time and resources.

If it is agreed to move to the next stage of the process all council leaders have agreed that the administration costs of setting up the mayoral combined authority will be kept to a minimum, using existing resources within their councils

**Ward/s:** All Wards

**Cabinet member:** Councillor Waters - Leader

**Contact officers**

Dave Moorcroft :Executive head of regeneration and development

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**Background documents**

# Report

## Background

1. On 7 October 2015, Cabinet received a report outlining the expression of interest from partners across Norfolk and Suffolk to develop a proposal aimed at opening dialogue with Government about devolved powers and the appropriate governance arrangements needed to deliver a future devolution deal. This work was undertaken in response to the Chancellor's announcement in the summer Budget on 8 July 2015, that 'significant' devolution deals would need to be submitted to the government by 4 September 2015 if they were to inform the Spending Review in November. The Cabinet supported the approach for developing the deal and agreed that Norwich should continue work on the initial expression of interest undertaken with partners across the Norfolk and Suffolk area to maximise the opportunity presented by the Government's commitment to devolution
2. Work on developing the deal continued during the autumn of 2015. Following Ministerial feedback, including a 'Challenge Session' with Lord Heseltine in November 2015, and recognition amongst local leaders of the economic links between Norfolk, Suffolk, Cambridgeshire and Peterborough, a devolution deal for East Anglia was agreed at a very accelerated pace and announced by the Chancellor in the Budget statement of March 2016.
3. In recent weeks partners have agreed to modify the single deal approach for East Anglia. This followed further consideration of the most effective way to drive growth across the region, discussion with Ministers and reflection on what would be best for local people. The preferred approach was to pursue two distinct devolution deals, one for Norfolk and Suffolk and one for Cambridgeshire and Peterborough. This approach provides opportunity for strategic join up between the two deals for example, on infrastructure, transport and skills but retains local economic geographies.

## Current Position

4. The council has been fully engaged in the detailed negotiation process to formulate the Norfolk / Suffolk devolution deal and has positively supported the principle of devolution as a means of securing future economic growth for the area.
5. The following criteria have been identified to assist the council in considering whether it wishes and on what terms it is prepared to be part of a combined authority:-

### a) Governance

Throughout the negotiation process the Council has continued to highlight that there is an alternative to the elected mayoral model that is favoured by government for delivering devolution deals. It is considered that the mayoral model is a relatively untested form of governance that is more suited to larger "metro" city – areas. The Norfolk-Suffolk area is less suited to this model given the diverse communities, complex internal geographies and varied urban and rural hubs. An alternative model based on a "strong chair" appointed from among the council leaders representing each of the constituent authorities has been submitted to government during the early phase of the negotiation process.

### b) Housing

Housing has been a key issue throughout the negotiation process particularly for those councils with a retained housing stock (council homes). It is considered

that the provision of a mix of different housing tenures including investment in council housing is vital to tackle the affordability crisis and grow the economy.

Whilst the latest deal has earmarked an additional £15m ring fenced for housing in Norwich, there have been no further concessions relating to a return of control over the Housing Revenue Account. The council is also still waiting to hear about the government's approach to the sale of 'High Value Voids' which is expected to further impact the housing revenue account beyond the current impacts of the forced rent reductions.

**c) Capacity issues**

Whilst the deal has earmarked a significant amount of additional resources and powers this has to be considered in the context of the reduction in resources across all Councils who would form part of the combined authority proposed for Norfolk and Suffolk. Additionally there is also a considerable degree of uncertainty over the future funding model for local councils that will be reliant on the generation of sufficient business rates income to withstand further austerity measures that are set to run to the end of the decade. In particular, it is unclear how the government will balance its desire to retain business rates locally with the need to support public services in the areas of greatest need.

**d) Double Devolution**

It is considered that a key principle of the devolution deal should be to strengthen Norwich and the Greater Norwich economy by building on the City Deal partnership and enhance the significant economic potential of Norwich as one of an arc of "fast growth cities alongside Cambridge, Milton Keynes, Oxford and Swindon. Norwich requires the devolution of the full range of resources and powers (not just housing), needed to strengthen the city's economy on whose success the region depends. For the city to function, there is a requirement to have a guarantee of political sovereignty and the necessary resources and powers through "double devolution" to deliver the full economic potential of the City of Norwich and the wider Greater Norwich area.

## **The Norfolk and Suffolk Devolution Deal Agreement**

6. The Norfolk and Suffolk Devolution Deal Agreement is set out at Appendix A to this report. It is based on the East Anglia Devolution Agreement signed by the Chancellor, Secretary of State and Leaders from the Councils across Norfolk, Suffolk and Cambridgeshire in March 2016, but only applies to all Councils in Norfolk and Suffolk.

7. The deal provides for the transfer of new powers and funding to Norfolk and Suffolk from central government relating to infrastructure, housing, economic development, and employment and skills. These measures should help create more jobs, improve the skills and employment prospects of residents and boost the productivity of Norfolk and Suffolk.

8. The specific elements of the deal include:

- a) £25m a year of new money for the next 30 years (£750m) to support economic growth, development of local infrastructure & jobs
- b) £100m over five years of new money to support the building of new homes across Norfolk and Suffolk.

- c) Recognising the housing market conditions in Norwich and Ipswich, Government will also provide the Combined Authority with an additional £30m over five years, split equally for Norwich City and Ipswich Borough, to meet its housing needs. It is expected that the arrangements that will be carried out are those reflected in Appendix E but these are not incorporated in the agreement at present.
- d) A guaranteed £225m annual transport budget for the next five years
- e) Control of an existing c£20m a year Adult skills funding to ensure the training offer match the needs of local businesses and the local labour market
- f) Control of an existing c£2m Apprenticeship Grant for Employers (AGE grant) to enable funding to better meet the needs of local Norfolk and Suffolk employers
- g) Greater control over who delivers transport services in Norfolk and Suffolk, and how, rather than it being imposed on us by Central Government
- h) More control and influence over investment in key roads across Norfolk and Suffolk, so that local priorities and concerns can be met
- i) That relevant authorities and partners take a Norfolk and Suffolk wide approach to flood & coastal risk management to get more for our money and ensure problems aren't just shifted from one area to another
- j) That local authorities work to improve the planning process for residents and businesses

9. Government have been clear that without a Mayor any devolution deal would be much smaller in range and value and this would not deliver Norfolk and Suffolk's ambition.

10. It has also been made clear by Government that there is no opportunity to make amendments to the scope of the deal agreement as set out in appendix A.

## **The Norfolk and Suffolk Governance Review**

11. The Cities and Local Devolution Act 2016 sets out clear statutory processes for establishing a mayoral combined authority and devolving appropriate powers from central government from May 2017. The terms of the governance review which will form the basis for the consultation exercise are set out in Appendix B.

12. The Norfolk and Suffolk deal is one of the first to be progressed under this legislation. It requires the councils covered by the proposal to carry out the following:

- a) undertake a governance review
- b) publish a Draft Governance scheme that explains how a mayoral combined authority would work
- c) undertake a statutory public consultation on the scheme and provide a summary of the consultation responses to the Secretary of State.

13. The governance review sets out the rationale for creating a Norfolk and Suffolk geographic/economic footprint and proposes options for governance. The governance review and the consultation on the draft scheme will enable the Secretary of State to

decide whether the statutory tests on improving the exercise of statutory functions are met and whether it is appropriate to make the order (if parliament approves) establishing the Mayoral Combined Authority. Before making such an order, consent needs to be sought from the constituent councils.

14. A key principle included in the review is that decisions should be taken closest to the level where they will have most impact (subsidiarity/double devolution).

15. The Governance Review recommends that the functional economic area of Norfolk and Suffolk will be best served by the establishment of a Mayoral Combined Authority.

## **Consultation process for the Norfolk and Suffolk Scheme of Governance**

16. The Norfolk and Suffolk Scheme of Governance is set out at Appendix C. Legislation requires devolution deal areas to publish a scheme of governance setting out plans for the scope of the combined authority, the arrangements for local representation, and decision making. The public must be consulted on these arrangements, and the Secretary of State will then take the outcome of consultation into account before further legislation can be taken forward. The proposed form of consultation is shown in Appendix F.

### **Equality Impact Assessment**

17. An initial equality impact assessment has been carried out for the two counties and is attached at appendix D. It is the start of a process and will be further developed by officers across the two counties. It is worth noting that three of the core initiatives proposed as part of the Deal – digital connectivity, infrastructure and transport – have particular potential to enhance access for disabled and older people, who form a large and increasing percentage of Norfolk and Suffolk's population.

### **The Decision**

18. In taking its decision on the matters in this report there will be an opportunity for all members to debate the Deal Agreement, Review and Scheme. However there will not be an opportunity to move amendments (other than minor typographical or corrective changes) to the Deal Agreement, Review or Scheme. The timetable for publication of the Scheme, being no later than 4 July 2016, and the fact that the documents must pass through all 16 councils in Norfolk and Suffolk for agreement or otherwise, does not give a window for further negotiation.

Members will need to decide whether to endorse the Deal Agreement and support publication of the Scheme or reject it. However, they can feed in any comments on the Scheme as part of the consultation process.

If a council decides to reject the Scheme, appropriate changes will need to be made to the Deal Agreement and Scheme prior to publication.

## Conclusion

19. After extensive negotiations between Government and the Norfolk and Suffolk Leaders a proposed Devolution Agreement has been developed. All constituent authorities are being asked to approve the following recommendations:

- a) That, on the basis of the Governance Review, and having regard to any impact on equalities explored in the Equalities Impact Assessment (EqIA) attached appendix D, the Authority concludes that the establishment of a Mayoral Combined Authority for Norfolk and Suffolk is the option which most fully permits the effective discharge of the functions that Government is prepared to devolve to this area.
- b) That the Authority endorses and supports the publication of the draft Scheme for a Norfolk and Suffolk Mayoral Combined Authority as attached to this report for consultation purposes, subject to such final revisions as may be approved by the Chief Executive in consultation with the Leader, and prior to the commencement of the formal consultation exercise. Such formal consultation, on the Scheme, to commence once all Norfolk and Suffolk Councils have considered the matters in this report and, in any event, no later than the 4 July 2016. In the event that a Constituent Authority named in the attached Scheme does not agree to endorse the Deal Agreement and/or the Scheme, the Authority authorises, through its Chief Executive the relevant changes to be made to the Deal Agreement, the Scheme and the Governance Review to reflect that Authority's non-participation.
- c) That the outcome of the consultation exercise is submitted to the Secretary of the State by the Chief Executive in consultation with the Leader, by 9 September.
- d) That council meets by 28 October 2016 to consider giving consent to an Order establishing a Mayoral Combined Authority for Norfolk and Suffolk.
- e) Insofar as any of the matters referred to in this report concern the discharge of functions ancillary to the endorsing and signing of the Norfolk and Suffolk Devolution Agreement and the publication of the Scheme, authority is delegated to the Chief Executive in consultation with the Leader, to take all necessary steps and actions to progress the recommendations detailed in this report.
- f) Negotiations on the Deal agreement have only recently been concluded and the Review and Scheme have been subject to last minute change. In the event that additional powers are required by the Combined Authority to deliver the Deal Agreement, authority is delegated to the Chief Executive in agreement with the other Chief Executives across Norfolk and Suffolk to make the necessary changes to the Scheme
- g) That further reports are presented to the Authority as appropriate as the Devolution process develops.

20. It is a decision for the cabinet to determine whether to endorse the Devolution Agreement and the associated recommendations set out in paragraph 16 above and

authorise the Leader to sign it or decide not to continue with the process leading to the establishment of an Elected Mayor and Combined Authority for East Anglia.

21. The council is also asked to consider the devolution agreement (Appendix A), the governance review (Appendix B), the publication of the Scheme of Governance (Appendix C) and the Impact Assessment (Appendix D). This will allow the cabinet to report to the Secretary of State such views to inform his decision on the Devolution Deal and the Scheme for the Mayoral Combined Authority.

## 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

<b>Committee:</b>	Council
<b>Committee date:</b>	28/06/2016
<b>Head of service:</b>	Executive head of regeneration and development
<b>Report subject:</b>	The devolution of powers and resources to East Anglia
<b>Date assessed:</b>	16 <sup>th</sup> June 2016
<b>Description:</b>	

	Impact			
<b>Economic (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Finance (value for money)</b>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	It depends on the outcome of business rates retention, high value voids determination and further reductions in public expenditure.
<b>Other departments and services e.g. office facilities, customer contact</b>	X <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>ICT services</b>	X <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Economic development</b>	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	
<b>Financial inclusion</b>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See above
<b>Social (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Safeguarding children and adults</b>	X <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b><u>S17 crime and disorder act 1998</u></b>	X <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Human Rights Act 1998</b>	X <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Health and well being</b>	x <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See above
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Relations between groups (cohesion)</b>	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	X <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Transportation	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	X <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	
<b>(Please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Risk management	<input type="checkbox"/>	X <input type="checkbox"/>	<input type="checkbox"/>	

<b>Recommendations from impact assessment</b>
<b>Positive</b>
<b>Negative</b>
<b>Neutral</b>
<b>Issues</b>

Appendix A

The Norfolk and Suffolk  
Devolution  
Agreement

June 2016

Implementation of this agreement is subject to the completion of the statutory processes and approval of all local authorities which are party to the deal.



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## **The Norfolk and Suffolk Devolution Agreement**

This document sets out the terms of an enabling document for a proposed agreement between: Government, the 16 local authorities covering Norfolk and Suffolk and the New Anglia Local Enterprise Partnership to devolve a range of funding, powers and responsibilities.

It should be considered as part of the Government's devolution to East Anglia.

This Devolution Agreement builds on, but is separate to the Greater Ipswich City Deal, Greater Norwich City Deal agreed in 2013 and the New Anglia Growth Deals agreed in 2014 and 2015. It marks an important next step in the transfer of resources, powers and accountability from central Government to local partners.

The agreement below sets out the current devolution proposal for Norfolk and Suffolk which it is agreed that leaders will take to each council for full debate and consultation with relevant local stakeholders. This process is to be completed by no later than the end of June. The consenting councils may include additional councils to those which are party to this agreement if such councils decide no later than the end of June (allowing the statutory process to be launched in early July) that they wish to become a party to the deal. In return for this level of devolution and local control Norfolk and Suffolk will establish a Combined Authority, with a directly Elected Mayor in place by 2017 with interim arrangements in place in 2016/17.

### **The Opportunity**

Norfolk and Suffolk share a unique geography and a mix of urban, rural and coastal communities – close to but very distinct from London with a firm focus beyond our borders both within the UK and internationally, with our Europe facing world class energy coastline and the UK's largest container port.

The two counties represent a £34billion economy and one of the fastest growing areas of the UK. 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:

- National hubs for key business sectors that need to be nurtured to become magnets for global inward investment such as:
  - An all-energy coast at the centre of the world's largest market for offshore wind that is worth about £994 million per annum,
  - Globally-leading research in life sciences worth £1.3 billion across Norfolk and Suffolk
  - agri-tech – a fast growing sector with huge commercial potential worth £2.2 billion GVA per annum almost 10% of Norfolk-Suffolk GVA
  - Pioneering technical innovations in ICT research and development worth £1.3 billion with 1, 400 companies employing around 10 300 people
  - Felixstowe - the UK's busiest container port

- A fast-growing creative digital sector, recently recognised by Tech City UK
- Market-leading food and drink producers
- A first-class cultural heritage means 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
- 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
- An innovative, collaborative and mature public sector that is willing to be bold in transforming public services
- A wealth of local assets including our communities themselves and partners beyond the public sector such as, business and the VCS

Devolution offers a generational opportunity to accelerate growth in the local and national economy whilst improving the life chances and quality of life for every resident in Norfolk and Suffolk. It is a diverse and dynamic area including cities, rural and coastal communities with a globally significant economic offer.

Working with neighbouring partners, the Norfolk and Suffolk Combined Authority has a phenomenal opportunity to create a better connected region, spreading and retaining the wealth, building the rural economy and improving the digital and broadband offer in supporting SMEs. With dramatically improved connectivity and the scale and opportunity to exploit local global leadership, there is the opportunity to address the grand challenges facing long-term human, environmental and economic sustainability to make a step change in the local economy.

### **Delivering on this opportunity**

There is much more to be done and this deal can only be the start. The deal represents an invitation to local councils and business to come together and set out a compelling Business Plan of connected growth for how this programme can be implemented and identify further reforms and mechanisms for unlocking new avenues of investment.

Norfolk and Suffolk will work with local Councils, New Anglia LEP, Government Departments and Agencies on their joint comprehensive business plan for Norfolk and Suffolk to be drawn up over the next six months. To avoid divergence this will build on the diversity of assets across the Norfolk and Suffolk economic area such as it's: ports, all energy coastline, world class universities and research; its leading role in advanced manufacturing and ICT and will identify ways to grow its economy. It will also build on areas of mutual benefit particularly with Cambridgeshire and

Peterborough Combined Authority to boost productivity for example, infrastructure and transport. Central to this model of connected growth Norfolk and Suffolk will set out a number of core initiatives:

- A step change in infrastructure delivery with an integrated approach to planning of road, rail and digital connectivity alongside land for new housing and business
- The principle of Double Devolution of powers to local areas working with the Mayor to take responsibility and accountability for housing and infrastructure delivery in their own areas
- Becoming the UK's truly connected region in respect of communications and transport connections. Linking research-based growth in the cities with even the most rural villages. Improvements to road & rail infrastructure and using smart ticketing will make it easier for residents to participate fully in the economy and travel across transport modes
- Devising new models of private/public infrastructure & housing funding to fund strategic capital infrastructure
- A new partnership between the universities and FE providers in the region to drive a programme of co-ordinated skills and educational improvement to deliver the knowledge based economy
- Areas of joint collaboration with Cambridgeshire and Peterborough – to include features such as transport, infrastructure and skills where solutions are required pan region
- Arrangements with other areas that represent the recognised economic growth opportunities. This will include: Essex, Bedfordshire, Hertfordshire, Lincolnshire, Northamptonshire, and Rutland

This Business Plan will form the basis of a single and co-ordinated second devolution proposal from Norfolk and Suffolk to Government in the Autumn with the ambition of empowering the directly elected Mayors for the two Combined Authorities with the powers, tools and resources to unleash the potential of the area with the main objective to build a successful and dynamic economy in the short term and make a substantial contribution to keeping the United Kingdom in the first economic rank of nations for generations to come. Exploiting these powers at a local level will make a substantial contribution to this.

This document provides for the transfer of significant resources and powers from central government to the region including for infrastructure, housing, economic development, and employment and skills, which will positively impact on the lives of residents by helping create more jobs, improving the skills and employment prospects of residents and boosting the productivity of Norfolk and Suffolk.

## **Summary of the proposed devolution agreement between government and the leaders of the 16 local authorities with the support of the New Anglia Local Enterprise Partnership.**

A new, directly elected Mayor will act as Chair to the Norfolk and Suffolk Combined Authority and will exercise the following powers and functions devolved from central Government:

- Responsibility for a multi-year, consolidated and, devolved local transport budget
- Responsibility for a new Key Route Network of local authority roads that will be managed and maintained by the Combined Authority on behalf of the Mayor
- Powers over strategic planning and housing, including £100m (out to 20/21) ring-fenced funding to deliver an ambitious target of new homes, the responsibility to create a non-statutory spatial framework for Norfolk and Suffolk and to develop with government a Land Commission and to chair The Norfolk and Suffolk Joint Assets Board for economic assets

The new Norfolk and Suffolk Combined Authority, working with the Mayor, will receive the following powers:

- Control of a new additional £25m a year funding allocation over 30 years, to be invested to The Norfolk and Suffolk Single Investment Fund, to boost growth. Recognising the housing market conditions in Norwich and Ipswich, Government will provide the Combined Authority with an additional £30m over five years split equally for Norwich City and Ipswich Borough to meet their housing needs.
- Responsibility for chairing an area-based review of 16+ skills provision, the outcomes of which will be taken forward in line with the principles of the devolved arrangements, and devolved 19+ adult skills funding from 2018/19
- Joint responsibility with the government and the single Employment and Skills Board covering the Norfolk and Suffolk Combined Authority and the Cambridgeshire and Peterborough Combined Authority to co-design the new National Work and Health Programme designed to focus on those with a health condition or disability and the very long term unemployed

Further powers may be agreed over time and included in future legislation.

## **GOVERNANCE**

1. Strengthened governance is an essential pre-requisite to any further devolution of powers to any local area. Through this deal Norfolk and Suffolk will establish a Combined Authority and introduce a directly elected Mayor over the Combined Authority's area, with the first elections in May 2017. This takes the next step in transferring resources and powers from central Government to Norfolk and Suffolk. There is no intention for the Combined Authority to take existing powers from local authorities or existing city deal governance structures or funding without agreement.
2. The local authorities of Norfolk and Suffolk recognise and have agreed that the principle of subsidiarity should apply to the discharge of functions by the Mayor and Combined Authority and governance of this devolution deal. Norfolk and Suffolk and the Government agree to work on a model of devolution that aligns the regional strategic ambition expressed by the Mayor and the Combined Authority with local accountability and incentives for delivery at a local level based on functional economic geographies.
3. The directly elected Mayor for the Norfolk and Suffolk Combined Authority will autonomously exercise new powers. The Mayor will chair the Combined Authority, the members of which will serve as the Mayor's Cabinet (unless determined otherwise as part of the Authority's constitution). The Mayor and the Combined Authority will be scrutinised and held to account by the Overview and Scrutiny committees. The Mayor will also be required to consult the Combined Authority Cabinet on his/her strategies and his/her spending plans, which it may reject if a two-thirds majority vote to do so. The nature of voting arrangements for particular decisions within the two-thirds majority will be determined unanimously through the Authority's Constitution.
4. The Norfolk and Suffolk Mayor will be required to consult the Norfolk and Suffolk Combined Authority on his/her transport plan, which it may reject if a two-thirds majority vote to do so, subject to that majority including the votes of Norfolk and Suffolk County Councils.
5. Proposals for decision by the Combined Authority may be put forward by the Mayor or any Cabinet Member. The Mayor will have one vote as will other voting members. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, subject to that majority including the vote of the Mayor, unless otherwise set out in legislation, or specifically delegated through the Authority's Constitution.
6. The Mayor and the other members of the Combined Authority will be required to work closely together. Specifically:
  - a. the Mayor will provide overall leadership and chair Combined Authority meetings;
  - b. the Cabinet Model, where the leaders have a clear portfolio of responsibilities, will act as a supporting and advisory function to the Mayor and Combined

Authority in respective policy areas; and

- c. the Mayor will also be a member of New Anglia LEP, alongside the other members of the Combined Authority, recognising the importance of New Anglia LEP's role and the private sector in any growth strategies or delivery.
7. The Norfolk and Suffolk Combined Authority will work with the Cambridgeshire and Peterborough Combined Authority on a range of strategic issues that deliver economic growth to East Anglia. The areas of strategic economic importance for joint working will include Transport, Infrastructure, Higher Education and Skills. This will be recognised through the governance arrangements for both Combined Authorities, and specifically through the establishment of the Cambridgeshire, Norfolk, Peterborough and Suffolk Joint Committee.
8. The Combined Authority will seek to develop arrangements with other Combined Authorities and other areas in order to progress strategic regional issues and to accelerate growth in recognised areas of economic geography.

## **FINANCE AND FUNDING**

9. The Combined Authority will create and manage a single pot which will be used by the Combined Authority to invest in economic growth, helping to accelerate housing delivery and job creation. The Government will work with the Combined Authority to agree specific funding flexibilities which will be pooled into the Single Pot. This will comprise a flexible, multi-year settlement providing the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding statutory duties. Government expects to disburse this agreed settlement to the Combined Authority annually in advance.
10. The Government agrees to allocate an additional £25million per annum of 60% capital and 40% revenue for 30 years, which will form part of and capitalise the Combined Authority single pot. This will be invested in Norfolk and Suffolk. The Combined Authority will use this fund to unlock investment in infrastructure and deliver economic growth. Recognising the housing market conditions in Norwich and Ipswich, Government will supplement this with an additional £30m capital over the first five year period split equally for Norwich City and Ipswich Borough to meet its housing needs. The fund will be subject to 5-yearly gateway assessments to evaluate whether spend has contributed to national growth. The fund will also be delivered in line with a local single pot assurance framework, based upon the guidance and agreed with the Government.
11. Following the implementation of the necessary primary legislation, the Mayor will be given the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the business members of the New Anglia Local Enterprise Partnership, up to a cap.
12. Through devolution, the area is seeking greater influence and decision making in respect of the European Structural Investment Funds 2014-2020 (European Regional Development Fund (ERDF), European Social Funds (ESF) and the EU Growth

Programme element of the European Agricultural Fund for Rural Development (EAFRD)). This will allow the area to integrate and align investments with other aspects of the devolution deal and local economic priorities, to improve performance and maximise economic impact. In order to deliver these objectives the Combined Authority is seeking Intermediate Body Status for ERDF, ESF and the EU Growth Programme part of EAFRD funding. Government will work with the Combined Authority to test whether it will be possible to implement and if so, Government and the Combined Authority will work together to agree a timescale to put this in place and develop an agreement between each Managing Authority and the Intermediate Body that will contain details of delegated responsibilities and accountabilities, performance management, resources, their funding and payment arrangements and other relevant details.

13. The Government and local partners will explore how funding for infrastructure can be raised through Community Infrastructure Levy, taking account of the outcomes of the CIL Review.
14. The Combined Authority and Government will extend the existing pilot allowing some authorities to retain 100% of any additional business rate growth beyond an agreed baseline to apply across Norfolk and Suffolk.
15. Government will work with local authorities in Norfolk and Suffolk to shape and influence the design of the new Local Government Finance system based on the localisation of business rates in advance of its universal introduction in 2020.

## **HOUSING AND PLANNING**

16. The Combined Authority, with its partner authorities, will use the powers and infrastructure resources devolved from central government, alongside local public and private investment, to substantially increase housing delivery.
17. They will support an ambitious target for increasing new homes delivery, jointly agreed with the Department for Communities and Local Government, which reflects latest assessments of housing need, and will report annually on progress against this target.
18. They will bring forward proposals as an integral part of the business plan by the summer on how they will do this. This will include proposals to deliver the immediate 40,000 homes needed over the period 2016-2021 and 200,000 homes over the longer period of Local Plans.
19. In addition to gain share funding as part of this, local authorities will bring forward within six months a non-statutory strategic infrastructure delivery plan which identifies infrastructure needed to support the increased funding of new homes, and proposals to fund this through devolved infrastructure funds, through national programmes and through local funding.
20. The Combined Authority will work with Government and its agencies to co-invest in new homes, unlock barriers to growth, and plan and prioritise investment in

associated infrastructure (including transport, schools and healthcare).

21. All planning authorities in Norfolk and Suffolk commit to have adopted or published Local Plans by 2017 which reflect overall assessments of housing need.
22. Government will ringfence £100 million of capital grant (out to 20/21) for Norfolk and Suffolk to deliver an ambitious target of new homes in line with national targets. This will primarily be to deliver Shared Ownership, but Norfolk and Suffolk will have flexibility over 15% of the funding to achieve the right tenure mix for the area. This 15% could include rental products as well as affordable homeownership. Norfolk and Suffolk will need to agree specific proposals for all of these funds with the Government to ensure value for money and sufficient housing outputs. Norfolk and Suffolk will be free to recycle receipts from any resulting sales to reinvest in new housing. The fund would be subject to a business case, targeted at areas with the most significant affordability challenges, and would be delivered in line with the single pot assurance framework guidance and via section 31 grant agreement.
23. Subject to the Housing and Planning Bill, local authorities in Norfolk and Suffolk will by agreement with the Secretary of State retain a proportion of the receipts from the sale of high value assets to fund additional homes. The proportion will be agreed with the Secretary of State for Communities and Local Government.
24. The Mayor will exercise strategic planning powers to support and accelerate these ambitions. These will include the power to:
  - a. Create a non-statutory spatial framework, which will act as the framework for planning across the Combined Authority area, and for the future development of Local Plans. The spatial framework will need to be approved by unanimous vote of the members appointed by constituent councils of the Norfolk and Suffolk mayoral Combined Authority. This approach must not delay the production of Local Plans.
  - b. Create non-statutory supplementary planning documents subject to the approval process above.
  - c. Be consulted on planning applications of strategic importance in the Combined Authority area.
  - d. Create Mayoral Development Corporations or similar delivery vehicles, with planning and land assembly powers, which will support delivery of strategic sites in the Combined Authority area. This power will be exercised with the consent of the cabinet member in which the development corporation is to be used.
25. To support delivery of these commitments the Combined Authority and Government agree to:
  - a. Establish a Joint Investment and Assets Board to review all land and property (including surplus property and land) held by the public sector (including central Government departments, Local Authorities, the NHS, HCA and MoD land), building on the success of the One Public Estate Programme and to work together to invest in our strategic infrastructure priorities. The Board will

include senior representatives from Government. Only assets which are agreed by local authorities and other members will be in scope for review.

- b. The Board will ensure there is a sufficient, balanced supply of readily available sites for commercial and residential development to meet the demands of a growing economy. It will create a Land Commission to develop a comprehensive database of available public and private sector land (prioritising large sites), identify barriers to its disposal/development, and develop solutions to address those barriers to help the Combined Authority meet its housing goals and to unlock more land for employment use.
  - c. Strong partnership to support key large housing sites (1,500 homes +) with brokerage at the local (through Homes and Communities Agency support) and central government level to help resolve barriers, with utility companies, or government agencies, which are holding up the development process. There will be continued discussions to secure longer term frameworks for funding of key sites, subject to the development of a business case, value for money and other funding criteria.
  - d. Work with local areas' ambitions for new housing settlements, including a new settlement in West Norfolk based on garden town principles. Subject to Parliament, the Government intends to strengthen legislation to make it easier to set up new town style vehicles.
  - e. Stronger partnership and strategic decision-making arrangements with the Homes and Communities Agency to ensure that the strategic housing objectives are delivered, and that centrally and locally managed investment is in strategic alignment.
  - f. Support the development of proposals for ambitious reforms in the way that planning services are delivered, and which can enable greater flexibility in the way that fees are set, with a particular focus on proposals which can streamline the process for applicants and accelerate decision making.
  - g. Government will work with the Combined Authority and LEP to support local regeneration by helping the Combined Authority to create a strong portfolio of investment opportunities.
26. Government will support the work of the Ipswich Vision partnership to deliver their ambitions to regenerate the town; supporting town centre redevelopment by improving the retail offer and introducing more leisure, commercial and residential provision and, as a significant economic lever, Government will consider the Combined Authority's development of a business case for the Ipswich Northern Relief Road in the context of any application made by the LEP to the Local Growth Fund. Government will explore opportunities around transport led regeneration in Ipswich and will support improvements to Ipswich's retail offer, diversification of the night time economy and improvements to the public realm by offering Ipswich the opportunity to undertake a Digital High Street pilot and identifying opportunities to fund public realm improvements, such as through the Coastal Communities Fund.

27. Greater Norwich is one of the fastest growing parts of the country and establishing itself as a leader in science, technology and manufacturing. The Combined Authority will work with Government and the Greater Norwich Growth Board to support the delivery of the Broadland, Norwich and South Norfolk Joint Core Strategy. Building on the Greater Norwich City Deal to fulfil the area's economic potential with particular focus on turning world class knowledge and ideas into world class jobs, building on existing opportunities such as: the Norwich Research Park, City Centre digital creative cluster, Norwich International Airport aviation cluster and proposed Food Hub.

### **THE CONNECTED ECONOMY- TRANSPORT AND DIGITAL**

28. Norfolk and Suffolk recognise that to meet and exceed their ambitious targets for growth and wealth creation they need to connect people and places to enable them both physically and digitally, transform into a powerful connected region.

29. The Government commits to engaging with the Mayor and Combined Authority on a number of specific initiatives to improve the physical and digital connections within the area with the ambition of making Norfolk and Suffolk a truly connected region with two principle themes.

- a. Transport and the physical connections between communities, which is the key to unlocking sustainable growth
- b. Digital infrastructure and the connected economy with the objective of becoming a truly digitally connected region of the UK.

30. A new, directly elected Mayor of the proposed Norfolk and Suffolk Combined Authority will:

- a. Take responsibility for a devolved and consolidated multi-year local transport budget for the area of the Combined Authority (i.e. the areas of the constituent councils). This will form part of the single pot to be controlled by the directly elected Mayor. Functions will be devolved to the proposed Combined Authority accordingly, to be exercised by the Mayor. The devolved budget will not form part of the Investment fund's gateway reviews.
- b. Take responsibility for a new Key Route Network of local authority roads; the management and maintenance of which will be undertaken by the proposed Combined Authority on behalf of the Mayor. To support this all relevant local roads maintenance funding will be devolved as part of the Mayor's consolidated multi-year local transport budget. This will support the delivery of a single asset management plan, working towards shared procurement frameworks and operational delivery for road maintenance amongst all partners across the Key Route Network and local authority network in the Combined Authority area.
- c. Have the ability to franchise bus services in the region, subject to necessary legislation and local consultation and agreement. This will be enabled through a specific Buses Bill which will provide for the necessary functions to be devolved. This will support the Combined Authority's ambitions in delivering a high

quality bus network and in enhancing the local bus offer, although the Combined Authority will also be exploring the use of an 'Enhanced Partnership' model for local bus services in the constituent local authorities subject to local consultation. This includes the delivery of smart and integrated ticketing, local branding and provision of minimum standards across the network.

31. In addition and as part of the deal:

- a. In order to meet the needs of local communities, the Combined Authority seeks to adopt an integrated approach to local buses, community based transport, the local network of car clubs and, in partnership with rail operators and Network Rail, rail services.
- b. The Combined Authority will build on existing smart ticketing knowledge and expertise developed locally through schemes including the Managed Service Smart Ticketing Pilot in Norfolk, funded by the Department for Transport and the Endeavour Card funded and delivered by Suffolk County Council to determine the best method for a smart and integrated ticketing system across its area.
- c. In establishing the Combined Authority, appropriate local transport functions will be conferred to the Combined Authority and exercised by the Mayor. In addition, a single policy and delivery body will be created covering the same area in order to determine, manage and deliver the Mayor's transport plans and the delivery of integrated public transport networks for the region.

32. Norfolk and Suffolk will work with local partners to consider how best to establish a Sub-national Transport Body (STB) to ensure that Norfolk and Suffolk and its neighbouring areas, notably Cambridgeshire, Peterborough, Lincolnshire, Northamptonshire, Rutland, Essex, Hertfordshire, Bedfordshire and the Cambridge-to-Oxford arc, can best work together to influence strategic national transport investment. This includes making the case for East-West Rail, in line with the STBs being progressed in other parts of the country, such as Transport for the North (TfN) and Midlands Connect. It could also accelerate and support local partners in making the case to reopen Soham Railway Station and for double tracking and for reinstating the loop known as the Newmarket Curve, in the context of a potential bid to the Local Growth Fund. The Government recognises that Ely North Junction area capacity improvements provide a key opportunity to open up East Anglia and deliver significant economic value and improve connectivity. Government will work with local stakeholders and Network Rail to deliver the required upgrade commencing work in Control Period 6 (2019-24).

33. The Government reaffirms commitment to help unlock the £4.5bn economic benefits and 50,000 new jobs from rail improvements, identified by the work of the Great Eastern Main Line Taskforce. This includes replacement rolling stock as part of the new East Anglia franchise and infrastructure upgrades. The Government will also continue to assist the West Anglia Main Line Task Force as it develops a business case for improving the rail corridor between Kings Lynn and London Kings Cross via Cambridge.

34. The Combined Authority recognises the significance of the dualling of the A47

including Acle Straight and the third river crossing for Great Yarmouth. Government has received a bid for development funding for the Great Yarmouth crossing scheme and will give full consideration to the bid and proposed timetable for delivery.

## **FLOOD DEFENCE AND COASTAL MANAGEMENT**

35. Government recognises that Norfolk and Suffolk are subject to significant strategic and local flood risk. To manage and mitigate these risks the Combined Authority will work with Government and relevant bodies to create a fully integrated approach to flood and coastal risk management. This is required in order to secure timely decisions and funding that maximise our ability to reduce risk and to deliver additional economic growth. This will be achieved through:
- a. Alignment of investment plans in using resources to unlock new business development opportunities and attract additional funding including private contributions, whilst maintaining and, where possible, enhancing national and local commitments to protect people, property and land from flooding
  - b. Pre-emptive action to deliver solutions to reduce risk and increase resilience during severe weather events, preventing blight and increasing economic confidence
  - c. A consistent approach to assessing flood and coastal risk, benefits across schemes and maintenance plans to maximise economic and social impact
  - d. Simplification and alignment of funding mechanisms in order to make processes transparent, locally accountable, efficient and deliver targeted local investment needs
  - e. Integrating local understanding of needs and benefits into the flood and coastal erosion risk management economic assessment approach
36. Following the scoping report currently underway, the government will work with local partners in Bacton and Walcott, which will help protect local communities from coastal erosion. The Environment Agency will contribute £1.8m towards the cost of a project to better protect Bacton and Walcott, and will keep this further investment under review alongside other partners including the LEP. At the same time the EA will continue to work with the terminal operators and local partners to develop the scheme and help secure the additional contributions required.

## **LEARNING AND SKILLS**

37. To ensure continued collaboration the Combined Authority will, with the Regional Schools Commissioner and other key local education stakeholders establish an Education Committee. The Regional Schools Commissioner will work with the committee to provide strategic direction on education across the Combined Authority area.
38. The Government commits to an Area Review of post-16 education and training,

currently expected to start in November 2016, excluding Great Yarmouth and Lowestoft where a Review has already been conducted during 2015. As part of the Area Based Reviews, the Combined Authority will gather data to feed into the development of a potential proposal for an Institute of Technology (IoT) for regionally significant sectors, and will discuss with Government the extent to which this meets the criteria which are being developed for IoTs nationally. The outcome of the Area Review will be taken forward in line with the principles of the devolved arrangements. The review will include all post-16 education and training provision in the initial scoping phase and school sixth forms will be included in the detailed review if the school decides to be involved in the process. Recommendations will be focused on General FE and Sixth Form Colleges, however the Regional School Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.

39. Government recognises the progress the LEP, local colleges and providers and the private sector have made in improving skills provision across Norfolk and Suffolk. The New Anglia Employment and Skills Board will consider if further refinement of their local skills strategies will be required after the conclusion of the Area Reviews to ensure that post-16 providers are delivering the skills that local employers require. It is expected that the LEP Skills Board will continue to collaborate with colleges and providers, with appropriate support from the Education Funding Agency to work towards delivering this plan.
40. The Government will enable local commissioning of outcomes to be achieved from 19+ Adult Education Budget starting in academic year 17/18; and will fully devolve budgets to the Combined Authority from academic year 2018/19 (subject to readiness conditions). These arrangements will not cover apprenticeships.
41. The Combined Authority will focus a greater proportion of its devolved Adult Education Budget on learning that delivers sustained job outcomes, productivity and economic growth.
42. Devolution will proceed in two stages, across the next three academic years:
  - a. Starting now the Norfolk and Suffolk Combined Authority will begin to prepare for local commissioning. For the 2017/18 academic year, and following the area review, government will work with The Norfolk and Suffolk Combined Authority to vary the block grant allocations made to providers, within an agreed framework.
  - b. From 2018/19, there will be full devolution of funding. The Norfolk and Suffolk Combined Authority will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to local/combined authorities will need to take into account a range of demographic, educational and labour market factors; it will also need to take account of costs of implementing devolution and continuing operational expenditure.

43. The readiness conditions for full devolution are that:
- a. Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.
  - b. Completion of the Area Review process leading to a sustainable provider base.
  - c. After Area Reviews are completed, agreed arrangements are in place between central government and the Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base.
  - d. Clear principles and arrangements have been agreed between central government and the Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and national interest and protecting the taxpayer from unnecessary expenditure and liabilities.
  - e. Learner protection and minimum standards arrangements are in agreed.
  - f. Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.
44. Government recognises that Norfolk and Suffolk have a wealth of higher education strengths such as the University of East Anglia, University Campus Suffolk and Norwich University of the Arts. This higher education offer has a vital role in enhancing the innovation and productivity of the area's economy. Local partners want to work with Government to build on this, including local investment in the institutions to develop their academic and research offer, such as, University Campus Suffolk which has obtained independent university status and will become the University of Suffolk in August 2016. Other proposals include plans in Ipswich by BT, Cambridge University and University Campus Suffolk focused on future developments in ICT and the Internet of Things.

## **APPRENTICESHIPS**

45. Government recognises Norfolk and Suffolk's commitment to delivering more apprenticeships. The Norfolk and Suffolk Combined Authority will assume responsibility for the Apprenticeship Grant for Employers (AGE). The AGE funding must be used alongside mainstream apprenticeship participation funding to incentivise employers to offer apprenticeships, but The Norfolk and Suffolk Combined Authority is free to vary the criteria associated with the grant (e.g. size and sector of business) to meet local needs. The Skills Funding Agency will work with The Norfolk and Suffolk Combined Authority to identify an appropriate share.
46. The Norfolk and Suffolk Combined Authority and the government will collaborate to maximise the opportunities presented by the introduction of the apprenticeship

reforms, including the levy, and to work together on promoting the benefits of apprenticeships to employers in order to engage more small businesses in the apprenticeship programme. The Combined Authority will explore the potential of introducing an Apprenticeship Training Agency to the area, funded through local resources.

## **EMPLOYMENT**

47. The Combined Authorities of Cambridgeshire and Peterborough and Norfolk and Suffolk will work together in jointly delivering the following commitments with Government, through a single Employment and Skills board covering both of the Combined Authorities.
48. The Combined Authorities will work with the Department for Work and Pensions (DWP) to establish a locally integrated employment service which joins together the elements of the employment system to achieve better outcomes. This includes:
49. The Combined Authorities commit to working with Government to ensure all young people are either earning or learning including supporting Jobcentre Plus in the delivery of the Youth Obligation from April 2017.
50. Government commits to ensuring all young people are either earning or learning and to exploring opportunities for links with local employment services to support this aim, including building in good practice from the present local MyGo service and other local provision. The Combined Authorities commits to supporting the Youth Obligation by utilising its strong local links to business to create work-related training and labour market opportunities for young people including encouraging the provision of apprenticeships and work placements in the local community. It will also work with Government to investigate the potential for social investment, in particular Social Impact Bonds, for disadvantaged young people not in education, employment or training who may not be in receipt of support from Jobcentre Plus.
51. The Combined Authorities will work with DWP to co-design the new National Work and Health Programme designed to focus on those with a health condition or disability and the very long term unemployed.
52. The respective roles of DWP and the Combined Authorities in the co-design will include:
  - a. DWP sets the funding envelope, the Combined Authorities can top up if they wish to, but are not required to.
  - b. The Combined Authorities will set out how they will join up local public services in order to improve outcomes for this group, particularly how they will work with the Clinical Commissioning Groups/third sector to enable timely health-based support. There will be a particular focus on ensuring the integration of the new programme with local services, in order to ensure that national and local provision works well together, and opportunities for greater integration are identified and levered.

- c. DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. The Combined Authorities will have some flexibility to determine specific local outcomes that reflect local labour market priorities, these outcomes should be complementary to the ultimate employment outcome. In determining the local outcome(s) the Combined Authorities should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.
  - d. Before delivery commences, DWP and the Combined Authorities will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concern that arise.
  - e. DWP to facilitate protocols for data sharing and transparency by tackling some of the obstacles and developing solutions to enable the Combined Authorities to develop a strategic needs assessment for the area.
53. The Combined Authorities will co-commission the Work and Health programme with DWP. The respective roles of DWP and the Combined Authorities will include:
- a. DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from the Combined Authorities on contract package area geography.
  - b. The Combined Authorities will be involved in tender evaluation.
  - c. Providers will be solely accountable to DWP, but DWP and the Combined Authorities' above-mentioned agreement will include a mechanism by which the Combined Authorities can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate.

### **Further activity to Improve Life Chances**

54. The Combined Authorities will set out how they will join up local public services across health, skills and employment in order to improve outcomes, particularly how they will work with local Clinical Commissioning Groups/third sector organisations and NHS England / the Health and Work Unit nationally to enable timely health-based support.
55. DWP will work with the Combined Authorities and other partners to put in place workable data sharing arrangements which enable the integration of services and reduce duplication in order to support more people into work.

## **Career and pay progression**

56. The Government will work with the Combined Authorities to ensure that local priorities are fed into the provision of career advice, through direct involvement and collaboration with the government in the design of local careers and enterprise provision for all ages, including continued collaboration with the Careers and Enterprise Company and the National Careers Service.
57. The Combined Authorities will develop a business case for an innovative pilot to support career and pay progression for those claiming Universal Credit. The business case will set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans to enable the proposal to be taken forward, subject to Ministerial approval and an agreed investment plan.

## **BUSINESS SUPPORT**

58. Government will participate in and support the work of Norfolk and Suffolk's Productivity Commission as a National Pilot Project to improve the productivity of the local economy by:
- a. Examining the productivity challenges facing local key sectors and the definition of productivity in each sector
  - b. Examining best practice locally, nationally and globally, at tackling these challenges
  - c. Building on the government's 10-point plan for rural productivity
  - d. Assessing how central and local policies are assisting with the productivity challenges and how they can be made to work better
  - e. Developing a Productivity Plan bringing together best practice and policy recommendations
  - f. Overseeing implementation of the plan and evaluate its impact
  - g. Making available findings and actions for roll-out in other parts of the country
59. Norfolk and Suffolk's Productivity Commission will be chaired by a senior business figure, co-ordinated by the LEP, funded by local partners and able to capitalise on business-led sector group structures established by the LEP.
60. Local partners will successfully deliver the New Anglia Enterprise Zones and the extension to the Great Yarmouth and Lowestoft Enterprise Zone as announced on 25 November following the 2015 application round. DCLG will agree with the LEP memoranda of understanding about the high level management and delivery of both the new EZs and the extension. Government commits to supporting local partners in promoting and supporting the delivery of the Enterprise Zones as well as considering any further proposals subject to future funding rounds.

61. The LEP will continue to deliver strong Growth Hubs, providing business support tailored to meet local needs across Norfolk and Suffolk. Government will provide funding to help embed the Growth Hubs in 2016/17 and 2017/18.
62. The Combined Authority, Local Authorities and LEP commit to greater alignment of economic development resources to maximise impact of support for businesses and ensure the most efficient and effective use of public funding. This will include agreeing joint objectives to support the delivery of the Strategic Economic Plans and local plans and explore the pooling of staffing and resources.
63. Government recognises the work of the New Anglia Oil and Gas Task Force, established to support the businesses and employees who are being affected by the recent downturn in the oil and gas sector. The New Anglia Task Force will provide intelligence on the state of the local sector to Government's Inter Ministerial Group, to help shape national policy to support for the sector. Government will engage with the Task Force to ensure that UK Oil and Gas workforce plan which is currently under development aligns with and enhances measures being taken locally.
64. New Anglia LEP and the Combined Authority commit to working with UKTI, strengthen joint working to increase inward investment and exporting. Local partners will invest in a concerted campaign to help more businesses, particularly smaller companies, export.
65. New Anglia LEP, the Growth Hubs and Local Authorities will work with Government to develop a strategic approach to regulatory delivery, building on the Better Business for All national programme which will remove regulatory barriers to growth for businesses.
66. Government supports the vision for innovation set out by Norfolk and Suffolk and recognises the importance of the delivery of this vision for the region's future economic growth. The government will offer Norfolk and Suffolk expert advice and support through the Smart Specialisation Advisory Hub, and associated workshops, to support activities part-funded by the European Regional Development Fund. Government also recognises Norwich's growing capability in the area of food and health research, as evidence by the announcement of the Quadram Institute in Budget 2016, and would be interested in the area's views on how Norfolk and Suffolk can capitalise on this strength.

## **HEALTH AND SOCIAL CARE**

67. Norfolk and Suffolk face significant demographic challenges that are putting pressure on resources now and in future years. For example, the population of the area contains more residents over the age of 75 than the average for England and this group is expected to continue to grow significantly.
68. Local progress has already been made towards greater integration of health and social care in Norfolk and Suffolk where they have developed local integrated services that support and improve the delivery of health and social care for people

in their areas.

69. There is appetite to build on these foundations and make further progress on health and social care integration in order to deliver the Spending Review commitment to integrate health and social care by 2020, and to make the most efficient and effective use of public resources to meet the demographic challenges that lie ahead. Integrating such complex services will require re-shaping the whole system, which can only be achieved through careful planning, a shared vision and strong co-operation between local partners. This Devolution Deal signals a commitment to take forward the goal of improving local services and building resilience for future generations.
70. To deliver this shared vision, partnerships between local authorities, clinical commissioning groups, service providers and other local partners will need to be strengthened significantly. Therefore, these parties will work together, with support from Government, NHS England and other national partners as appropriate, to support each of the counties through their Sustainability and Transformation Planning process to set out plans for moving progressively towards integration of health and social care, bringing together local health and social care resources to improve outcomes for residents and reduce pressure on Accident and Emergency and avoidable hospital admissions.
71. NHS England and local organisations will remain accountable for meeting the full range of their statutory duties.

### **PUBLIC SERVICE REFORM**

72. The Government and the Combined Authority will work with relevant central and local statutory and non-statutory sector partners to explore innovative and integrated approaches to redesigning sustainable public services across Norfolk and Suffolk with a focus on prevention and early help.

### **THE NORFOLK AND SUFFOLK COMBINED AUTHORITY COMMITMENTS**

73. The Combined Authority is accountable to local people for the successful implementation of the Devolution Deal; consequently, HM Government expects the Combined Authority to monitor and evaluate their Deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the shadow / proposed Combined Authority to agree a locally resourced monitoring and evaluation framework that meets local needs and helps to support future learning. This framework must be approved to the DCLG Accounting Officer prior to delivery.
74. The Combined Authority will be required to evaluate the additional £25 million per annum of funding for 30 years, which will form part of and capitalise the Combined Authority single pot. The £25 million per annum fund will be subject to:
- a. Gateway assessments for the £25 million per annum scheme, including the supplementary £30 million in the first five year period, ring fenced for (and split equally between) Norwich City and Ipswich Borough.. The Combined Authority and Government will jointly commission an independent assessment of the economic

benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Combined Authority, but agreed at the outset with Government, and will take place every five years. Subsequent five year tranches of funding will be unlocked if Government is satisfied that independent assessments demonstrate that the investments have met the objectives and contributed to national growth;

- b. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes, and where relevant with the more detailed transport cost-benefit analysis guidance issued by the Department for Transport (DfT). The assessment should also take into account the latest developments in economic evaluation methodology; and
- c. The government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio.

75. The Combined Authority will write a single local assurance framework for the Single Pot, based on guidance produced by DCLG, to outline decision-making processes to allocate funding, and project appraisal. This local assurance framework will be signed off by the Government.

76. The constituent local authorities of the proposed Combined Authority, and the Combined Authority when formed, will work with government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy which will take into account the latest developments in economic evaluation methodology and help supports future learning. This implementation plan must be approved by the DCLG Accounting Officer prior to delivery.

77. The Combined Authority and government will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements on every devolved power or fund to agree accountability between local and national bodies on the basis of the principles set out in this document.

78. The Combined Authority will continue to set out their proposals to HM Government for how local resources and funding will be pooled across the region.

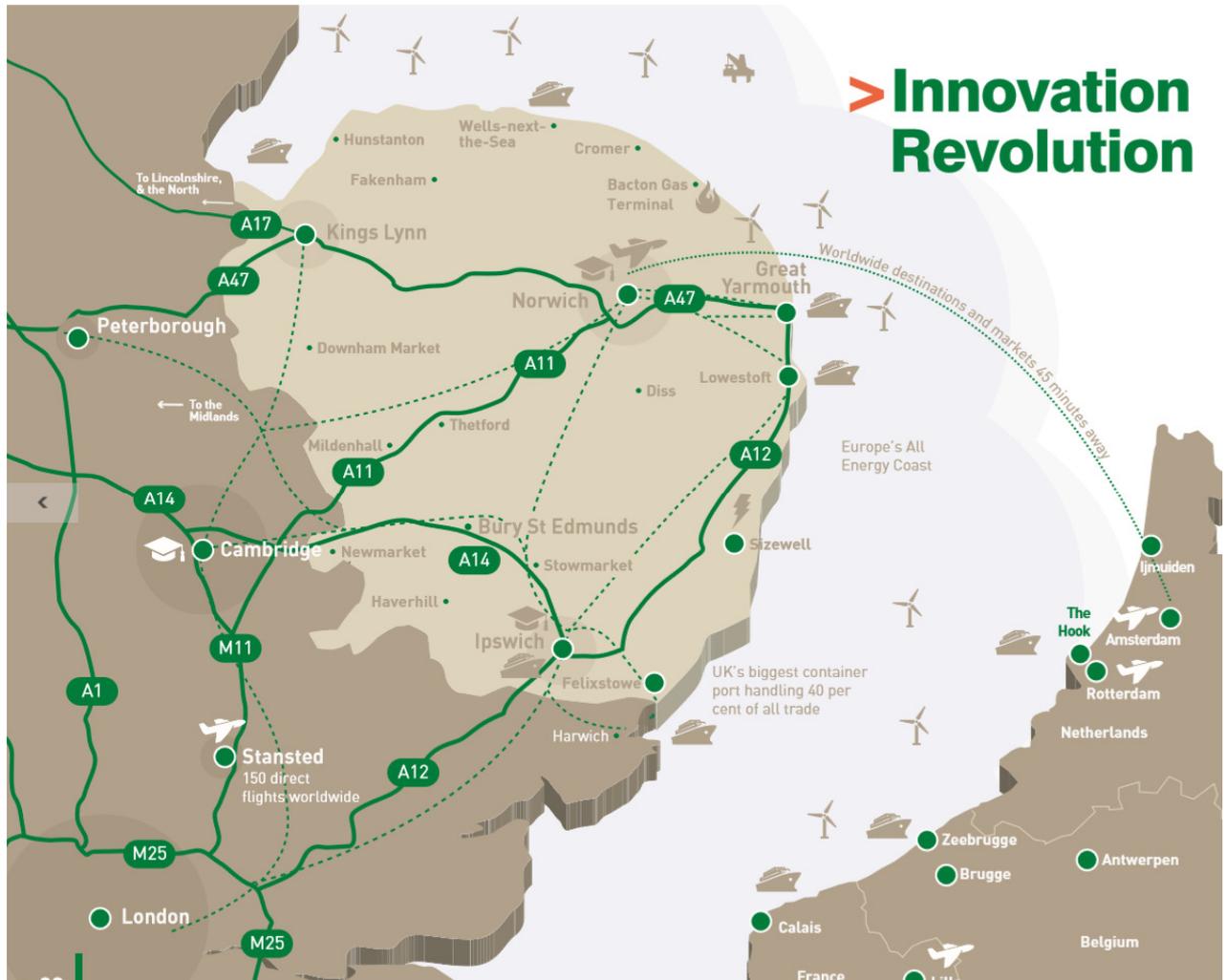
79. The Combined Authority will agree overall borrowing and capitalisation limits with the Government and have formal agreement to engage on forecasting. The Combined Authority will also provide information, explanation and assistance to the Office for Budget Responsibility where such information would assist in meeting their duty to produce economic and fiscal forecasts for the UK economy.

80. The Combined Authority will continue to progress programmes of transformation amongst authorities to streamline back office functions and share more services and data, including on assets and property.

81. The Combined Authority will continue to adhere to its duties under section 149 Equality Act 2010 for both existing and newly devolved responsibilities.
82. The government will support the constituent members of the proposed Combined Authority by leveraging existing monitoring and evaluation frameworks and, where applicable, by providing assistance to ensure consistency and coordination of metrics and methodologies with other areas receiving a devolution agreement. As part of this commitment, government will work with the constituent members of the proposed Combined Authority to explore options for the coordinated application of high quality impact evaluation methods in relation to certain policies, which may include: i) local commissioning of 19+ skills; and ii) employment support.

Appendix B

The Norfolk and Suffolk Governance Review



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## Executive Summary

In accordance with the statutory framework, the purpose of this Governance Review has been to:

- review the exercise of statutory functions in relation to the review area with a view to deciding whether to prepare and publish a scheme under section 108 of the Local Government, Economic Development and Construction Act 2009 and section 6 of the Cities and Local Government Devolution Act 2016
- consider the options available for making changes to existing governance structures and arrangements with a view to improving the exercise of statutory functions
- determine which option is likely to be most beneficial to the area of Norfolk and Suffolk as well as strengthening the overall governance arrangements and delivery of statutory functions

In doing so, the Review has also taken into account the following local priorities:

- The most effective way to deliver economic growth and public service reform through functions such as: transport, infrastructure, spatial planning
- What constitutes functional economic market areas
- Accountability
- Enabling effective joint working between existing statutory and non-statutory bodies
- The principle that decisions should be taken closest to the level where they will have most impact (subsidiarity)

The review has operated on the principle that devolution is not about taking away powers from constituent councils, but about drawing down powers from central government or government agencies. Norfolk and Suffolk recognise and have agreed to the double devolution of powers to local areas working with the Mayor and Combined Authority to take responsibility and accountability for delivery in their own areas to align with the regional strategic ambition. This will ensure that local need is reflected in the delivery of the strategic decisions.

The Governance Review has found that Norfolk and Suffolk function as an integrated economic area. There is significant connectivity across Councils in the area as well as strong relationships with neighbouring areas, particularly Cambridgeshire. Strong collaboration is not only a feature of local government but also evident in the NHS's Sustainability and Transformation Plans. Key economic sectors within and beyond the area have encouraged successful economic join up between the two Local Enterprise Partnerships.

There is a shared ambition across Norfolk and Suffolk to drive growth which is already being demonstrated through successful joint working on: the Growth Deals, City Deals and Enterprise Zones. However, the case for change is compelling:

- Existing arrangements are fragmented and not fit for driving forward Norfolk and Suffolk's shared ambition to: generate growth, fulfil its global economic potential, integrate public services and deliver the best for local people
- Norfolk and Suffolk's commitment to unlocking growth and housing and invest in infrastructure needs greater devolved powers and funding, which requires formal robust and accountable joint decision making

- Robust strategic governance is needed to drive public service reform, deliver more integrated services and re-set the relationship between central and local government paving the way for future devolution deals
- Creating a single strategic voice and champion for Norfolk and Suffolk would enable strategic join up supported by appropriate local delivery

The review highlights that Norfolk and Suffolk is a functional economic area based on key sectors; commuting patterns; housing migration and industry. It highlights the area's significance in connecting the east to key economic hubs in the UK through vital growth corridors. However, it is also clear that there are flows across that boundary (particularly to Cambridgeshire and Essex) and economic clusters within it.

The conclusion of this Governance Review is to recommend that the functional economic area of Norfolk and Suffolk will be best served by the establishment of a Mayoral Combined Authority.

Combining strategic strength and coherence with connections to local functional economies, this model will improve the exercise of statutory functions but more importantly provide robust but flexible integrated and locally accountable decision making.

This model of governance also provides a mechanism for the transfer of significant resources and powers from central government to the region including for infrastructure, housing, economic development, and employment and skills. This will positively impact on the lives of residents by helping create more jobs, improving the skills and employment prospects of residents and boosting productivity across Norfolk and Suffolk

## **DRAFT GOVERNANCE REVIEW for NORFOLK and SUFFOLK**

### **1. Introduction**

#### *1.1 Local Context:*

1. Norfolk and Suffolk share a unique geography and a mix of urban, rural and coastal communities – close to but very distinct from London with a firm focus beyond our borders both within the UK and internationally, with our Europe facing world class energy coastline and the UK's largest container port.
2. With a population of around 1.6 million, Norfolk and Suffolk represent a £32 billion economy and one of the fastest growing areas of the UK. 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:
  - National hubs for key business sectors that need to be nurtured to become magnets for global inward investment such as:
    - An all-energy coast at the centre of the world's largest market for offshore wind that is worth about £994 million per annum
    - Globally-leading research in life sciences worth £1.3 billion across Norfolk and Suffolk
    - agri-tech – a fast growing sector with huge commercial potential worth £2.2 billion GVA per annum almost 10% of Norfolk-Suffolk GVA
    - Pioneering technical innovations in ICT research and development worth £1.3 billion with 1,400 companies employing around 10,300 people
    - Felixstowe - 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 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
  - 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
  - The Great Yarmouth and Lowestoft and 'Space to Innovate' Enterprise Zones across Norfolk and Suffolk
  - An innovative, collaborative and mature public sector that is willing to be bold in transforming public services
  - A wealth of local assets including our communities themselves and partners beyond the public sector such as, business and the VCS
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 a leadership role in the country's energy future.
4. Connectivity is critical to delivering this ambition. There is clear recognition that there are significant areas of mutual strategic interest across Norfolk/Suffolk, East Anglia and beyond but also that delivery should be at the appropriate local geographies, based on functional economic areas. That is how we will deliver our ambition; increase productivity and economic growth; build more housing to meet local needs and deliver the infrastructure needed to improve connectivity.
  5. Our shared assets and distinct geography mean that we are uniquely placed as a non-metropolitan, eastern area to offer a devolution proposal that will unlock productivity and provide a model of devolved arrangements for other non-metropolitan areas.
  6. Consequently, all councils across Norfolk and Suffolk have agreed to conduct a review of governance arrangements to test whether alternative arrangements would be more suited to delivering their ambition, drive economic growth and public service reform and improve outcomes for local people.

#### *1.2 Governance Review purpose and process:*

7. Councils across Norfolk and Suffolk have agreed to conduct a Governance Review in order to improve delivery of the shared ambition for driving economic growth and public service reform in a way that most benefits local people. This Governance Review is therefore, the evidence base for the draft Scheme of Governance that will be considered by councils at the end of June, along with proposals for devolution.
8. The Governance Review will:
  - review the exercise of statutory functions in relation to the review area with a view to deciding whether to prepare and publish a scheme under section 108 of the Local Government, Economic Development and Construction Act 2009 and section 6 of the Cities and Local Government Devolution Act 2016
  - consider the options available for making changes to existing governance structures and arrangements with a view to improving the exercise of statutory functions
  - determine which option is likely to be most beneficial to the Norfolk/Suffolk area and strengthen the overall governance arrangements and exercise of statutory functions.

In addition, to reflect local priorities it will also take into account:

- The most effective way to deliver economic growth and public service reform through functions such as: transport, infrastructure, spatial planning
  - What constitutes functional economic market areas
  - Accountability
  - Enabling effective joint working between existing statutory and non-statutory bodies
  - The principle that decisions should be taken closest to the level where they will have most impact (subsidiarity)
9. The Governance Review presented in this report forms part of a statutory process outlined below that is required to establish a Combined Authority. It therefore, considers the following alternative models of governance:
    1. Status quo
    2. Establish an Economic Prosperity Board
    3. Establish a Combined Authority
    4. Establish a Mayoral Combined Authority

10. In considering these governance models, the evidence will also be used to recommend the most logical geography in order to determine whether it would meet the statutory test and “improve the exercise of statutory functions in the area”. The following diagram outlines the process:

## Outline Process for Establishing a Combined Authority or Economic Prosperity Board



11. This Governance Review has been commissioned by and will be considered at all councils across Norfolk and Suffolk which are:

Babergh District Council	Breckland District Council	Broadland District Council
Forest Heath District Council	Great Yarmouth Borough Council	Ipswich Borough Council
King’s Lynn and West Norfolk Borough Council	Mid Suffolk District Council	Norfolk County Council
North Norfolk District Council	Norwich City Council	South Norfolk District Council
St Edmundsbury Borough Council	Suffolk Coastal District Council	Suffolk County Council
Waveney District Council		

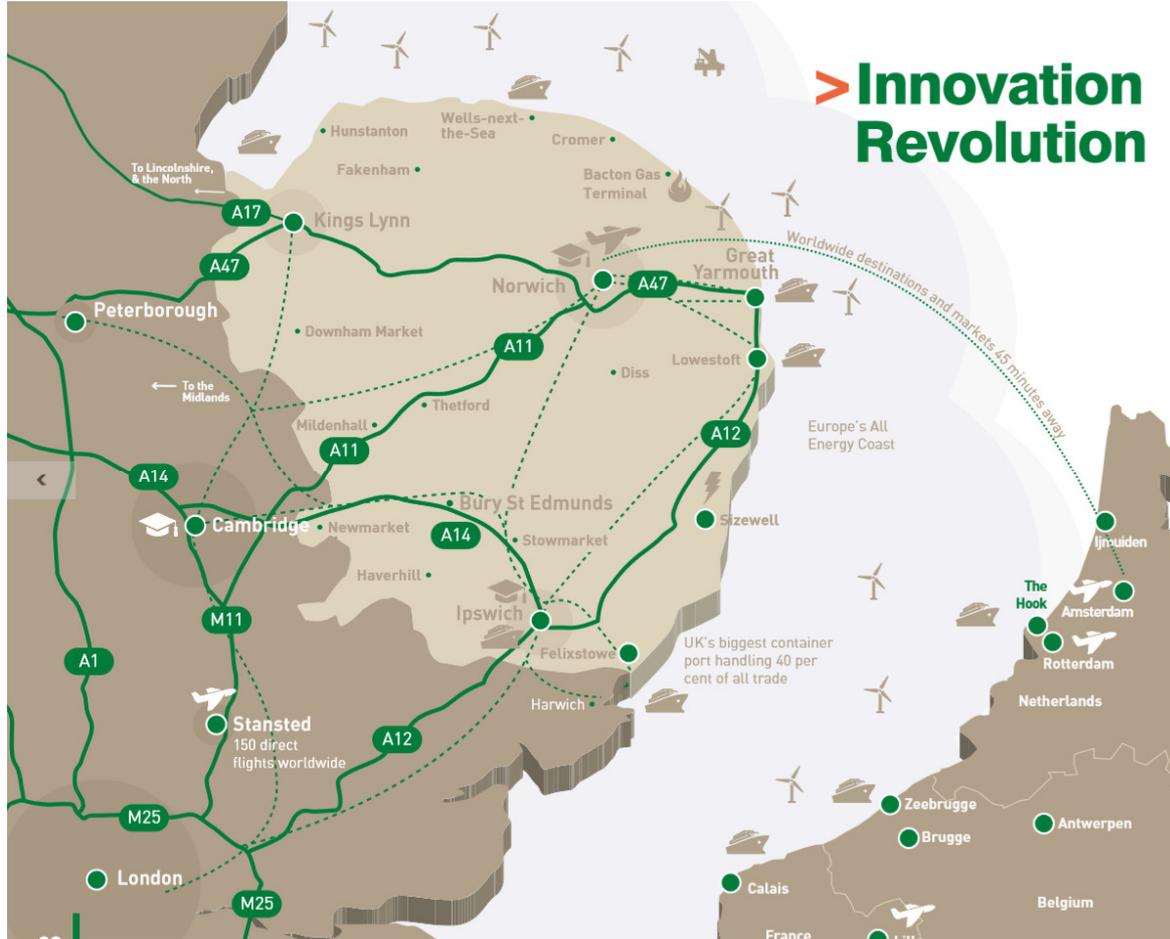
### 1.3 Legal Context:

12. This report presents the findings of the governance review conducted in accordance with section 108 of the Local Government, Economic Development and Construction Act 2009 and section 6 of the Cities and Local Government Devolution Act 2016.
13. The Localism Act 2011 contains powers for the Secretary of State to transfer certain powers between authorities (including Combined Authorities) and also to transfer ministerial functions to such authorities. Property, assets and liabilities relating to those functions can also be transferred. Notably, transfers and delegations of additional functions under this legislation can be made at any time and independently from the procedure to create Economic Prosperity Boards (EPBs) or Combined Authorities.
14. As a consequence, the Secretary of State must consider whether governance arrangements would: “**improve the exercise of statutory functions in the area**” before concluding on the preferred governance proposal. The Cities and Local Government Devolution Act 2016 amends section 105 of the 2009 Act so that a Combined Authority’s constitution and functions may include: “*local authority functions generally*”<sup>1</sup> as opposed to the previous focus of economic development and regeneration.

<sup>1</sup> Section 6 (2) Cities and Local Government Devolution Act 2016

## 2. Norfolk and Suffolk: Opportunities and Challenges – the Case for Change

### 2.1 Norfolk and Suffolk's Ambition:



15. Norfolk and Suffolk share a unique geography – close to but very distinct from London with a firm focus beyond our borders both within the UK - to Cambridgeshire and Lincolnshire westwards; 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 of opportunities and challenges that emphasise the need to tailor to local circumstances – a demographic best suited to devolved arrangements.
16. 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.
17. Connectivity is vital to making Norfolk and Suffolk and, more widely, East Anglia the UK's truly Connected Region. To achieve this we need a step change in infrastructure delivery with an integrated approach to planning of road, rail and digital connectivity alongside land for new housing and business.
18. In addition, linking research-based growth in the largest towns with our rural villages through improvements to road & rail infrastructure and using smart ticketing will make it easier for residents to participate fully in the economy across transport modes. We are also working with the Universities and Further Education providers across the area to

drive a programme of co-ordinated Skills and Educational improvement and deliver the Knowledge Based Economy.

19. To maximise its potential, Norfolk and Suffolk need to be better connected. Both as part of East Anglia (with Cambridgeshire and Peterborough) and more widely, it is important to work closely on areas of strategic scale and mutual interest such as transport, infrastructure and skills as there are a number of challenges that we need to improve:
- **Better connectivity:** improving transport and accessibility but also digitally through better and faster broadband and mobile coverage
  - **Improving skills and employability:** so that employers are able to recruit to skilled jobs but also, that local people are helped to fulfil their potential
  - **Improving infrastructure:** to unblock development of housing and employment sites and improve connectivity to secure improved economic growth
  - **Housing:** Providing the right amount and mix of new homes that meet the needs of the whole population
  - **Public Service reform:** taking a place-based approach to public services to create sustainable 21st century public services that offer the best possible outcomes for local people. This is particularly significant given the ageing population and need to prevent and manage down demand for public services.
20. These challenges are compounded by the complex set of governance arrangements that currently exist. For local government alone there are: 14 district/borough/city councils and 2 county councils. In addition the area is served by partnerships; 7 Clinical Commissioning Groups; 2 constabularies and 2 Police and Crime Commissioners and 2 Local Enterprise Partnerships.

## *2.2 Norfolk and Suffolk's Economy:*

21. Norfolk and Suffolk is a diverse and dynamic area including urban, rural and coastal communities with a globally significant economic offer. It connects the Northern Powerhouse, Midlands Engine and England's heartland to: the UK's largest container port in Felixstowe; Europe's largest single site hub of research, training, education and enterprise in health, food and environmental sciences at Norwich Research Park, BT's global research hub at Adastral Park and the all energy coast including development of the world's largest off-shore wind farm and Sizewell nuclear power plant. These world class sites are connected by key growth corridors such as the M11, A11, A47 and A14.
22. Growth sectors account for 37% of total employment in Norfolk and Suffolk combined and 36% of the area's business base. This equates to over 236,916 jobs and 19,988 businesses in growth sectors. There are five high impact sectors across Norfolk and Suffolk that offer the opportunity for rapid growth in absolute terms and productivity. These are sectors in which we already have national or international leadership, link with the Government's Industrial Strategy and would benefit from focused support:
- Advanced Manufacturing and Engineering - employing over 24,500 people in more than 1,000 businesses and is worth £1.5 billion pa in GVA to the New Anglia economy. We have several clusters, including automotive, civil and military aviation and pharmaceuticals
  - Agri-tech (using technology to add value to the agriculture, food and drink sector) - Whereas the UK economy only grew by 4% in GVA terms between 2007 and 2010, food processing grew by 13% and agriculture by 25%
  - Energy - employing around 7,700 people directly in New Anglia, and thousands more indirectly, and is worth about £994 million pa with a GVA per job of £129, 000. We

have a long standing North Sea oil and gas industry offshore wind; nuclear and several biomass plants providing one of the most complete energy offers in the UK

- ICT/Digital Culture - worth £1.3 billion, with over 1,400 companies employing 10,300 people and GVA of £131,000 per head pa. BT's global research centre based at Adastral Park, has a cluster of other businesses around it, as do our universities – including digital cultural expertise at Norwich University of the Arts.
- Life Sciences - worth £132 million pa and employs over 3,000 people in 200 businesses, with GVA of £122k per head. We have a world class research cluster at Norwich Research Park, with other research and business activity across the area covering everything from humans to horses, fish and plants.

There are also four underpinning sectors which are the largest employers in our economy and which we will continue to support in order to improve their productivity and competitiveness:

- Agriculture and food and drink production employs over 10% of the workforce generating £2.2bn pa GVA.
- Financial and insurance services - contributing £3.1 billion GVA or 13.4% of New Anglia's total and employs almost 21,000 people (3.2% of employment). As well as regional businesses, Norwich and Ipswich host a concentration of national and international insurance companies.
- Ports and logistics - worth £1.3 billion to New Anglia and employs over 23,500 people. The Port of Felixstowe handles 40% of the country's container traffic and its continued expansion needs good transport links. Ipswich is the country's largest port for grain export; Great Yarmouth and Lowestoft and smaller ports serve the North Sea energy sector.
- Tourism and culture - employing about 74,000 people and worth £1.3 billion in GVA to New Anglia.

23. Central to the model of connected growth there are a number of core initiatives for Norfolk and Suffolk:

- A step change in infrastructure delivery with an integrated approach to planning of roads, rail and digital connectivity alongside land for new housing and business;
- the double devolution of powers to local areas working with the Mayor and the Combined Authority to take responsibility and accountability for delivery in their own areas to align with the regional strategic ambition;
- Making Norfolk and Suffolk a truly connected area in respect of communications and transport connections, linking research-based growth in the major towns with even the most rural villages;
- Devising new models of private/public infrastructure and housing funding to fund strategic capital infrastructure; and,
- Working with Universities and Further Education providers in the region to drive a programme of co-ordinated skills and educational improvement to deliver the knowledge based economy.

### 3. Economic Analysis and Review

#### 3.1 Analysis

24. Given the scale of the geography and ambition shared between Norfolk and Suffolk, it is important to consider where natural geographies exist and, from the evidence, how to define where there are functional economic market areas. Independent analysis was commissioned to help build this evidence base and more detail is contained in appendix A.
25. Three key markets were considered in order to help identify functional economic geographies:
- What is the functional labour market?  
*Travel to work areas<sup>2</sup> and commuting flow are used as a proxy.*
  - What is the housing market?  
*Migration patterns are used as a proxy for the housing market*
  - What are the industrial clusters?  
*Location quotients are used to understand areas of economic specialisation.<sup>3</sup>*
26. In addition to analysing travel to work areas (see appendix A), commuting flows for five local authority areas have also been analysed (based around larger towns and cities). They help highlight how the multiple local labour markets work. By considering the self-containment levels and the functional labour market together, it is possible to identify where clustering is already in evidence and where greater policy alignment has the potential to be most effective in driving economic growth.
27. Understanding the scope of the functional labour markets enables policy makers to consider how to improve connectivity and integrated transport, as well as the effective alignment of skills training with economic demand and growth areas.
28. Norfolk and Suffolk compares well to existing Combined Authorities as a contained travel to work area. The analysis reveals a number of distinct functional labour market areas. This suggests that Norfolk and Suffolk is a functional labour market supported by more local economic clusters. Recognising that Travel to Work areas do not precisely match local authority boundaries, identifying Travel to Work Areas, Commuting Patterns and Location Quotients is useful in identifying where to form clusters that reflect the reality of how the majority of residents and businesses lead their lives. Local authorities of Norfolk and Suffolk recognise this and have agreed to the double devolution of powers to local areas enabling alignment with strategic ambition and local responsibility and accountability for delivery.
29. Similar analysis to that undertaken for Travel to Work Areas was mirrored for patterns of internal migration between areas. This examined the volume of individuals that moved home between areas in the year preceding the 2011 Census.
30. The housing and labour markets demonstrate that markets aren't constrained by local authority boundaries – with people commuting from, into or out of Norfolk and Suffolk to further afield for work. The housing market shows people moving into and away from

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<sup>2</sup> The Office for National Statistics defines a travel-to-work area as one where 75% of the resident workforce actually works in the area, and at least 75% of the people who work in the area also live in it. This is known as the self-containment percentage

<sup>3</sup> Industrial specialisation was examined using Location Quotients which provide a local measure of geographical concentration of industries. A location quotient of >1 shows a degree of specialisation. A location quotient of 2 suggests there is twice the amount of employees in a sector than we would expect from a GB average.

the area. Once again this highlights the importance of clustering within the Norfolk/Suffolk strategic geography as well as working across boundaries with neighbours especially Cambridgeshire and Essex.

31. Industrial specialisation was examined using Location Quotients which provide a local measure of geographical concentration of industries. A location quotient of >1 shows a degree of specialisation. A location quotient of 2 suggests there is twice the amount of employees in a sector than we would expect from a GB average. There is evidence of clusters – and there are likely to be supply chain connections.

### *3.2 Key Findings:*

32. Functional labour markets are where the majority of people live and work in the same area - they do not sit neatly on local authority area. However, there are clusters around key towns within Norfolk and Suffolk. Therefore, the economic geography of Norfolk and Suffolk is multi-centred. This looks like a fluid, flexible and very connected labour market, which is a strength and highlights that markets don't stop at local authority borders (particularly those with Cambridgeshire and Essex). These multi-centred clusters define the Norfolk/Suffolk economy.
33. Connections are important to the Norfolk/Suffolk economy with strong connections between east and west as well as north/south. Boundaries exist; however, data demonstrates flows across them. In the three market areas explored these flows exist not only within Norfolk/Suffolk but beyond that geography and include Growth Corridors between Cambridge, Stansted and London.

### *3.3 Conclusion:*

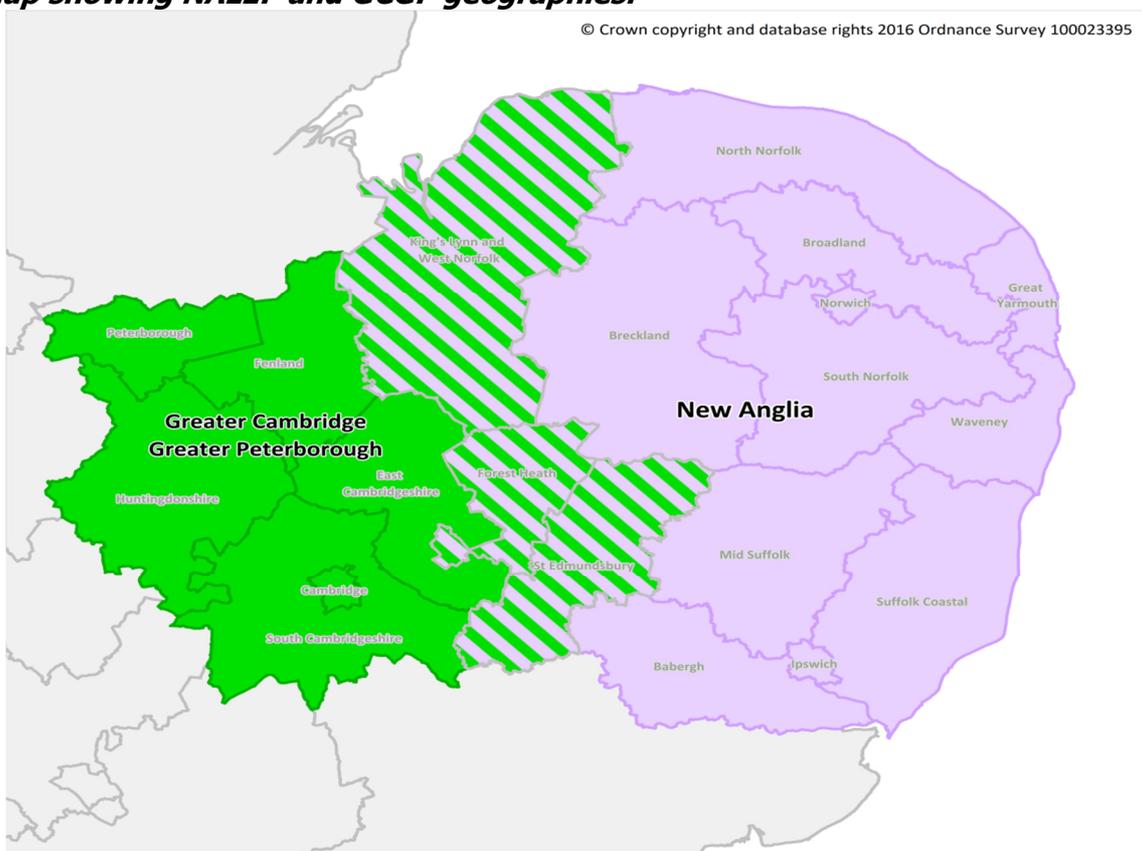
34. In comparison to existing Combined Authorities Norfolk and Suffolk compares favourably as a self-contained Area (at 84% self-containment).
35. Economic geography should inform and be consistent with the decision making processes put in place. Governance will need to be pragmatic and sufficiently flexible to enable the strategic connections across boundaries to be made and maximise opportunities to improve infrastructure, transport and skills in driving economic growth as well as enabling joined up local delivery through clusters and double devolution.
36. The totality of data measuring: labour market, housing market and industrial specialisation, highlights that within Norfolk and Suffolk there are multiple functioning economic areas, which are also supported by significant growth corridors that connect across East Anglia and beyond to the heart of England, the Midland Engine, London and the Northern Powerhouse.
37. Therefore, the evidence suggests that a Combined Authority for Norfolk and Suffolk would be based on multi-centric, functional economic market areas and benefit from joint working with neighbouring counties to ensure connectivity across a wider economic area particularly on areas of strategic scale (such as transport, infrastructure, planning and skills).

## 4. Current Governance

### 4.1 Current Governance for Economic Growth:

38. Norfolk and Suffolk is covered by two local enterprise partnerships (LEPs). New Anglia LEP (NALEP) represents one of the fastest growing regions in the country, with 1.6 million people, around 55,000 businesses and economy of £27.5 billion. Greater Cambridge, Greater Peterborough LEP (GCGP LEP) covers areas in the west of Norfolk and Suffolk and has a population of 1.3 million people (estimated to grow to 1.5 million by 2031). The GCGP LEP area has around 60,000 enterprises and generates £30 billion per annum.
39. The LEPs are business-led collaborations between the private, public and education sectors, with the intention to drive economic growth. Both LEPs have successfully secured City Deals (for Cambridge, Norwich and Ipswich) as well as a number of Enterprise Zones and Growth Deal investment. The two LEPs collaborate on a range of projects such as the Eastern Agri-tech programme, Venturefest East and have a joined up approach to investment in their shared area. Mindful of the connectivity across the wider East Anglia geography, the LEPs have a history of working beyond their boundaries in the interests of driving growth.

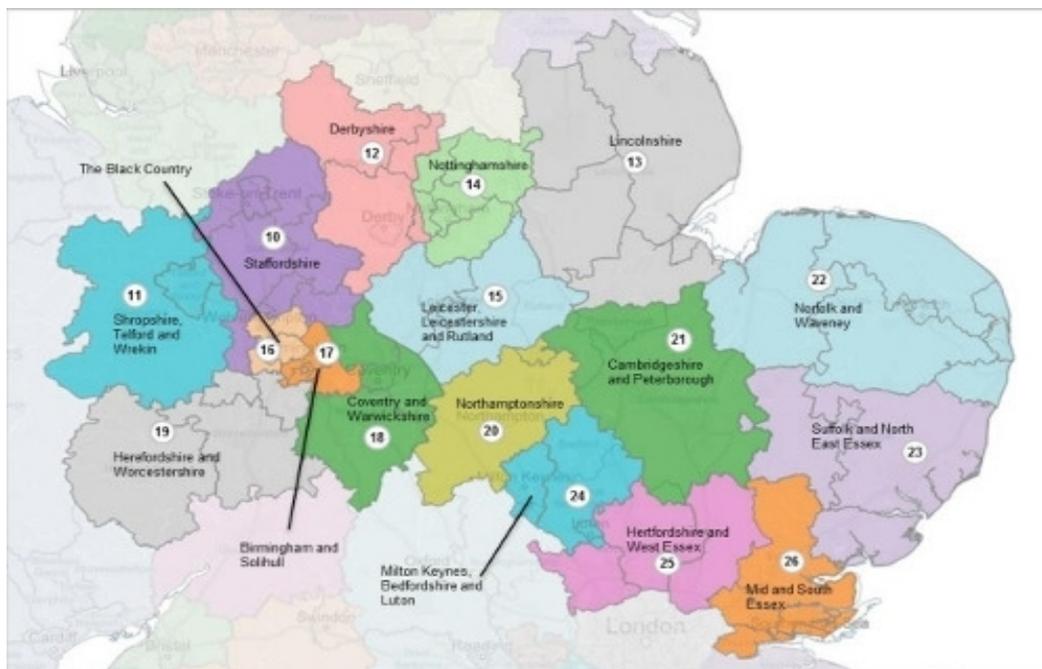
### Map showing NALEP and GCGP geographies:



### 4.2 Current Governance for Public Services

40. Within Norfolk and Suffolk local authority leaders regularly meet to discuss issues of mutual and strategic interest. These are informal but provide an important forum for Leaders to work together as well as to work with other public sector leaders (for example, Clinical Commissioning Group Chief Officers/Chairman, Police and Crime Commissioners and Chief Constables).
41. In addition Norfolk and Suffolk each have a countywide Health and Wellbeing Board. These are statutory bodies with the duty to encourage integrated working to improve

the health and wellbeing of their local populations. One of the main priorities for integrated health and care working is the development of Sustainability and Transformation Plans (STPs). These are on slightly different 'footprints' to existing Health and Wellbeing Boards, often crossing county boundaries as highlighted in the following map:



#### 4.3 Options Analysis:

42. There are four governance models to consider in analysing what would create the most effective governance, based on: the data; current governance; known challenges and how best to drive economic growth and public service reform and improve outcomes for local people:

1. Status quo
2. Establish an Economic Prosperity Board
3. Establish a Combined Authority without a Mayor
4. Establish a Mayoral Combined Authority

#### *Status quo:*

43. This would see continuation of informal collaboration and may enable some cross border working; however, there would be no statutory body able to take decisions over strategic issues for economic growth, such as: transport, infrastructure and skills.

44. Connectivity has been an underpinning driver for Norfolk and Suffolk's approach to devolution and the existing governance is too fragmented and informal (without a decision making mandate) to be able to maximise the opportunities for increasing growth. Nor does it enable more integrated public services through joined up strategic decision making supported by integrated local delivery (enabling the principle of subsidiarity to be delivered).

#### *Establish an Economic Prosperity Board:*

45. An Economic Prosperity Board would be a statutory body and share many of the features of a Combined Authority. It would be a basis for taking on devolved powers and funding relating to economic development and regeneration.

46. However, it does not align with the aspiration held across the region to fully exploit the potential to join up across highly interrelated policy areas essential to growth, for

example, economic development/regeneration, infrastructure, strategic spatial planning, transport and skills. It would not provide a vehicle to maximise the opportunities for wider join up across public services and consequently, would not maximise the opportunities afforded by devolution for improving the way public services are currently delivered.

*Establish a Combined Authority:*

47. Norfolk and Suffolk's existing governance structures whilst productive are too informal and fragmented to deliver the ambition set out in this document and in re-setting the relationship with Government – particularly taking the opportunities presented by greater devolution to local areas.
48. Current governance is not adequate to support a coherent approach to strategic planning that is locally sensitive but able to unlock sites for development and improving connectivity for example, through better roads, rail and digital infrastructure. These benefits would be best realised through the creation of a Combined Authority.
49. The relevant legislation also allows a Combined Authority to take on devolved powers from Government. Therefore, a Combined Authority governance model would ensure long-term, effective engagement with the business and other sectors as well as a stronger local voice in negotiating with Government.

*Establish a Mayoral Combined Authority:*

50. This provides the same opportunities as outlined above for the merits of establishing a Combined Authority in that more joined up local decision making would be facilitated. However, under the Cities and Local Government Devolution Act 2016 Mayoral Combined Authorities are afforded additional flexibility, providing the opportunity to levy (subject to statutory conditions<sup>4</sup>).
51. It would provide visible, strategic leadership across Norfolk and Suffolk. It also maximises opportunities to negotiate for devolved budgets, powers and responsibilities with Government and therefore, is consistent with the ambition to re-set the relationship with Government.
52. This has been demonstrated in the devolution deals recently negotiated with Combined Authorities that have decided to become Mayoral Combined Authorities, for example, Greater Manchester Combined Authority has secured devolution of significant powers across a range of public services through numerous deals<sup>5</sup>. In that and other Combined Authority devolution deals where the Authority has agreed to adopt a Mayor (eg: Sheffield City Region<sup>6</sup> and North East Combined Authority<sup>7</sup>) significant powers have been devolved such as: a single pot investment fund; devolved transport budgets, responsibility for franchised bus services and Key Route Networks; powers over strategic planning and adult skills. Government have been clear that without a Mayor any devolution deal would be much smaller in range and value and this would not deliver Norfolk and Suffolk's ambition.

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<sup>4</sup> Section 5 Cities and Local Government Act 2016

<sup>5</sup> HM Treasury updated report on devolution to Greater Manchester Combined Authority and transition to Mayor (16<sup>th</sup> March 2016): <https://www.gov.uk/government/publications/devolution-to-the-greater-manchester-combined-authority-and-transition-to-a-directly-elected-mayor>

<sup>6</sup> Sheffield City Region Devolution Deal (October 2015): [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/466616/Sheffield\\_devolution\\_deal\\_October\\_2015\\_with\\_signatures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466616/Sheffield_devolution_deal_October_2015_with_signatures.pdf)

<sup>7</sup> North East Combined Authority Devolution Deal (October 2015):

53. A Mayoral Combined Authority provides a stronger voice for the area in championing Norfolk and Suffolk's assets but also in joining up with other areas, for example, if establishing a sub national transport body to enhance the benefits of a connected approach to transport.
54. The additional powers that come with a Mayoral Combined Authority will help to enhance the multi-centred nature of the economies within Norfolk and Suffolk. The economic analysis in section 3 highlighted clustering within the Norfolk/Suffolk area for travel to work and housing migration. As such, the flexibility to be able to establish Mayoral Development Companies would be consistent with this geography and assist in ensuring the coherent strategy is aligned with local delivery. A fuller explanation of how the Mayoral Combined Authority would improve the exercise of statutory functions and particularly the delivery of devolved funding and powers is contained in appendix B.
55. It is acknowledged that establishing a Mayoral Combined Authority would mean a cost. However, the flexibility it brings to negotiate significant devolution of powers and funding from central Government mean that any cost would be far outweighed by the envelope of resource and local flexibilities it would secure.
56. It is intended that the local authority members of the Mayoral Combined Authority will meet its costs as far as possible from existing resources. As such, the statutory officers and support to the Mayoral Combined Authority would be provided by the Constituent Authorities.
57. From existing Combined Authorities that will become Mayoral and have secured a devolution deal, the net added value is significant. For example, Sheffield City Region and the North East secured a single investment pot of £30 million per year for 30 years. This combined with additional powers and flexibility to grow the economy, invest and use different financial mechanisms (e.g. Mayoral Community Infrastructure Levy and borrowing) means the £900 million has the potential to expand. It also means that any set up and running costs of the Combined Authority are significantly overshadowed leaving a net increase in resource available to the local area.

#### 4.4 Summary:

58. The following table provides a summary analysis of governance options for Norfolk and Suffolk:

	Evaluation	Rationale
Status quo		<ul style="list-style-type: none"> <li>• No statutory body able to take decisions over strategic growth issues, such as: transport, infrastructure and skills</li> <li>• doesn't adequately address Connectivity</li> <li>• doesn't maximise opportunity for wider public service reform</li> </ul>
Establish an Economic Prosperity Board		<ul style="list-style-type: none"> <li>• Improved but not optimum opportunity to join up decision making</li> <li>• Would not maximise the opportunities afforded by devolution for improving the way public services are currently delivered</li> <li>• Less join up across highly interrelated policy areas essential to growth, eg: regeneration, infrastructure, strategic spatial planning, transport and skills</li> </ul>
Establish a Combined Authority without a Mayor		<ul style="list-style-type: none"> <li>• Supports a coherent approach to strategic planning that is locally sensitive but able to unlock sites for development and improving connectivity for example, through better roads, rail and digital infrastructure</li> <li>• Able to take on devolved powers from Government</li> <li>• No additional opportunity to levy</li> <li>• Limited opportunity to negotiate future devolved budgets and powers with Government</li> </ul>
Establish a Mayoral Combined Authority		<ul style="list-style-type: none"> <li>• Supports a coherent approach to strategic planning that is locally sensitive but able to unlock sites for development and improving connectivity for example, through better roads, rail and digital infrastructure</li> <li>• Able to take on more devolved powers from Government</li> <li>• Additional flexibility, providing the opportunity to levy</li> <li>• A model that maximises opportunities to negotiate for devolved budgets, powers and responsibilities with Government now and in the future</li> </ul>

## 5. Conclusions

59. The conclusion of this Governance Review is to recommend that the functional economic area of Norfolk and Suffolk will be best served by the establishment of a Mayoral Combined Authority.
60. Combining strategic strength and coherence with connections to local functional economies, this model will improve the exercise of statutory functions but more importantly provide robust but flexible integrated and locally accountable decision making.
61. This model of governance also provides a mechanism for the transfer of significant resources and powers from central government to the region including for infrastructure, housing, economic development, and employment and skills. This will positively impact on the lives of residents by helping create more jobs, improving the skills and employment prospects of residents and boosting productivity across Norfolk and Suffolk.
62. For existing Combined Authorities that have secured a devolution deal and agreed to become Mayoral the net added value is significant (e.g. £30 million for 30 years in Sheffield City Region and the North East). In establishing a Mayoral Combined Authority, Norfolk and Suffolk will be founding the governance that can secure similar sized additional funding and associated powers. Once established, the Mayoral Combined Authority will be well placed to secure future additional devolution of powers and funding (following the example of Greater Manchester) and therefore, achieve its ambition to re-set the relationship with Government, generate economic growth and deliver the best possible outcomes for local people and places.
63. It offers the connectivity that is vital in underpinning the global opportunities presented by Norfolk and Suffolk's unique economic offer. It also firmly connects local people and places to the opportunities for economic and public service reform as well as building leadership of place through individual and community resilience and ensuring Norfolk and Suffolk fulfils its potential as a global economic power.
64. The local authorities of Norfolk and Suffolk recognise and have agreed to the double devolution of powers to local areas working with the Mayor and Combined Authority to take responsibility and accountability for delivery in their own areas to align with the regional strategic ambition. This will ensure that local need is reflected in the delivery of the strategic decisions.
65. It is important that the delivery of functions exercisable by the Mayor and/or Combined Authority happens at the appropriate local geographies primarily based on functional economic areas and travel to work areas. There are already successful models working in this way, such as the Greater Norwich Growth Board and Greater Norwich and Greater Ipswich City Deals that will be utilised rather than create new bodies. Various functions, for example: planning and housing delivery and skills could be doubly-devolved to these areas. Where there are no relevant existing structures, Mayoral Development Corporations could be formed.
66. Consequently, a Mayoral Combined Authority would deliver both coherent strategic and locally responsive delivery over the Norfolk and Suffolk economic geography enabling us to 'improve the exercise of statutory functions in the area'. This is how we will ensure Norfolk and Suffolk fulfils its economic potential, reforms its public services and in turn delivers the best possible outcomes for local people and places.

## Appendix A

### Wider Economic Geography

Independent analysis was commissioned from Metro Dynamics to test evidence for natural geographies within and across Norfolk and Suffolk. This appendix provides the detailed analysis that supports section 3 - Economic Analysis and Review. Travel to Work Areas have been used along with commuting patterns and industry quotients as proxy measures to identifying economic geographies.

The Office for National Statistics defines the concept of Travel to Work Areas (TTWA) as being to: "to approximate self-contained local labour market areas, where the majority of an area's resident workforce work, and where the majority of the workforce live. TTWAs help to make local labour market data more meaningful. In their absence, comparing data for different parts of the country risks distortion if there are mismatches between where the workforce work and where the workforce live, so that very different types of areas would then be compared. To avoid this problem, TTWAs have been defined so that relatively few commuters cross a TTWA boundary on their way to work, which makes them de facto local labour market areas."<sup>8</sup>

The ONS criteria used for defining TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.

For the wider Norfolk and Suffolk geography, the clusters of economic areas aggregate to a level of self-containment that is 84%, which compares well with existing Combined Authority areas. This could be influenced by the cross boundary flows from neighbouring counties (particularly Cambridgeshire, Essex and Lincolnshire) outside of the area as demonstrated in the commuting flows.

Norfolk and Suffolk		
*Resident in work population working within area OF	Total resident in work population	Self containment
634,419	754,663	84.07%

*\* Resident in work population includes those working at home, but excludes those who work off-shore, outside of the UK or have no fixed place of work*

The following table sets out self-containment percentages in existing Combined Authority areas, for comparison:

Combined Authority	Self containment
West Midlands	80.32%
Greater Manchester	82.04%
Sheffield City Region	79.93%
Liverpool City Region	77.62%

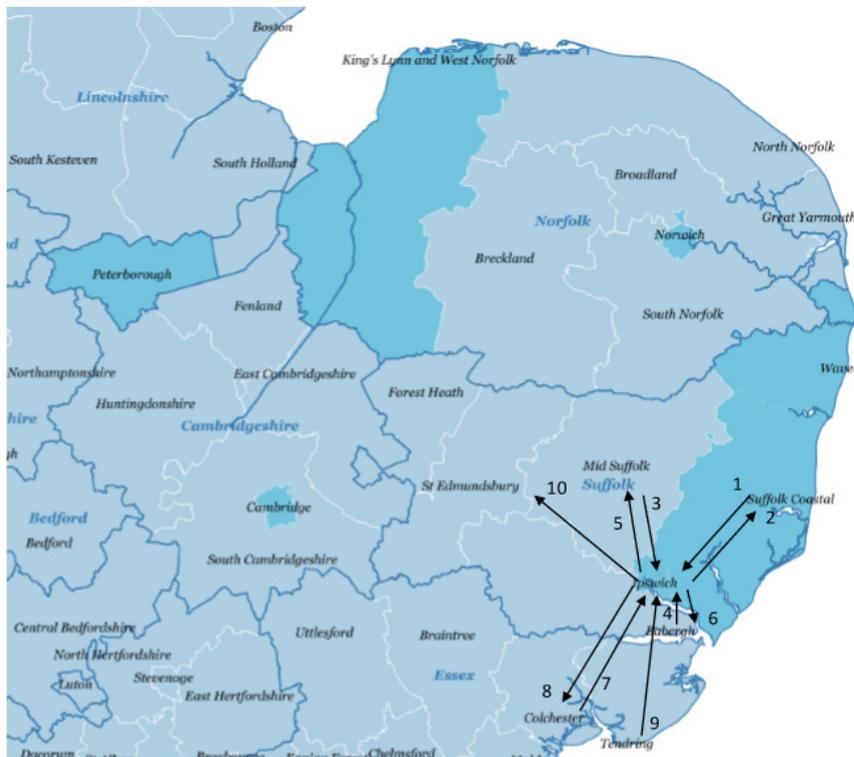
<sup>8</sup> ONS Article: Commuting to Work: Changes to Travel to Work Areas 2001-2011: <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/commutingtoworkchangestotraveltoworkareas/2001to2011>



The following series of maps provide examples of commuting flows around some of the larger towns in Norfolk and Suffolk.

## Ipswich

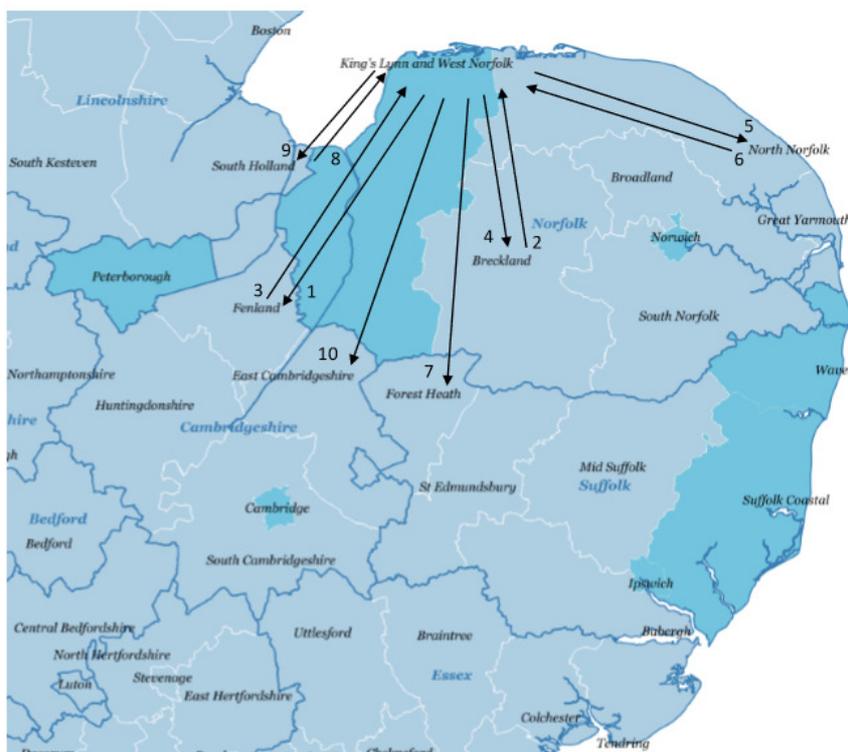
31



Number of commuters		
1	from Suffolk Coastal	11,036
2	to Suffolk Coastal	7,268
3	from Mid Suffolk	5,217
4	from Babergh	5,006
5	to Mid Suffolk	3,857
6	to Babergh	3,633
7	from Colchester	1,434
8	to Colchester	1,315
9	from Tendring	1,071
10	to St Edmundsbury	746

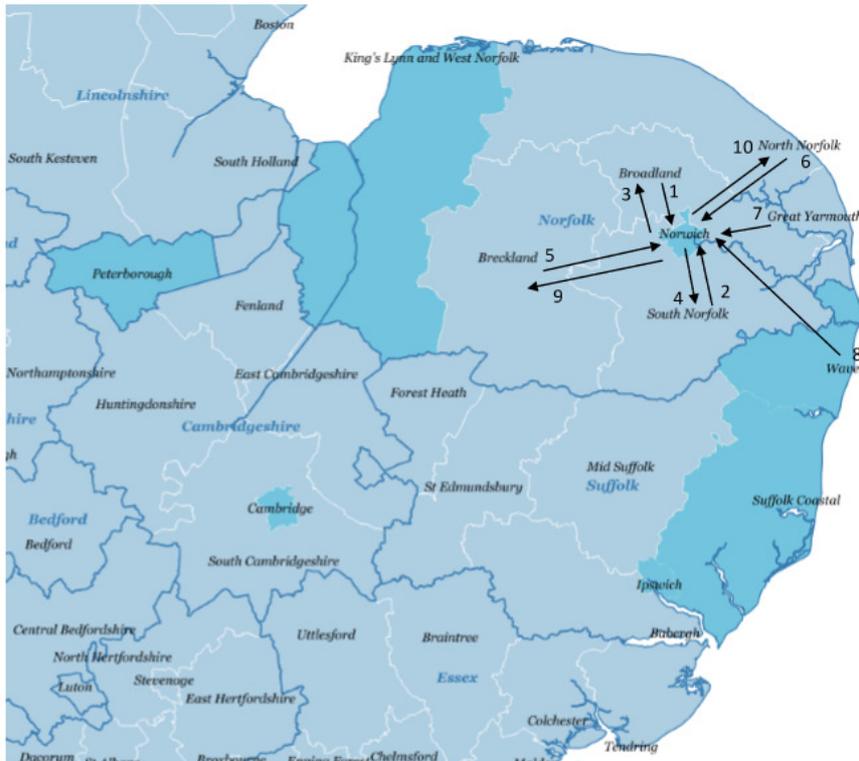
## Kings Lynn and West Norfolk

32



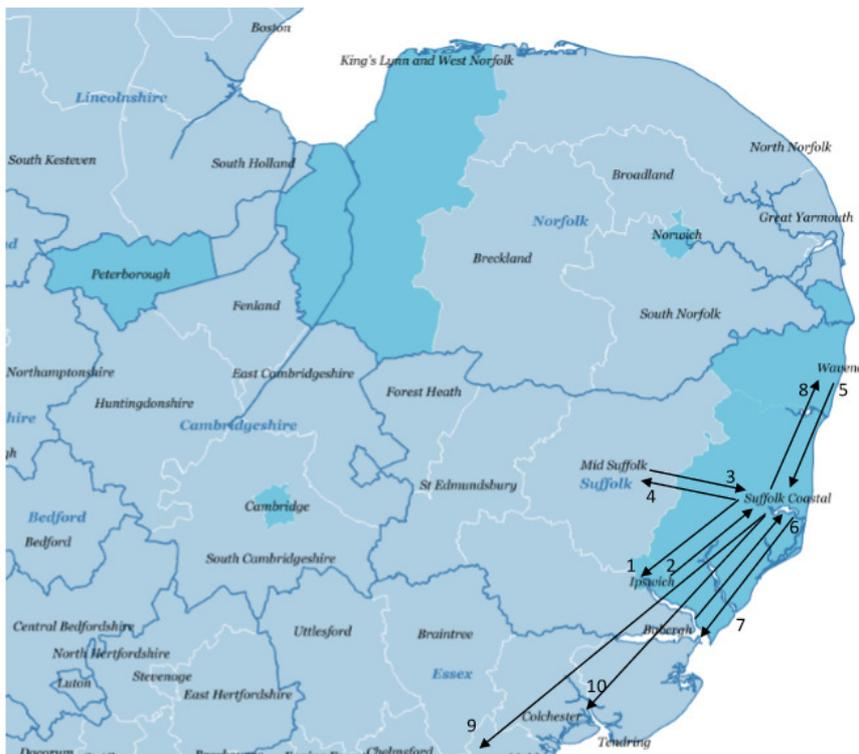
Number of commuters		
1	to Fenland	3,509
2	from Breckland	2,549
3	from Fenland	2,032
4	to Breckland	1,661
5	to North Norfolk	1,327
6	from North Norfolk	1,273
7	to Forest Heath	1,203
8	from South Holland	1,059
9	to South Holland	901
10	to East Cambridgeshire	713

## Norwich



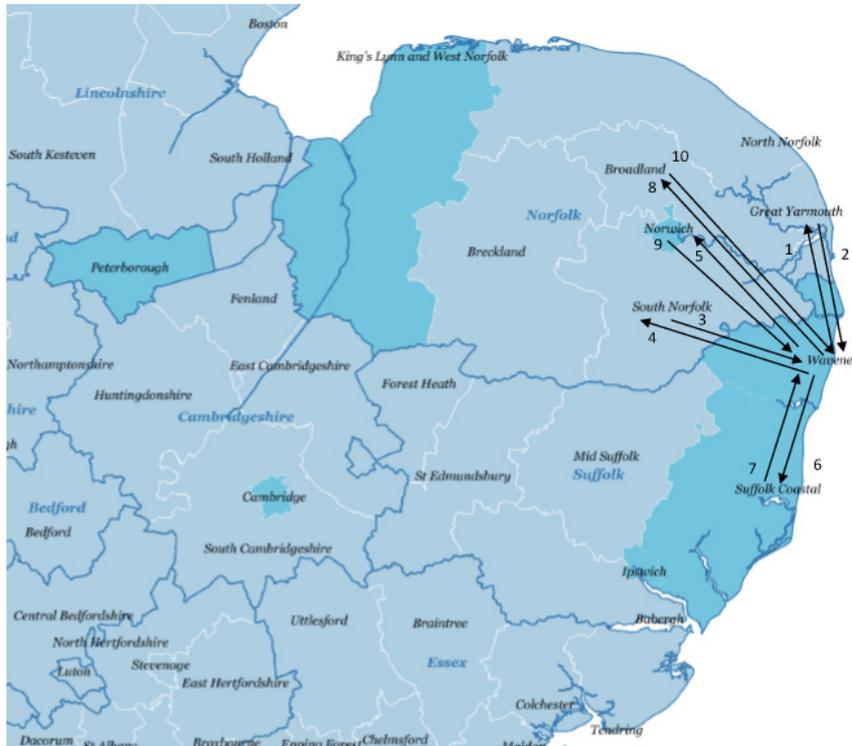
Number of commuters		
1	from Broadland	19,976
2	from South Norfolk	13,361
3	to Broadland	7,681
4	to South Norfolk	7,025
5	from Breckland	4,628
6	from North Norfolk	3,540
7	from Great Yarmouth	2,031
8	from Waveney	1,628
9	to Breckland	1,504
10	to North Norfolk	1,078

## Suffolk Coastal



Number of commuters		
1	to Ipswich	11,036
2	from Ipswich	7,268
3	from Mid Suffolk	2,118
4	to Mid Suffolk	1,631
5	from Waveney	1,377
6	from Babergh	1,216
7	to Babergh	997
8	to Waveney	959
9	to Westminster, City of London	576
10	to Colchester	538

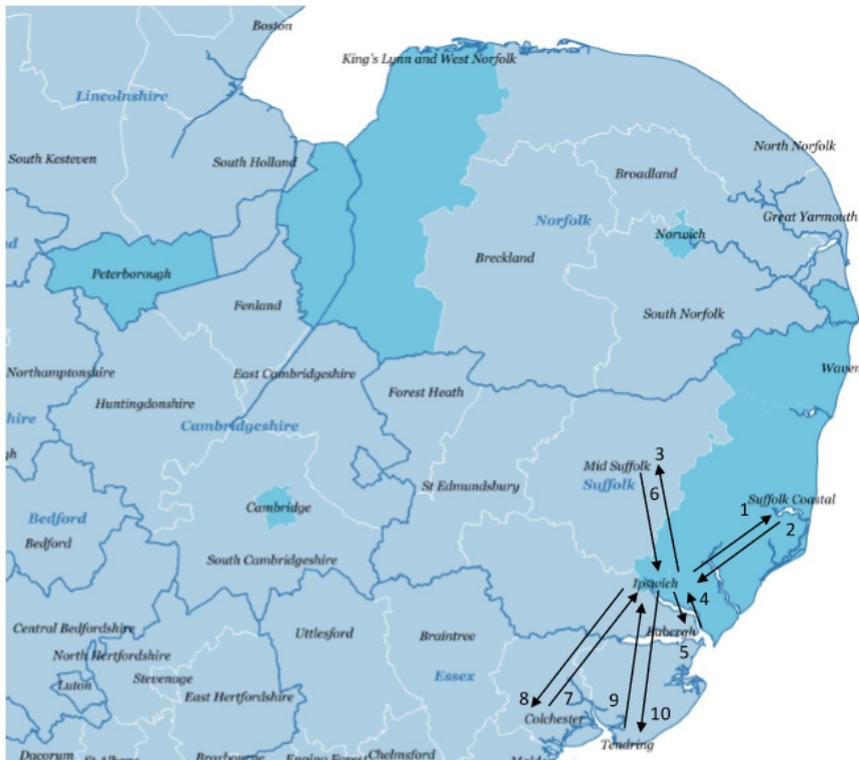
# Waveney



Number of commuters		
1	to Great Yarmouth	4,142
2	from Great Yarmouth	2,787
3	from South Norfolk	2,303
4	to South Norfolk	1,650
5	to Norwich	1,628
6	to Suffolk Coastal	1,377
7	from Suffolk Coastal	959
8	to Broadland	550
9	from Norwich	548
10	from Broadland	394

## Ipswich

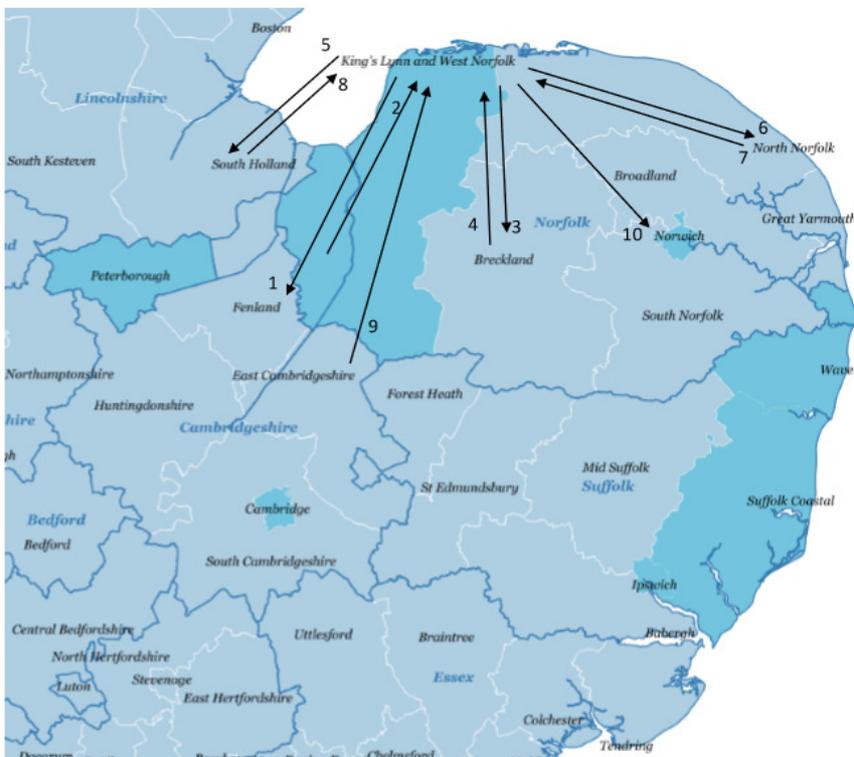
39



Housing moves		
1	to Suffolk Coastal	1,540
2	from Suffolk Coastal	1,270
3	to Mid Suffolk	770
4	from Babergh	750
5	to Babergh	750
6	from Mid Suffolk	540
7	from Colchester	310
8	to Colchester	280
9	from Tendring	210
10	to Tendring	140

## Kings Lynn and West Norfolk

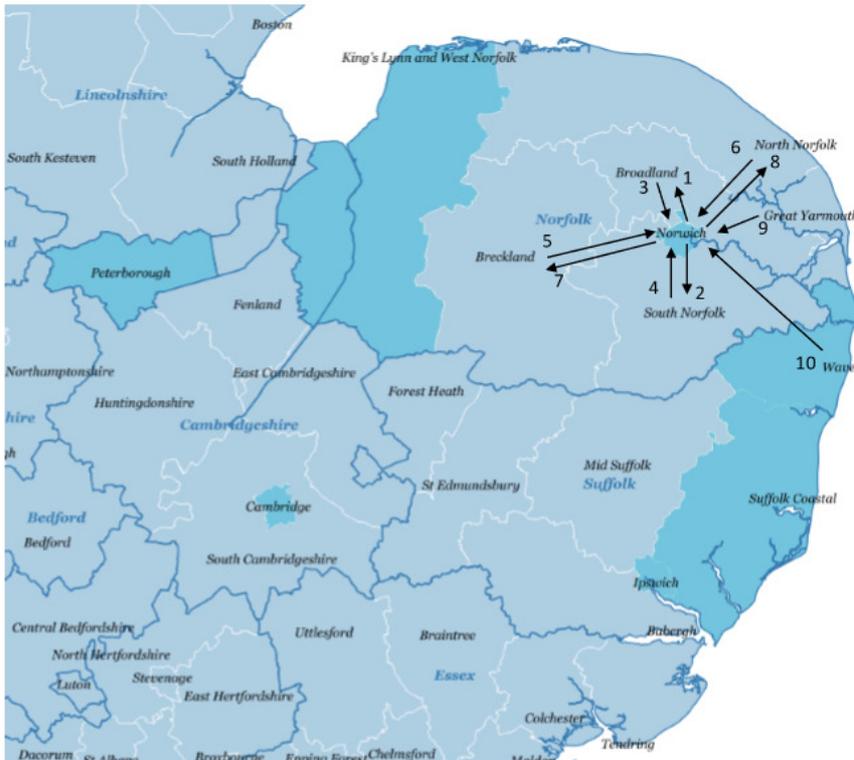
40



Housing moves		
1	to Fenland	740
2	from Fenland	710
3	to Breckland	500
4	from Breckland	450
5	to South Holland	320
6	to North Norfolk	310
7	from North Norfolk	260
8	from South Holland	210
9	from East Cambs.	200
10	to Norwich	200

## Norwich

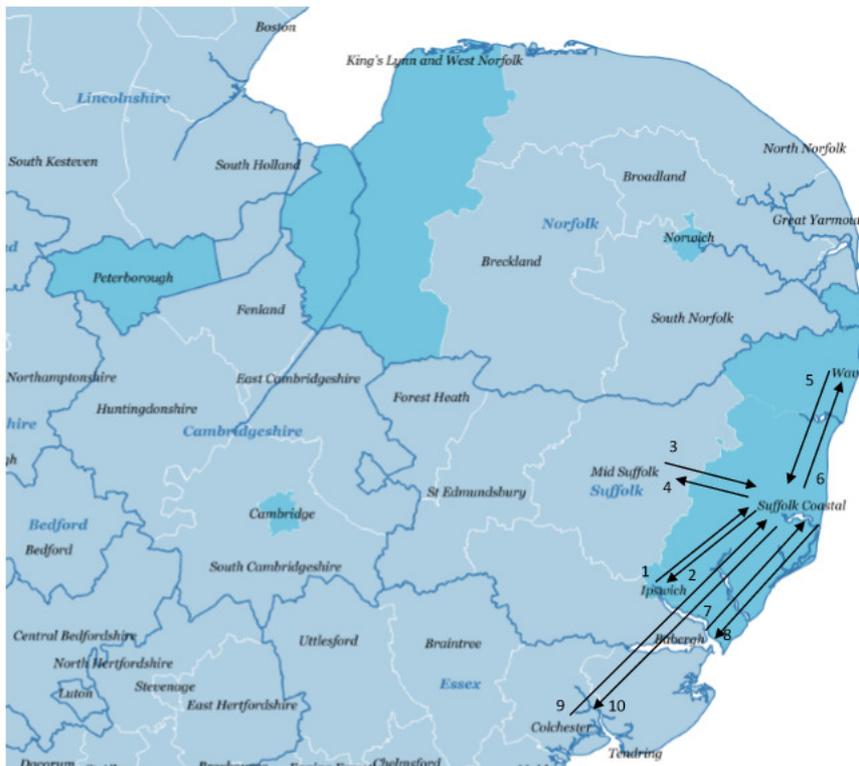
41



Housing Moves		
1	to Broadland	2,320
2	to South Norfolk	1,900
3	from Broadland	1,540
4	from South Norfolk	1,240
5	from Breckland	560
6	from North Norfolk	500
7	to Breckland	470
8	to North Norfolk	440
9	from Great Yarmouth	340
10	from Waveney	260

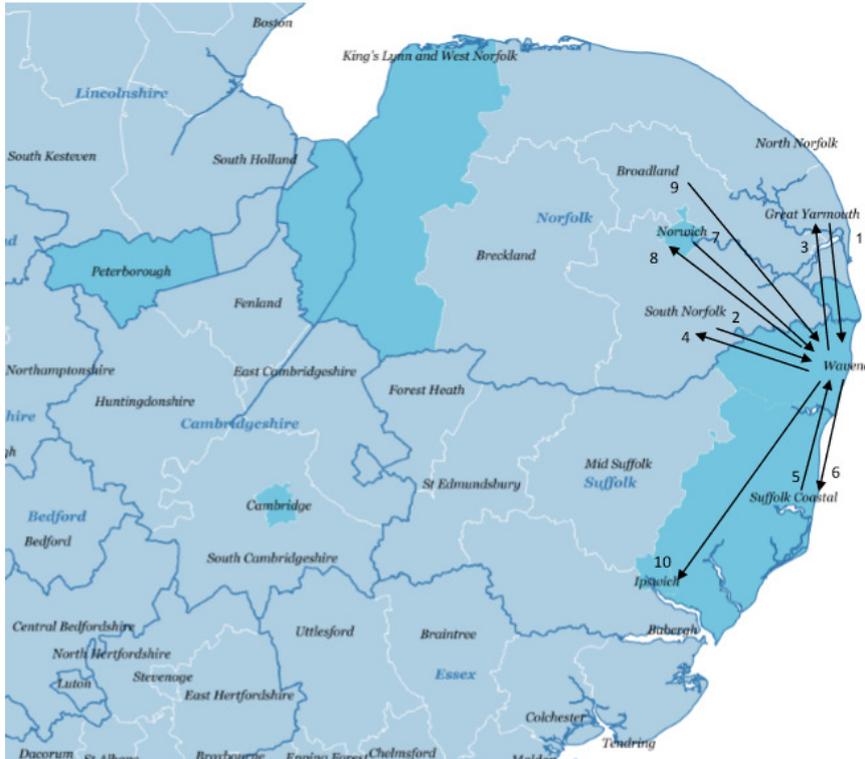
## Suffolk Coastal

43



Housing Moves		
1	from Ipswich	1,540
2	to Ipswich	1270
3	from Mid Suffolk	450
4	to Mid Suffolk	400
5	from Waveney	300
6	to Waveney	290
7	from Babergh	270
8	to Babergh	200
9	from Colchester	140
10	to Colchester	140

# Waveney



Housing moves		
1	from Great Yarmouth	620
2	to South Norfolk	510
3	to Great Yarmouth	460
4	from South Norfolk	430
5	to Suffolk Coastal	300
6	from Suffolk Coastal	290
7	from Norwich	260
8	to Norwich	230
9	from Broadland	130
10	to Ipswich	120

# Location Quotients – Broad Categories

Areas where supply chain relationships may already exist, or could be fostered:

Industry	Cambridgeshire	Peterborough	Norfolk	Suffolk
Mining, quarrying & utilities	0.95	0.65	1.08	1.13
Manufacturing	1.26	0.88	1.20	1.22
Construction	0.91	0.70	1.22	1.15
Motor trades	1.06	1.46	1.30	1.34
Wholesale	1.08	1.42	1.02	0.96
Retail	0.82	1.21	1.18	1.06
Transport & storage (incpostal)	0.76	0.91	0.77	1.39
Accommodation & food services	0.90	0.75	1.28	1.14
Information & communication	1.44	1.29	0.56	0.77
Business administration & support services	0.92	2.05	0.91	1.15

Metro — Dynamics

## Specialisation: Manufacturing

Industry	Cambridgeshire	Peterborough	Norfolk	Suffolk
10 : Manufacture of food products	1.49	0.74	1.98	1.93
11 : Manufacture of beverages	0.15	0.12	1.39	1.47
15 : Manufacture of leather and related products	1.02	4.07	1.54	0.54
16 : Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.42	0.18	1.35	1.41
17 : Manufacture of paper and paper products	3.72	1.01	1.05	1.02
18 : Printing and reproduction of recorded media	1.22	1.49	1.44	2.30
20 : Manufacture of chemicals and chemical products	0.52	1.03	0.76	1.33
21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations	2.09	0.00	1.62	0.35
22 : Manufacture of rubber and plastic products	1.39	0.18	1.19	1.54
23 : Manufacture of other non-metallic mineral products	1.84	0.76	0.65	0.71
25 : Manufacture of fabricated metal products, except machinery and equipment	1.09	0.51	1.23	1.06
26 : Manufacture of computer, electronic and optical products	3.03	0.34	0.72	0.82
27 : Manufacture of electrical equipment	0.94	1.54	1.09	1.06
28 : Manufacture of machinery and equipment n.e.c.	1.64	4.59	1.72	2.06
30 : Manufacture of other transport equipment	1.29	0.01	0.50	0.17
31 : Manufacture of furniture	0.99	0.53	1.86	1.88
32 : Other manufacturing	1.18	0.43	1.02	1.23
33 : Repair and installation of machinery and equipment	0.49	1.31	1.12	0.59

Metro — Dynamics

## Appendix B

### Summary Rationale for Devolution Deal Proposals

Function	Rationale
<i>Appendix A in draft governance scheme</i>	<b>Transport and Electronic Communications – Better Connected</b>
<p>To be responsible for a consolidated, multi-year local transport budget for the area of the Combined Authority devolved from the Government consisting of the Integrated Transport Block or any equivalent or replacement funding for the same or similar functions as those covered by that funding.</p> <p>In each financial year in which the amounts devolved by the Government are identified as allocated to individual Constituent Authorities, the Mayor shall passport that funding to the relevant Constituent Authorities.</p> <p>In any financial year in which the amounts devolved by the Government are not identified as allocated to individual Constituent Authorities, the Mayor shall consult with the Combined Authority as to his spending plans in relation to the devolved amounts and approval of such spending plans shall be subject to the voting arrangements specified in the Scheme of Governance.</p> <p>The Mayor shall transfer to the relevant Constituent Authority any amount identified as allocated to that Constituent Authority in the approved spending plans.</p>	<p>This funding will help unlock the development of stalled employment and housing sites across the counties. It will also support increased productivity within growth sectors and existing businesses and enable the development of a modern, integrated transport system.</p> <p>It will allow flexible use for bringing forward priority based investment that has maximum impact. This will: enable the development of 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.</p> <p>We already have a successful Local Transport Body bringing together Norfolk and Suffolk County Councils and New Anglia LEP to make decisions on and manage the transport infrastructure programme funded through Growth Deal. A Local Transport Board brings together wider stakeholders including Highways England and Network Rail. The Mayoral Combined Authority (MCA) would build on this and provide a democratic decision-making body allowing the LTBs to continue to manage the delivery and work together with partners.</p>
<p>To produce and publish a Local Transport Plan for the Combined Authority area without prejudice to Constituent</p>	<p>The Local Transport Plan will provide a strategic framework for developing transport links across Norfolk and Suffolk, enabling the vital connectivity that supports the economy. The MCA will also work with neighbouring counties to ensure Norfolk and Suffolk embed links with rest of the country.</p>

Function	Rationale
<p>Authority duties to publish Local Transport Plans under section 9 of the Transport Act 2000.</p>	
<p>Jointly with the other Authorities, to take responsibility for delivering a new Key Route Network of local authority roads; the management and maintenance of which shall be undertaken by the Combined Authority and through this work towards shared procurement frameworks and operational delivery of road maintenance across the Constituent Authorities. In turn this will unlock key sites, along with rail developments and support the delivery of an asset management plan.</p>	<p>The MCA will provide a strategic framework for transport enabling join up with other authorities where relevant. However, its local knowledge and accountability means that, in taking control of the key route network, it will be more effective in maximising opportunities to improve road maintenance and unlock sites for development.</p>
<p>To exercise, concurrently with the relevant Constituent Authority to the extent that they have equivalent powers, such powers to franchise bus services in the Combined Authority area as shall be contained in future legislation to support delivery of smart and integrated ticketing across the East Anglia region in conjunction with the other Combined Authority and Constituent Authorities.</p>	<p>As significant rural counties, public transport is important for Norfolk and Suffolk in ensuring communities and businesses are connected. The MCA provides the opportunity to strategically plan transport in a coherent way that will improve economic growth.</p> <p>Linking research-based growth in the largest towns with our rural villages through improvements to road &amp; rail infrastructure and using smart ticketing will make it easier for residents to participate fully in the economy across transport modes.</p>
<p>Develop in partnership with others an integrated approach to local buses, community based transport, the local network of car clubs and in particular rail services with rail operators and Network Rail.</p>	
<p>To explore the creation of a statutory Transport body to influence strategic national transport initiatives and work with Essex and the Midlands through the Cambridge-to-Oxford arc.</p>	<p>There is significant connectivity across Councils in the area as well as strong relationships with neighbouring areas, particularly Cambridgeshire.</p> <p>We have a track record of prioritising outcomes over organisational boundaries, including where this means going beyond our county borders. We have worked flexibly with partners in the Greater Cambridge economic region with its strong influence on the west of the counties, for example in developing the A11 Corridor between Norwich and Cambridge.</p>

Function	Rationale
	A strategic transport body would offer a joined up approach to infrastructure, improve connectivity, develop key growth sectors and build on existing growth corridors such as the A11, A14 and A47.
<b>Housing and Planning</b>	
Creation of a non-statutory spatial framework and supplementary planning documents to act as a framework for managing strategic planning across the Combined Authority area with which all Local Development Plans will, where reasonably practicable and without resubmission for approval, generally conform.	Local Plans are not joined up nor aligned with investment in infrastructure. Consequently, infrastructure to support new homes and employment sites is fragmented and often follows development rather than enabling it.  Currently there is no mechanism to properly consider and plan for big strategic issues, such as the ongoing expansion of Greater London, which will continue to impact on housing price and availability in Suffolk.
To develop a non-statutory strategic infrastructure delivery plan across Norfolk and Suffolk.	The MCA offers the opportunity to develop a joined up, longer term strategic plan to drive growth and improve the effectiveness of public services.
To have functions corresponding to those of the Mayor of London under Part 8 of the Localism Act 2011 to designate any area of land in the Combined Authority area as a Mayoral Development Area leading to the establishment by Order of a Mayoral Development Corporation subject to the consent of all Constituent Authority in which the Development Corporation is intended to be based.	The economic analysis of Norfolk and Suffolk in the governance review, highlighted clustering within the Norfolk/Suffolk area for travel to work and housing migration. As such, the flexibility to be able to establish Mayoral Development Companies would be consistent with this geography and assist in the ensuring the coherent strategy is aligned with local delivery.  The additional powers that come with a MCA will enhance the multi-centred nature of the economies within Norfolk and Suffolk.
The Combined Authority, with its partner authorities, will use the powers and infrastructure resources devolved from the Government, alongside local public and private investment, to substantially increase housing delivery through ambitious targets based on housing need, seeking to deliver 40,000 homes to 2021 and 200,000 homes over the longer period of Local Plans across Norfolk and Suffolk of different types and tenures.	Sufficient and appropriate housing is vital to ensure people can live healthy and prosperous lives as well as having a major impact on developing our economy. An undersupply of homes reduces the mobility of the workforce, increases pressure on public services and fails to meet people's aspirations. However, while many planning permissions are being granted, the homes are not being built.  Over the past 15 years, across Norfolk and Suffolk, the annual average completion rate has been below 6,000. More recently, housebuilding has been severely affected by the downturn in the property market and, although it is picking up, delivery is still below 4,500 per annum (compared to a need for 7,600). We have plenty of allocated or permitted sites but need to build capacity in the industry and other sectors to deliver; this will be achieved through a package of measures.

Function	Rationale
	<p>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. We need to continue to invest in delivering these commitments as fast as possible, as well as ensuring that there are a wide range of opportunities at various scales to encourage SMEs to build and to stimulate supply.</p> <p>Norfolk and Suffolk have specific pressures providing appropriate housing for all, such as ensuring sufficient affordable housing in a relatively low wage economy, and shaping the market to meet the needs of an ageing population at the same time as developing new models of care. As well as sites, we need to stimulate markets for different types of housing provision including the private rented sector and age appropriate housing that will enable people to stay in their own homes for as long as possible.</p>
<p>To make proposals for the creation of other emerging vehicles to help take forward large development or new settlements subject to the consent of any Constituent Authority in which area the vehicle is intended to be used.</p>	<p>A beginning of new ways to raise Norfolk and Suffolk's global ambition and create more accountable, efficient public services - the proposed devolution deal is good foundation. However, there is more to do.</p> <p>The MCA will use this Deal as a basis for identifying further reforms to unlock investment and create a step change in improving the economic contribution and sustainability of Norfolk and Suffolk's people and places.</p>
<p>To exercise strategic planning powers to support and accelerate these ambitions. These will include the power to:</p> <ul style="list-style-type: none"> <li>• Create non-statutory supplementary planning documents subject to the approval process above.</li> <li>• Be consulted on planning applications of strategic importance in the Combined Authority area and to work with local areas to achieve ambitious plans for new housing development.</li> <li>• Create Mayoral Development Corporations or similar delivery vehicles, with planning and land assembly powers, which will support delivery of strategic sites in the Combined Authority area. This power will be exercised with the consent of the Constituent Authority member in which the development corporation is to be used. To be consulted on and/or</li> </ul>	<p>Currently, there is no clear and systematic description of growth across the two county area so that investment decisions can be programmed and targeted to priorities. Local Plans are fragmented and there is currently no spatial plan for the strategic functional economic area of Norfolk and Suffolk, to reflect priorities, including delivery of national energy infrastructure, or respond to the economic opportunities beyond our boundary to the west (working with Cambridgeshire and GCGP LEP), the south (working with Essex) and offshore.</p> <p>There is no mechanism to properly consider and plan for strategic scale growth and wider strategic issues, such as the ongoing growth of Greater London and Cambridge which will continue to impact on the local economy, transport infrastructure, and housing.</p> <p>The MCA provides the opportunity to set a strategic plan for Norfolk and Suffolk, enabling a more proactive, longer term approach to delivering economic growth, unlocking housing delivery and investing in infrastructure. This will include working with partners within Norfolk and Suffolk and beyond – particularly Cambridgeshire.</p>

Function	Rationale
<p>call in planning applications of potential strategic importance to the Combined Authority area.</p> <ul style="list-style-type: none"> <li>• Ensure there is a sufficient supply of commercial and housing sites available, to support a growing economy.</li> <li>• Develop closer working with the Homes and Communities Agency.</li> </ul>	
<b>Finance</b>	
<p>To exercise the power under paragraph 21.8 of the Scheme: <i>(the Mayor shall have power to place a supplement of 2p per pound of rateable value on business rates to fund infrastructure [and mayoral costs] with the agreement of the local business community through the LEP).</i></p> <p>To exercise the function of issuing a precept under Chapter 4 of Part 1 of the Local Government Finance Act 1992 in respect of mayoral functions.</p>	<p>The MCA offers the opportunity to set local levies. This additional autonomy over funding means the MCA can adjust its approaches depending on local need/conditions and choose funding strategies that will unlock the greatest possibilities for growth.</p>
<b>Flood Defence and Coastal Management</b>	
<p><i>Appendix B in draft Governance Scheme</i></p> <p>The Combined Authority will work with the Government, drainage boards, the Environment Agency and other relevant bodies to create a fully integrated approach to flood and coastal risk management.</p>	<p>Norfolk and Suffolk have a considerable coastline at risk of erosion and flooding risk that is also an issue for some inland areas too.</p> <p>A MCA would provide a coherent approach enabling more: timely decision making; pre-emptive action to deliver solutions and simplified funding that maximises the ability to reduce risk and deliver additional economic growth across Norfolk and Suffolk.</p>
<b>Learning and Skills, Education, Apprentices and Employment</b>	
<p>To ensure continued collaboration the Combined Authority will, with the Regional Schools Commissioner and other key local education stakeholders establish an Education Committee. The Regional Schools Commissioner will work</p>	<p>Enabling the MCA to work in partnership with the Regional Schools Commissioner (RSC) and the Headteacher Board will bring together our capacity and expertise in schools improvement, local infrastructure planning and the provision of new school places to discharge our duty to secure a good education for every child.</p>

Function	Rationale
<p>with the Committee to provide strategic direction on education across the Combined Authority area.</p>	<p>Ensuring join up across the different responsibilities for education and schools is important in ensuring schools and their pupils fulfil their potential. Norfolk and Suffolk results are improving. It will establish mutually agreed local arrangements for the purposes of the Regional Schools Commissioner and the Local Authorities to jointly discharge their respective responsibilities for place planning and school improvement.</p> <p>Therefore, the MCA will provide greater consistency of approach but with understanding of local circumstances.</p>
<p>Government commits to an Area Review of post-16 education and training, currently expected to start in November 2016, excluding Great Yarmouth and Lowestoft where a Review has already been conducted during 2015.</p>	<p>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. The stability of our post-16 education and skills sector is critical to raising productivity and the creation of a more dynamic economy. The Government wants to see strong local areas and employers taking a lead role in establishing a post-16 skills system that is responsive to local economic priorities. We share this ambition and the MCA with devolved responsibilities provides the right governance, levers and partnerships in place to deliver.</p> <p>As part of the Area Based Reviews, the Mayoral Combined Authority (MCA) will conduct a comprehensive and joined up review of post 16 education. The MCA scale means a consistent approach to improving education and training provision across the functional economic area of Norfolk and Suffolk but with an understanding of local need and economic geographies.</p>
<p>The Government recognises the progress the LEP, local colleges and providers and the private sector have made in improving skills provision across Norfolk and Suffolk. The New Anglia Employment and Skills Board will consider if further refinement of their local skills strategies will be required after the conclusion of the Area Reviews to ensure that post-16 providers are delivering the skills that local employers require. It is expected that the LEP Skills Board will continue to collaborate with colleges and providers, with appropriate support from the Education Funding Agency to work towards delivering this plan.</p>	<p>We have a strong network of colleges and university partners who are already working together in a unique way alongside the LEP Skills Board. We are excited by the potential to take the next steps through devolution and are all fully committed to using this opportunity to achieve the step change we need in workforce productivity and skills.</p> <p>The MCA presents the opportunity to rationalise existing governance arrangements to make them simpler, more integrated and cost effective where locally appropriate. The scale of the MCA, along with its strategic approach will facilitate this where and when appropriate.</p>

Function	Rationale
<p>The Government will enable local commissioning of outcomes to be achieved from 19+ Adult Education Budget starting in academic year 17/18; and will fully devolve budgets to the Combined Authorities from academic year 2018/19 subject to readiness conditions). These arrangements will not cover apprenticeships.</p>	<p>The MCA will ensure that the Adult Skills Budget (is more closely aligned to local economic priorities. This will enable a locally tailored approach that best meets the needs of local people and employers with the benefit of a consistent, strategic overview through the MCA.</p>
<p>The Combined Authority will focus a greater proportion of its devolved Adult Education Budget on learning that delivers sustained job outcomes, productivity and economic growth.</p>	<p>GVA across Norfolk and Suffolk is lower than the national average. Economic growth is a key driver for Norfolk and Suffolk's devolution ambition. Economic growth is vital to a thriving society; however, it cannot be separated from the people and places that will drive and benefit from that growth</p> <p>Devolving this budget enables a more locally appropriate response across the MCA area</p>
<p>Devolution will proceed in two stages, across the next three academic years:</p> <p>a) The Combined Authority will begin to prepare for local commissioning. For the 2017/18 academic year, and following the area review, the Government will work with the Combined Authority to vary the block grant allocations made to providers, within an agreed framework.</p> <p>b) From 2018/19, there will be full devolution of funding. The Combined Authority will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to Constituent Authorities and the Combined Authority will need to take into account a range of demographic, educational and labour market factors; it will also need</p>	<p>The MCA will be well placed to ensure the necessary preparations for full devolution of the Adult Education Budget. It will have the strategic leadership and decision making in place that will be able to assure Government that the budget will be managed and distributed appropriately.</p> <p>In relation to the costs of the Combined Authority the Constituent Authorities have agreed the principle that the Mayoral Combined Authority's costs will be met as far as possible from existing resources. The statutory officers and support to the Combined Authority will be provided by the Constituent Authorities.</p> <p>In relation to Mayoral costs the agreed intention of the Constituent Authorities is that the single pot investment fund allocation will be invested so as to leverage additional financial benefit for the Combined Authority which will, after an initial investment period, exceed the Mayoral costs</p>

Function	Rationale
<p>to take account of costs of implementing devolution and continuing operational expenditure.</p>	
<p>The readiness conditions for full devolution are that:</p> <ul style="list-style-type: none"> <li>a) Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.</li> <li>b) Completion of the Area Review process leading to a sustainable provider base.</li> <li>c) After Area Reviews are completed, agreed arrangements are in place between central government and the Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base.</li> <li>d) Clear principles and arrangements have been agreed between the Government and the Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and national interest and protecting the taxpayer from unnecessary expenditure and liabilities.</li> <li>e) Learner protection and minimum standards arrangements are agreed.</li> <li>f) Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.</li> </ul>	<p>Re-setting the relationship with Government is part of the Norfolk and Suffolk approach to devolution. As such it will be important to continue to work constructively with Government on provisions within the existing deal as well as exploring the opportunities for future devolved arrangements. Therefore, the MCA would be keen to work with Government to ensure the readiness conditions are fully met.</p>
<p>Government recognises that Norfolk and Suffolk have a wealth of higher education strengths such as the University of East Anglia, University Campus Suffolk and Norwich</p>	<p>A new partnership between the Universities and Further Education providers in the region to drive a programme of co-ordinated skills and educational improvement to deliver the knowledge based economy is central to Norfolk and Suffolk's model of connected growth (enhanced by a single strategic MCA for the area).</p>

Function	Rationale
<p>University of the Arts. This higher education offer has a vital role in enhancing the innovation and productivity of the area's economy. Local partners want to work with Government to build on this, including investment in the institutions to develop their academic and research offer, such as, University Campus Suffolk which has obtained independent university status and will become the University of Suffolk in August 2016. Other proposals include plans in Ipswich by BT, Cambridge University and University Campus Suffolk focused on future developments in ICT and the Internet of Things.</p>	
<p>Subject to the readiness conditions below, from the 2018/19 academic year onwards, to receive fully devolved Government budgets (calculated on a funding formula taking into account a range of demographic, educational and labour market factors) for 19+ education and training and to exercise within the Combined Authority area the functions of the Secretary of State under the following provisions of the Apprenticeship, Skills, Children and Learning Act 2009:</p> <ul style="list-style-type: none"> <li>a) Section 86 except subsection (1)(b)</li> <li>b) Section 87</li> <li>c) Section 88 (but not any power to make Regulations)</li> <li>d) Section 90 (but not any power to make Regulations)</li> </ul> <p>Also relevant are the powers and duties under section 15ZA, 15ZB, 15ZC, 17A, 18A (1)(b), of the Education Act 1996 and the powers under sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age). These powers shall be exercised by the Combined Authority concurrently.</p>	<p>The MCA would be ready to take on these additional powers and work with government to ensure their transfer is as efficient as possible. Following that it would be accountable (to central Government and locally) for the responsible allocation of funds to providers.</p>

Function	Rationale
<p>Pursuant to the functions referred to above, to be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements and proportionate requirements set by the Government.</p>	
<b>Apprenticeships</b>	
<p>The Government recognises Norfolk and Suffolk's commitment to delivering more apprenticeships. The Combined Authority will assume responsibility for the Apprenticeship Grant for Employers (AGE). The AGE funding must be used alongside mainstream apprenticeship participation funding to incentivise employers to offer apprenticeships, but the Combined Authority is free to vary the criteria associated with the grant (e.g. size and sector of business) to meet local needs. The Skills Funding Agency will work with the Combined Authority to identify an appropriate share.</p>	<p>Development of a more responsive training offer and increase in the proportion of young people and adults that are completing the high level qualifications that employers need is important for Norfolk and Suffolk.</p> <p>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.</p>
<p>The Combined Authority and the Government will collaborate to maximise the opportunities presented by the introduction of the apprenticeship reforms, including the levy, and to work together on promoting the benefits of apprenticeships to employers in order to engage more small businesses in the apprenticeship programme. The Combined Authority will explore the potential of introducing an Apprenticeship Training Agency to the area, funded through local resources</p> <ul style="list-style-type: none"> <li>a) Apprenticeships, Skills, Children and Learning Act 2009 s.122</li> <li>b) Education and Skills Act 2008</li> <li>c) Employment and Training Act 1973 s.2, s.10A</li> </ul>	

Function	Rationale
<p>The Combined Authority will work with the Department for Work and Pensions (DWP) to establish a locally integrated employment services which join together the elements of the employment system to achieve better outcomes. This includes:</p> <ul style="list-style-type: none"> <li>a) The Combined Authority committing to work with the Government to ensure all young people are either earning or learning including supporting Jobcentre Plus in the delivery of the Youth Obligation from April 2017.</li> <li>b) The Government committing to ensuring all young people are either earning or learning and to exploring opportunities for links with local employment services to support this aim, including building in good practice from the present local MyGo service and other local provision.</li> <li>c) The Combined Authority commits to supporting the Youth Obligation by utilising strong local links to business to create work-related training and labour market opportunities for young people including encouraging the provision of apprenticeships and work placements in the local community. It will also work with the Government to investigate the potential for social investment, in particular Social Impact Bonds, for disadvantaged young people not in education, employment or training who may not be in receipt of support from Jobcentre Plus.</li> </ul>	<p>Our vibrant economy has the potential to offer high value, secure and sustainable jobs to everyone who lives here. However, unless we unlock the potential of young people – their abilities, their ideas, their energy and their passion – we will not achieve that ambition.</p> <p>To do that we need to provide a system which supports every young person, proportionate to need, to make a successful transition from education to work and which prevents anyone from ‘falling through the net’.</p> <p>The MCA will build on existing successes, such as the MyGo Youth Employment Project in Ipswich, to deliver the Government’s Youth Obligation through a New Anglia Youth Pledge. The Pledge will ensure that every young person aged 16-24 is earning or learning.</p>
<p>The Combined Authority will work with DWP to co-design the new National Work and Health Programme designed to focus on those with a health condition or disability and the very long term unemployed.</p>	<p>Despite falling unemployment and a range of nationally commissioned employment programmes, many of our most vulnerable residents, including those suffering from mental health conditions, remain a long distance from the labour market.</p>

Function	Rationale
<p>The respective roles of DWP and the Combined Authority in the co-design will include:</p> <ul style="list-style-type: none"> <li>a) DWP sets the funding envelope, the Combined Authority can top up if they wish to, but are not required to.</li> <li>b) The Combined Authority will set out how it will join up local public services in order to improve outcomes for this group, particularly how it will work with the Clinical Commissioning Groups/third sector to enable timely health-based support. There will be a particular focus on ensuring the integration of the new programme with local services, in order to ensure that national and local provision works well together, and opportunities for greater integration are identified and levered.</li> <li>c) DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. The Combined Authority will have some flexibility to determine specific local outcomes that reflect local labour market priorities; these outcomes should be complementary to the ultimate employment outcome. In determining the local outcome(s) the Combined Authority should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.</li> <li>d) Before delivery commences, DWP and the Combined Authority will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by</li> </ul>	<p>The MCA and relevant local partners will work with Government to improve outcomes for 'hard to help' groups, including claimants of Employment Support Allowance through a more effective, integrated employment support offer with health, housing and other partners.</p> <p>The MCA will make co-commissioning with Government simpler as it provides a strategic view and accountability across Norfolk and Suffolk.</p>

Function	Rationale
<p>which each party can raise and resolve any concern that arise.</p> <p>e) DWP will facilitate protocols for data sharing and transparency by tackling some of the obstacles and developing solutions to enable the Combined Authority to develop a strategic needs assessment for the area.</p>	
<p>The Combined Authority will co-commission the Work and Health programme with DWP. The respective roles of DWP and the Combined Authority will include:</p> <p>a) DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from the Combined Authority on contract package area geography.</p> <p>b) The Combined Authority will be involved in tender evaluation.</p> <p>Providers will be solely accountable to DWP, but DWP and the Combined Authority's above-mentioned agreement will include a mechanism by which the Combined Authority can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate</p> <p>The relevant powers in this regard include the:</p> <ul style="list-style-type: none"> <li>• Apprenticeships, Skills, Children and Learning Act 2009 s.122</li> <li>• Education and Skills Act 2008</li> <li>• Employment and Training Act 1973 s.2, s.10A</li> <li>• Social Security (Claims and Information) Regulations 1999 (SI 1999/3108)</li> <li>• Social Security (Information-sharing in relation to Welfare Services etc.) Regulations 2012 (SI 2012/1483)</li> </ul>	

Function	Rationale
<ul style="list-style-type: none"> <li>Welfare Reform Act 2012 s.131</li> <li>Welfare Reform and Pensions Act 1999</li> </ul>	
<b>Further Activity to Improve Life Chances</b>	
<p>The Combined Authority will set out how it will join up local public services across health, skills and employment in order to improve outcomes, particularly how it will work with local Clinical Commissioning Groups/third sector organisations and NHS England / the Health and Work Unit nationally to enable timely health-based support.</p>	<p>Having the MCA to coordinate this activity across Norfolk and Suffolk as well as consider implications for neighbouring areas (particularly Cambridgeshire and Essex, given the Sustainability and Transformation Plan footprints) will be make this work more efficient and effective. It also provides clarity for national agencies in terms of negotiating effective solutions.</p>
<p>DWP will work with the Combined Authority and other partners to put in place workable data sharing arrangements which enable the integration of services and reduce duplication in order to support more people into work.</p>	<p>Whilst there is a strong history of collaborative working across Norfolk and Suffolk, previous collaborations have indicated the importance of having workable data sharing in order to maximise the benefits of joined up working.</p>
<b>Career and Pay Progression</b>	
<p>The Government will work with the Combined Authority to ensure that local priorities are fed into the provision of career advice, through direct involvement and collaboration with the Government in the design of local careers and enterprise provision for all ages, including continued collaboration with the Careers and Enterprise Company and the National Careers Service.</p>	<p>Currently a significant proportion of people ending a claim for out of work benefits will reclaim within six months and many more within two years. We want to ensure that people are better off in work than claiming benefits and with Job Centre Plus to work with individuals to help them stay in employment and - where appropriate - support and encourage them to increase their earnings.</p>
<p>The Combined Authority will develop a business case for an innovative pilot to support career and pay progression for those claiming Universal Credit. The business case will set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans to enable the proposal to be taken forward, subject to Ministerial approval and an agreed investment plan.</p>	<p>Under devolution, the MCA will have established a new ongoing relationship with Government that will allow for exploration of future proposals such as business cases for pilots or additional devolution of powers. This is important to ensure it continues to drive growth, reform public services and deliver the best possible outcomes for local people and places.</p>
<b>Business Support</b>	

Function	Rationale
<p>The Government will participate in and support the work of The Norfolk and Suffolk Productivity Commission, as a National Pilot Project to improve the productivity of the local economy by:</p> <ul style="list-style-type: none"> <li>a) Examining the productivity challenges facing local key sectors and the definition of productivity in each sector</li> <li>b) Examining best practice locally, nationally and globally, at tackling these challenges</li> <li>c) Building on the Government’s 10-point plan for rural productivity</li> <li>d) Assessing how central and local policies are assisting with the productivity challenges and how they can be made to work better</li> <li>e) Developing a Productivity Plan bringing together best practice and policy recommendations</li> <li>f) Overseeing implementation of the plan and evaluate its impact</li> <li>g) Making available findings and actions for roll-out in other parts of the country</li> <li>h) The Norfolk and Suffolk Productivity Commission will be chaired by a senior business figure, co-ordinated by the LEP, funded by local partners and able to capitalise on business-led sector group structures established by the LEP.</li> </ul>	<p>One of the key barriers to Norfolk and Suffolk realising its potential and increasing growth is poor infrastructure. Norfolk and Suffolk’s infrastructure has been less of a priority for successive Governments. Improving connectivity is vital in realising the area’s economic potential and raising its economic contribution both nationally and internationally.</p> <p>We have developed an ambitious pipeline of transformative projects which can deliver more growth, create more jobs and unlock much more growth. Our main challenge is that many of these projects are large. They do not form part of the Highways England network and therefore cannot form part of their investment plan – but are too large to be funded by Growth Deals. This problem is compounded by annual funding settlements, making longer term investment very difficult.</p> <p>Therefore, working with senior local and national stakeholders, the Commission will 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. It will ensure that the Productivity Fund proposed in the Assets and Infrastructure section is used to maximum benefit.</p>
<p>Local partners will successfully deliver the New Anglia Enterprise Zone (EZ) and the extension to the Great Yarmouth and Lowestoft Enterprise Zone as announced on 25 November following the 2015 application round. DCLG will agree with the LEP memoranda of understanding about the high level management and delivery of both the new EZs and the extension. The Government commits to supporting local</p>	<p>Suffolk and Norfolk is already home to a thriving Enterprise Zone in Great Yarmouth and Lowestoft at the heart of our all-energy coastline. The new Enterprise Zone announced in the Autumn Statement (November 2015) created ten new sites across the East giving businesses locally, nationally and internationally the tools to begin a new venture or move their ideas forward and help create even greater momentum, wealth and success. Key locations across Suffolk and Norfolk include King’s Lynn in the west and Wells-next-the-Sea in the north, along the A14 corridor with Stowmarket and Bury St Edmunds and helping us shape our Ipswich Vision</p>

Function	Rationale
<p>partners in promoting and supporting the delivery of the Enterprise Zone as well as considering any further proposals subject to future funding rounds.</p>	<p>in the south. They will be a magnet for inward investment helping create thousands of jobs, enterprise and prosperity for their communities and our wider economy.</p>
<p>The LEP will continue to deliver a strong Growth Hub, providing business support tailored to meet local needs across Norfolk and Suffolk. The Government will provide funding to help embed the Growth Hub in 2016/17 and 2017/18.</p>	<p>The New Anglia Growth Hub is a central point for businesses and individuals across Norfolk and Suffolk, and provides a simple and easy route to business support. New Anglia Local Enterprise Partnership secured funding for the Growth Hub as part of the Ipswich and Norwich City deals, that will drive growth and investment across Suffolk and Norfolk. The Growth Hub is operated by Suffolk Chamber of Commerce on behalf of New Anglia LEP.</p> <p>The New Anglia Growth Hub is supported by a range of partners, including the Federation of Small Businesses, Eastern Enterprise Hub and Norfolk and Suffolk Local Authorities, and was one of the first Growth Hubs in England.</p>
<p>The Combined Authority, Constituent Authorities and LEPs commit to greater alignment of economic development resources to maximise impact of support for businesses and ensure the most efficient and effective use of public funding. This will include agreeing joint objectives to support the delivery of the Strategic Economic Plans and local plans and explore the pooling of staffing and resources.</p>	<p>The MCA will provide coherent, strategic decision making and a framework for key issues of strategic significance and enable easier join up with neighbouring authorities where relevant, for example, transport, infrastructure and skills. In improving the exercise of statutory functions, it will, where appropriate, integrate existing resources.</p>
<p>The Government recognises the work of the New Anglia Oil and Gas Task Force, established to support the businesses and employees who are being affected by the recent downturn in the oil and gas sector. The New Anglia Task Force will provide intelligence on the state of the local sector to the Government's Inter Ministerial Group, to help shape national policy to support for the sector. The Government will engage with the Task Force to ensure that UK Oil and Gas workforce plan which is currently under development aligns with and enhances measures being taken locally.</p>	<p>The LEP's Oil and Gas Taskforce was set up last year in response to the significant challenges facing the sector in Suffolk and Norfolk. The dramatic drop in the oil price has impacted on the confidence and investment plans of major energy firms, resulting in job losses and cost-cutting across the industry. the Taskforce which includes local MPs, business leaders, Jobcentre Plus, and local authorities, has agreed a package of measures prioritising three key areas:</p> <ul style="list-style-type: none"> <li>• Oil and gas businesses</li> <li>• Oil and gas employees and skills</li> <li>• Continuing to campaign to Government</li> </ul>

Function	Rationale
<p>The LEP and the Combined Authority commit to working with UKTI, strengthen joint working to increase inward investment and exporting. Local partners will invest in a concerted campaign to help more businesses, particularly smaller companies, export.</p>	<p>To unlock the potential in our key sectors and to create new jobs and businesses requires focussed investment by local partners and Government to improve the area's infrastructure and ensure business has a supply of skilled workers and the right support to grow. This is key to delivering the shared ambition to make Norfolk and Suffolk fulfil its potential to increase our contribution to UK growth and establish our position as a global leader in the 3rd industrial revolution.</p>
<p>The LEP, the Growth Hubs and Constituent Authorities will work with the Government to develop a strategic approach to regulatory delivery, building on the "Better Business for All" national programme which will remove regulatory barriers to growth for businesses.</p>	
<p>The Government supports the vision for innovation set out by Norfolk and Suffolk and recognises the importance of the delivery of this vision for the region's future economic growth. The government will offer the Combined Authorities expert advice and support through the Smart Specialisation Advisory Hub, and associated workshops, to support activities part-funded by the European Regional Development Fund. The Government also recognises Norwich's growing capability in the area of food and health research, as evidence by the announcement of the Quadram Institute in Budget 2016, and would be interested in the area's views on how Norfolk and Suffolk can capitalise on this strength.</p>	
<b>Health and Social Care</b>	
<p>East Anglia faces significant demographic challenges that are putting pressure on resources now and in future years. For example, the population of the area contains more residents over the age of 75 than the average for England and this group is expected to continue to grow significantly.</p> <p>Local progress has already been made towards greater integration of health and social care in Norfolk and Suffolk</p>	<p>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.</p> <p>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</p>

Function	Rationale
<p>where they have developed local integrated services that support and improve the delivery of health and social care for people in their areas.</p> <p>There is appetite to build on these foundations and make further progress on health and social care integration in order to deliver the Spending Review commitment to integrate health and social care by 2020, and to make the most efficient and effective use of public resources to meet the demographic challenges that lie ahead. Integrating such complex services will require re-shaping the whole system, which can only be achieved through careful planning, a shared vision and strong co-operation between local partners. This Devolution Deal signals a commitment to take forward the goal of improving local services and building resilience for future generations.</p> <p>To deliver this shared vision, partnerships between local authorities, clinical commissioning groups, service providers and other local partners will need to be strengthened significantly. Therefore, these parties will work together, with the Combined Authority and with support from the Government, NHS England and other national partners as appropriate, to support each of the counties through their Sustainability and Transformation Planning process to set out plans for moving progressively towards integration of health and social care, bringing together local health and social care resources to improve outcomes for residents and reduce pressure on Accident and Emergency and avoidable hospital admissions.</p>	<p>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.</p> <p>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.</p>

Function	Rationale
<p>NHS England and local organisations will remain accountable for meeting the full range of their statutory duties.</p>	
<b>Public Service Reform</b>	
<p>The Government and the Combined Authority will work with relevant central and local statutory and non-statutory sector partners to explore innovative and integrated approaches to redesigning sustainable public services across Norfolk and Suffolk with a focus on prevention and early help</p>	<p>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. Our contribution to the devolution revolution can be characterised by:</p> <ul style="list-style-type: none"> <li>• A new relationship between central and local government</li> <li>• Increased productivity in both the private and public sectors</li> <li>• Maximising the potential of our people and places</li> <li>• Helping the UK become a global economic powerhouse</li> </ul>
<p>The Combined Authority is accountable to local people for the successful implementation of the Devolution Deal; consequently, the Government expects the Combined Authorities to monitor and evaluate their Deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the Combined Authorities to agree a locally resourced monitoring and evaluation framework that meets local needs and helps to support future learning. This framework must be approved to the DCLG Accounting Officer prior to delivery.</p>	<p>The MCA will be accountable to central Government but also local people. It will also be subject to its Overview and Scrutiny Committee and Audit Committee.</p>
<p>The Combined Authority will be required to evaluate the additional £25 million per annum of funding for 30 years, which will form part of and capitalise the Combined Authority single pot. The £25 million per annum fund will be subject to:</p> <p>a) Gateway assessments for the £25 million per annum scheme. The Combined Authorities and the Government will jointly commission an independent assessment of the economic benefits and economic impact of the</p>	<p>The single pot is vital to achieving Norfolk and Suffolk’s ambition to increase its contribution to UK growth and establish our position as a global leader.</p> <p>It will be the MCA’s responsibility to ensure that the single pot, along with its additional devolved powers and other funding are used in the most effective, transparent and appropriate way.</p>

Function	Rationale
<p>investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Combined Authorities, but agreed at the outset with the Government, and will take place every five years. The next five year tranche of funding will be unlocked if the Government is satisfied that the independent assessment shows the investment to have met the objectives and contributed to national growth;</p> <p>b) The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes, and where relevant with the more detailed transport cost-benefit analysis guidance issued by the Department for Transport (DfT). The assessment should also take into account the latest developments in economic evaluation methodology; and</p> <p>c) The Government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio.</p>	



## **Appendix C**

# **Scheme for a Norfolk and Suffolk Combined Authority**

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## INTRODUCTION

The Norfolk and Suffolk Combined Authority will work with the Local Councils, LEPs, Government departments and agencies, ports, universities, third sector and business to grow the local and national economy whilst improving the life chances and quality of life of people across the region. This scheme sets out a number of core initiatives:

- A step change in infrastructure delivery with an integrated approach to planning of roads, rail and digital connectivity alongside land for new housing and business;
- The Constituent Authorities recognise and have agreed to the double devolution of powers to local areas working with the Mayor and the Combined Authority to take responsibility and accountability for delivery in their own areas to align with the regional strategic ambition;
- Making East Anglia the UK's truly connected region in respect of communications and transport connections, linking research-based growth in the major towns and cities with even the most rural villages. Improvements to road and rail infrastructure and using smart ticketing will make it easier for residents to participate fully in the economy across transport modes;
- Devising new models of private/public infrastructure and housing funding to fund strategic capital infrastructure;
- A new partnership between the Universities and Further Education providers in the region to drive a programme of co-ordinated skills and educational improvement to deliver the knowledge based economy.
- Areas of joint collaboration with Cambridgeshire and Peterborough, including strategic issues of scale, such as transport, skills and key sectors, eg agri-tech, as well as other areas that represent economic growth opportunities

The Combined Authority will comprise an elected Mayor and an elected member from each Constituent Authority appointed in accordance with the scheme set out below and shall include a representative from the New Anglia Local Enterprise Partnership for Norfolk and Suffolk "the LEP". The Mayor and the Combined Authority shall work closely together to deliver the vision and aims. The Mayor shall also be represented on the LEP.

The Combined Authority is a:

- Local authority for many purposes of the Local Government Act 1972, in particular sections 101 and 102 (arrangements for the discharge of functions by the local authorities) in conjunction with the powers of the Constituent Authorities to work jointly with the Combined Authority under sections 9EA and 9EB of the Local Government Act 2000; Part VA provisions on access to information; and for the purpose of the power of a Minister of the Crown to pay grants;
- Best value authority for the purpose of section 1 Local Government Act 1999; and
- Public body for the purpose of the Freedom of Information Act 2000.

The Combined Authority's responsibilities will include:

- A multi-year, consolidated and devolved local transport budget;
- A new Key Route Network of local authority roads to be managed and maintained by the Combined Authority;
- Strategic planning, creating a non-statutory spatial framework;
- Increasing new homes delivery;

- A £25 million a year funding allocation over 30 years, to boost growth;
- Through one of its Members, chairing an area-based review of 16+ skills provision and, from 2018/19, devolved 19+ adult skills funding;
- Jointly with government, co-designing the new National Work and Health Programme, to focus on those with a health condition or disability and the very long term unemployed; and
- Such further responsibilities and powers as may be agreed from time to time and included in future legislation.

The components of this Scheme will be reflected in a Mayoral Combined Authority Order to be laid before Parliament by the Secretary of State, provided the Scheme satisfies the tests of the Secretary of State for Communities and Local Government.

In relation to the costs of the Combined Authority the Constituent Authorities have agreed the principle that the Combined Authority's costs will be met as far as possible from existing resources. The statutory officers and support to the Combined Authority will be provided by the Constituent Authorities.

In relation to Mayoral costs the agreed intention of the Constituent Authorities is that the £25 million per annum funding allocation will be invested so as to leverage additional financial benefit for the Combined Authority which will, after an initial investment period, exceed the Mayoral costs arising from the creation of a Combined Authority.

Where there is any inconsistency between the nature of and responsibility for the functions set out in the Appendices to this Scheme and the Norfolk and Suffolk Devolution Agreement entered into between the Councils in Norfolk and Suffolk and Government Ministers, the Norfolk and Suffolk Devolution Agreement shall prevail.

## **1 ESTABLISHMENT OF THE COMBINED AUTHORITY**

- 1.1 A Mayoral Combined Authority shall be established pursuant to section 103 of the Local Democracy, Economic Development and Construction Act 2009 ("LDEDCA"). It shall come into existence on 1 March 2017 or the day after the Order is made, whichever is the later.

## **2 AREA OF THE COMBINED AUTHORITY**

- 2.1 Subject to the consent of the Councils, the Combined Authority's area shall cover the areas of the following Councils:

- (a) 7Babergh District Council
- (b) Breckland District Council
- (c) Broadland District Council
- (d) Forest Heath District Council
- (e) Great Yarmouth Borough Council
- (f) Ipswich Borough Council
- (g) King's Lynn and West Norfolk District Council
- (h) Mid-Suffolk District Council
- (i) Norfolk County Council
- (j) North Norfolk District Council
- (k) Norwich City Council
- (l) St Edmundsbury Borough Council
- (m) South Norfolk District Council
- (n) Suffolk Coastal District Council
- (o) Suffolk County Council
- (p) Waveney District Council.

Each of the above authorities shall be a "Constituent Authority" of the Combined Authority.

## **3 NAME OF THE COMBINED AUTHORITY**

- 3.1 The name of the Combined Authority will be the Norfolk and Suffolk Combined Authority.

## **4 MEMBERSHIP**

- 4.1 The Combined Authority shall consist of the Members as set out below:

- 4.1.1 The Mayor elected for the Combined Authority;
- 4.1.2 An elected member appointed by each of the Constituent Authorities;
- 4.1.3 A nominee of the New Anglia LEP; and

4.1.4 Such other non-voting Non-Constituent Members as may be admitted to the Combined Authority from time to time by the full Constituent Authority Membership.

4.2 The expression "Member" shall include all of the above.

4.3 Each organisation entitled to appoint a Member shall be entitled to appoint a Substitute Member, who shall have the same decision-making authority and voting rights as the person in whose place they are acting.

## **5 DIRECTLY ELECTED MAYOR**

5.1 There shall be a directly elected Mayor for the area of the Combined Authority pursuant to section 107A of the LDEDCA ("the Mayor"). The Mayor will be elected in May 2017. The provisions of Schedule 5B of LDEDCA shall apply subject to paragraph 5.2 below.

5.2 The term of office of the Mayor elected in May 2017 shall be four years. Each subsequent election shall take place in each fourth year thereafter on the same day of ordinary election and the term of office of the elected Mayor shall be four years.

5.3 The Mayor shall appoint one of the Members of the Combined Authority to be the Deputy Mayor in accordance with section 107C of LDEDCA and the Deputy Mayor shall:

- a) hold office until the end of the term of office of the Mayor subject to paragraph b) below;
- b) cease to be Deputy Mayor if at any time the Mayor removes him or her from office, he or she resigns as Deputy Mayor or ceases to be a Member of the Combined Authority;
- c) act in the place of the Mayor if for any reason the Mayor is unable to act or the office of Mayor is vacant.

5.4 If a vacancy arises in the office of Deputy Mayor, the Mayor must appoint another Member of the Combined Authority to be the Deputy Mayor.

5.5 If for any reason the Mayor is unable to act or the office of Mayor is vacant; and the Deputy Mayor is unable to act or the office of Deputy Mayor is vacant, the other Members of the Combined Authority must act together in place of the Mayor, taking decisions by a simple majority.

## **6 MEMBER REPRESENTATIVES**

6.1 Each Member representative will act in the best interests of the Combined Authority as a whole, taking into account all relevant matters.

6.2 Where a Member or Substitute Member ceases (for whatever reason) to be a Member of or otherwise represent the organisation that appointed or nominated them, then that Member representative will cease to be a Member of the Combined Authority and the organisation shall appoint a replacement Member as soon as possible.

6.3 A Member or Substitute Member may resign by giving written notice to the Proper Officer of the Constituent Authority that appointed them or the LEP as the case may be. The relevant Constituent Authority or LEP shall notify the Combined Authority forthwith of any such resignation.

6.4 Where a Constituent Authority's Member or Substitute Member appointment ceases, the relevant Constituent Authority shall give notice of the appointment of another of its elected members in that person's place as soon as possible. Where a LEP Member or Substitute Member's appointment ceases, the LEP shall nominate another of its Directors in that person's place as soon as possible. Such nominated Director shall become a Member or Substitute Member as the case may be from the date on which written notice of nomination by the LEP is received by the Combined Authority.

6.5 Each organisation shall at any time be entitled to terminate the appointment of a Member or Substitute Member appointed to the Combined Authority and replace that Member or Substitute Member at any

time by giving not less than 14 days written notice to the Combined Authority and the termination and replacement shall take effect on the expiry of such notice.

## **7 CONDUCT OF MEMBERS**

7.1 Members will at all times observe the Code of Conduct for Members which will be set out in the Constitution of the Combined Authority.

## **8 CHAIR**

8.1 Until the taking up of the office of directly elected Mayor, the Chair of the Combined Authority shall be appointed by the Combined Authority from among its Constituent Authority Members.

8.2 From the point at which he or she takes office, the Mayor will act as Chair of the Combined Authority.

8.3 The Mayor shall appoint the Deputy Mayor as vice chair of the Combined Authority.

## **9 CO-OPTEES**

9.1 The Combined Authority may co-opt additional non-voting representatives to the Combined Authority from time to time and shall determine their rights to participate.

## **10 EXPENSES**

10.1 LEP and Constituent Authority Members of the Combined Authority shall not be entitled to remuneration but may be reimbursed for reasonable travel, subsistence and out of pocket expenses by the appointing organisation from time to time.

## **11 DECISION MAKING**

11.1 The discharge of the functions of the Combined Authority will be subject to the constitutional arrangements and the overview and scrutiny arrangements set out below. The Combined Authority will operate through thematic, geographic and/or district clusters, to be determined by the Combined Authority through its Constitution in due course. The formation of such clusters is to ensure that the delivery of functions exercisable by the Mayor and/or Combined Authority will be exercised at the appropriate local geographies primarily based on functional economic areas and travel to work areas. Existing delivery bodies, for example relating to the Greater Norwich and Greater Ipswich City Deal areas, will be utilised rather than create new bodies.

11.2 The Combined Authority may delegate functions other than those reserved to it under paragraph 16.2 to a committee or sub-committee of the Combined Authority (or to officers or another authority) to be established under the Constitution, reflecting the clusters referred to in paragraph 11.1.

11.3 The Mayor and the other Members of the Combined Authority will be required to work closely together. Specifically:

- a) the Mayor will provide overall leadership and chair Combined Authority meetings;
- b) the committee chairs will act as a supporting and advisory function to the Mayor in respective policy areas;
- c) the Mayor will also be a member of the LEP recognising the importance of the LEP's role and the private sector in any growth strategies or delivery.

11.4 In establishing committees under the Constitution Constituent Authorities directly affected by matters in the terms of reference of any such committee or sub-committee shall be represented on such committee or sub-committee.

- 11.5 The Mayor and the Combined Authority may together, acting by simple majority, agree to establish and participate in Joint Committees with other Combined Authorities or Sub-National Transport bodies to promote the achievement of the Devolution Agreement, deliver benefits for the area and improved opportunities and services and may delegate highways and transport functions to such a Joint Committee; provided that the voting majority includes any Constituent Authority that may be directly affected by a decision of a proposed Joint Committee.

## **12 COMBINED AUTHORITY FUNCTIONS**

- 12.1 The Combined Authority shall be permitted to exercise any of the functions of the Constituent Authorities concurrently. Any such functions shall only be exercised with the agreement of a simple majority of the Constituent Authorities, to include the Constituent Authority whose functions are to be exercised by the Combined Authority.

## **13 FUNCTIONS OF THE MAYOR**

- 13.1 The functions devolved from Central Government set out in Appendix A to this Scheme shall be functions of the Mayoral Combined Authority that are exercisable only by the Mayor ("the Mayoral Functions") subject to the Combined Authority's ability to veto as set out in paragraph 14.
- 13.2 In exercising the Mayoral Functions the Mayor shall have the powers in section 113A of LDEDCA subject to the limitations that apply under section 113B of LDEDCA.
- 13.3 Chapter 1 of Part 1 of the Localism Act 2011 (which confers a general power of competence on local authorities) shall not be applied to the Mayor.
- 13.4 The Mayor shall not be given a power to direct under section 88 of the Local Transport Act 2008.
- 13.5 The Mayor shall exercise the Mayoral Functions concurrently with the Secretary of State (as regards transport functions) and the relevant public authority (as defined in section 105A(9) of LDEDCA) as regards other functions.

## **14 EXERCISE OF THE MAYORAL FUNCTIONS**

- 14.1 The Mayor shall arrange for the exercise of the Mayoral Functions in accordance with section 107D(3)(a) and (b) of LDEDCA.
- 14.2 The development and approval of the Mayor's budget shall be governed by paragraph 21 of this Scheme.
- 14.3 Before a decision is taken by the Combined Authority on the approval of any strategy falling within the remit of the Mayor under the Mayoral Functions, whether that approval is to be given by the Mayor directly or otherwise, the Mayor shall consult the Combined Authority and:-
- a) The spatial framework and any supplementary planning documents referred to in paragraph 2.1 of Appendix A shall require the unanimous approval of the Constituent Authority Members of the Combined Authority;
  - b) the Transport Plan referred to in paragraph 1.6 of Appendix A and any spending plans or plans for the allocation of transport-related funding shall be treated as rejected if a two thirds majority of the Constituent Authority Members of the Combined Authority vote to modify or reject the Transport Plan and associated spending, provided that any decision to reject or modify the Transport Plan or budget includes the Combined Authority Members from each of Norfolk and Suffolk County Councils; and
  - c) any other strategy or spending plans shall be treated as rejected if a two thirds majority of the Constituent Authority Members of the Combined Authority vote to reject such a plan provided that any Constituent Authority directly affected by such a strategy or plan and present and able to vote at the meeting must be part of the deciding vote's majority for that rejection decision to carry (unless they abstain).

14.4 The Mayor may prepare a new plan or budget where any plan or budget is rejected in accordance with the provisions set out in paragraph 21.

14.5 A Constituent Authority shall be considered to be 'directly affected' by a strategy or plan if that Constituent Authority has statutory responsibilities in relation to the subject matter of the strategy or plan.

## **15 FUNCTIONS OF THE COMBINED AUTHORITY**

15.1 The Combined Authority shall have the functions set out in Appendix B to this Scheme.

15.2 Chapter 1 of Part 1 of the Localism Act 2011 (which confers a general power of competence on local authorities) shall be applied to the Combined Authority by order of the Secretary of State pursuant to section 113D LDEDCA.

15.3 The Combined Authority shall have the wellbeing power contained in section 99 of the Local Transport Act 2008 by virtue of Section 102A of that Act which can be exercised in conjunction with the general powers granted to it by section 113D of the LDEDCA

15.4 The Combined Authority shall not be given a power to direct under section 88 of the Local Transport Act 2008.

15.5 The Combined Authority shall exercise the Combined Authority's functions concurrently with the Secretary of State (as regards transport functions) and the relevant public authority (as defined in section 105A(9) of LDEDCA) as regards other functions.

15.6 The Combined Authority shall have the power to borrow for a purpose relevant to any of its functions as contained in sections 1 and 23(5) of the Local Government Act 2003 as amended by section 9(3) of the Cities and Local Government Devolution Act 2016.

## **16 PROCEEDINGS OF THE COMBINED AUTHORITY**

16.1 Sections 101 and 102 of the Local Government Act 1972 apply to the Combined Authority in the exercise of its functions so that the Combined Authority shall have the power to delegate its functions to a committee or sub-committee of the Combined Authority or to an officer or another authority.

16.2 Notwithstanding paragraphs 11.4, 11.5 and 16.1 the following decisions shall only be taken in a meeting of the full Combined Authority:

- a) approval of the borrowing limits, treasury management strategy including reserves, investment strategy, borrowing and budget of the Combined Authority including the amount of any expenses to be met by the Constituent Authorities under paragraph 20 of this Scheme;
- b) approval of the Combined Authority Standing Orders and any amendments to them (other than to reflect minor drafting improvements or legislative changes);
- c) appointing the Chair of the Combined Authority pending the Mayor taking office;
- d) approving the establishment of Committees, their terms of reference and composition, making and accepting appointments to them including the Overview and Scrutiny Committee referred to in paragraph 17 of this Scheme and the Audit Committee referred to in paragraph 18 of this Scheme made by Constituent Authorities;
- e) the making of any decision referred to in paragraph 14.3 of this Scheme;
- f) the making of proposals to the Secretary of State for the conferring on the Combined Authority of additional functions or powers;

- g) approval of the making of arrangements for the exercise of the functions of any Constituent Authority;
  - h) admission of any body to non-constituent participation in the Combined Authority;
  - i) the giving or not giving of consent to the making of any Order by the Secretary of State in relation to the Combined Authority under any legislation including LDEDCA;
  - j) appointment and dismissal of the Head of Paid Service, Monitoring Officer and the officer with responsibility for the proper administration of the Combined Authority's financial affairs.
- 16.3 All decisions of the Combined Authority shall be decided by a majority of those voting Members present and voting, subject to that majority including the vote of the Mayor, subject to paragraphs 16.4 to 16.8 below or unless otherwise set out in legislation or specifically delegated through the Authority's Constitution.
- 16.4 Questions on the matters referred to in paragraphs 16.2a), 16.2b), 16.2d) and 16.2f) to 16.2j) inclusive and any other matters determined by the Combined Authority and set out in its Standing Orders require a unanimous vote in favour by all Constituent Authority Members (or Substitute Members acting in place of those Members) to be carried.
- 16.5 The Combined Authority may in its Standing Orders make provision for special majority voting arrangements on specified reserved decisions or types of decisions in recognition that some decisions made by the Combined Authority could have a significant impact on some or all of the Constituent Authorities and that the democratic mandate of each Constituent Authority should be respected and preserved. Such special majority voting arrangements may include arrangements based on the principle that Constituent Authorities directly affected by a decision must be part of the majority in order for that decision to carry.
- 16.6 Special majority voting arrangements contained in the Combined Authority's Constitution may not vary the voting arrangements set out in paragraph 14.3 of this Scheme.
- 16.7 Changes to the Combined Authority's Constitution, other than changes required by legislation or minor drafting or consequential amendments, shall require a unanimous vote.
- 16.8 The quorum of the Combined Authority is 7 voting Members or Substitute Members provided that quorum includes a district member and a county member from each of Suffolk and Norfolk. The quorum for a committee or sub-committee of the Combined Authority shall be determined by the Combined Authority when establishing it.
- 16.9 Each voting Member shall have one vote.
- 16.10 The Mayor shall have no casting vote.
- 16.11 If a vote is tied it is deemed not to have been carried and provisions for deadlock will be set out in the Constitution.
- 16.12 Proceedings shall not be invalidated by any vacancy amongst the Combined Authority's Members or by any defect in the appointment or qualification of any Member.

## **17 OVERVIEW AND SCRUTINY**

- 17.1 There shall be an Overview & Scrutiny Committee of the Combined Authority pursuant to Schedule 5A of LDEDCA to exercise scrutiny functions over the Combined Authority.
- 17.2 Each Constituent Authority shall appoint one elected member to the Overview & Scrutiny Committee.
- 17.3 Overview & Scrutiny Committee membership shall not include a Combined Authority Member (including the Mayor and the Deputy Mayor).

The Combined Authority shall appoint as Chair of the Overview and Scrutiny Committee an elected member of one of the Constituent Authorities who is not a member of a registered political party of which the Mayor is a member (if the Mayor is a member of a registered political party).

- 17.4 Each member on the Overview and Scrutiny Committee shall have one vote and there shall be no casting vote.
- 17.5 If a vote is tied it is deemed not to have been carried and provisions for deadlock will be included in the Constitution.
- 17.6 The Overview & Scrutiny Committee shall have power to:
- a) Require Combined Authority Members and Officers, including the Mayor and Deputy Mayor, to attend and answer questions;
  - b) Review or scrutinise decisions or other actions taken in connection with the discharge of any functions which are the responsibility of the Combined Authority or the Mayor;
  - c) Make reports or recommendations to the Combined Authority and the Mayor with respect to the discharge of any functions which are the responsibility of the Combined Authority or the Mayor;
  - d) Make reports or recommendations to the Combined Authority and the Mayor on matters that affect the Combined Authority's area or the inhabitants of the area;
  - e) In respect of any decision made but not implemented by either the Combined Authority or the Mayor, direct that the decision is not to be implemented while it is under review or scrutiny and to recommend that the decision be reconsidered, further details of which are set out in the Constitutional Documents.
  - f) Invite others to attend meetings of the Committee
- 17.7 Where the Overview & Scrutiny Committee makes a report it may also publish the report and require a response from the Combined Authority or the Mayor as the case may be, within a period of two months from receipt of the report.

## **18 AUDIT**

- 18.1 The Combined Authority shall establish an Audit Committee pursuant to Schedule 5A of LDEDCA to fulfil the functions set out in paragraph 18.3.
- 18.2 The membership of the Audit Committee shall be determined by the Combined Authority but one member of the Committee shall be independent.
- 18.3 The Audit Committee will have the power to:
- a) Review and scrutinise the Office of the Mayor and Combined Authority's financial affairs;
  - b) Review and assess the Mayor and Combined Authority's risk management, internal control and corporate governance arrangements;
  - c) Review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the Combined Authority's functions and the Mayoral Functions;
  - d) Make reports and recommendations to the Combined Authority and/or the Mayor in relation to any reviews carried out in relation to the matters stated above;
  - e) Receive any external audit report; consider the report and make recommendations to the Combined Authority or the Mayor, as appropriate; and
  - f) Approve the annual accounts of the Combined Authority.

## **19 RECORDS AND STANDING ORDERS**

- 19.1 Proceedings and the names of Members present at meetings must be recorded. Such proceedings will be agreed as an accurate record by Members of the Combined Authority at the next or a subsequent meeting.
- 19.2 The Combined Authority may make Standing Orders and Procedure Rules and shall adopt relevant procedures as set out at the end of this Scheme.

## **20 FUNDING OF THE EXERCISE OF COMBINED AUTHORITY FUNCTIONS**

- 20.1 The expenses of the Combined Authority that are reasonably attributable to the exercise of its functions (excluding Mayoral Functions) will be met by the Constituent Authorities; provided that the Combined Authority shall adhere to the principles set out in the Introduction in relation to such expenses.
- 20.2 The Combined Authority shall be a levying body under section 74 of the Local Government Finance Act 1988 and shall have the power to issue a levy to its Constituent Authorities in respect of the expenses referred to in paragraph 20.1, provided that the Combined Authority shall adhere to the principles set out in the Introduction in relation to such expenses. Such levy shall be apportioned between the Constituent Authorities in equal shares.
- 20.3 The Constituent Authorities have agreed the principle that the Combined Authority costs will be met as far as possible from existing resources. The Constitution will set out a process for agreeing how these will be met.
- 20.4 The Combined Authority shall agree an annual budget identifying its expenditure and sources of income including any amount payable by the Constituent Authorities under paragraph 20.1.

## **21 FUNDING OF THE EXERCISE OF MAYORAL FUNCTIONS**

- 21.1 In the financial year 2017/18 the costs of the Mayor that are incurred in (or in connection with) the exercise of the Mayoral Functions will be met by the Constituent Authorities. Such costs shall be apportioned between the Constituent Authorities in equal shares that are based on relative population, provided that the Combined Authority shall adhere to the principles set out in the Introduction in relation to the Mayoral costs.
- 21.2 In any financial year following 2017/18 the costs of the Mayor that are incurred in (or in connection with) the exercise of the Mayoral Functions may be met from precepts issued by the Combined Authority under section 40 of the Local Government Finance Act 1992; provided that the Combined Authority shall adhere to the principles set out in the Introduction in relation to the Mayoral costs.
- 21.3 The Combined Authority will be a major precepting authority under section 39 of the Local Government Finance Act 1992 but only in relation to expenditure incurred by the Mayor in or in connection with the exercise of the Mayoral Functions.
- 21.4 Any mayoral costs incurred by Constituted Authorities will be treated as a loan to the Combined Authority repayable on the 3<sup>rd</sup> anniversary of the first Mayoral election.
- 21.5 The function of issuing a precept under Chapter 4 of Part 1 of the Local Government Finance Act 1992 shall (subject to the following provisions of this paragraph 21) be a function only exercisable by the Mayor acting on behalf of the Combined Authority.
- 21.6 The Mayor shall maintain a fund in relation to receipts arising and liabilities incurred in the exercise of the Mayoral Functions.
- 21.7 Prior to each financial year beginning with the financial year 2018/19 the Mayor shall follow a process for the development of his or her budget (including the amount of any precept under paragraph 21.2)

for the exercise of Mayoral Functions for the financial year in question that is in accordance with Regulations or, in the absence of Regulations has the following characteristics:-

- a) preparation of a draft budget to include expenditure plans and income including the proposed precept under paragraph 21.2 above;
- b) scrutiny of the draft budget by the other Members of the Combined Authority and the Overview and Scrutiny Committee appointed under paragraph 17 of this Scheme;
- c) the making of changes to the draft budget as a result of such scrutiny; and
- d) the approval of the draft budget in accordance with paragraph 21.8 below.

21.8 The Mayor's draft budget shall be treated as rejected if two thirds of the Constituent Authority Members of the Combined Authority vote to reject it and in that event the Mayor shall propose a revised draft budget. Provisions for bringing a revised budget (or any other plan rejected by the Combined Authority under paragraph 14.4) back to the Combined Authority will be set out in the Constitution.

21.9 Subject to the making of enabling legislation, the Mayor shall have power to place a supplement of 2p per pound of rateable value on business rates to fund infrastructure and Mayoral costs with the agreement of the local business community through the LEP.

## **22 TRANSFER OF PROPERTY, RIGHTS AND LIABILITIES**

22.1 There shall be no transfer of property, rights or liabilities, other than of an administrative nature, between the Combined Authority or the Mayor and the Constituent Authorities other than by the unanimous agreement of the Constituent Authorities.

## **23 LOCAL ENTERPRISE PARTNERSHIPS**

23.1 The Combined Authority recognises the importance of the New Anglia LEP working closely with the Greater Cambridge Greater Peterborough LEP, the Greater Lincolnshire LEP and South East LEP.

23.2 The Combined Authority commits to work with partners in East Anglia, the Midlands and the South of England to promote opportunities for pan-Midlands and pan-Southern collaboration, along with any Sub National Transport Bodies and other Combined Authorities or such other body as from time to time may be appropriate to ensure the Mayor and the Combined Authority can properly fulfil their functions.

## **24 OFFICERS**

24.1 The Combined Authorities must appoint persons to undertake the statutory functions of the Head of Paid Service, Chief Finance Officer and Monitoring Officer; provided that the principle of such officers being provided by Constituent Authorities shall be adhered to.

24.2 The Constitution will include provision for the procedure to be followed in the appointment and dismissal of the Head of Paid Service, Chief Finance Office and Monitoring Officer.

24.3 The Combined Authority shall have the power to employ such officers or to engage such persons as it considers appropriate and on such terms as it thinks fit, to carry out its functions; provided that the Combined Authority shall adhere to the principles set out in the Introduction in relation to costs of the Combined Authority.

## **25 ADDITIONAL CONSTITUTIONAL DOCUMENTS**

25.1 The Combined Authority shall adopt a Constitution that comprises, as a minimum:

- Scheme of Delegation;

- Meeting Procedure Rules;
- Access to Information Procedure Rules;
- Financial Management Procedure Rules;
- Procurement and Contract Procedure Rules;
- Officer Employment Procedure Rules;
- Members' Code of Conduct;
- Officers' Code of Conduct;
- Scheme for Members' Expenses.

## APPENDIX A

### COMBINED AUTHORITY FUNCTIONS EXERCISABLE BY THE MAYOR

#### 1 TRANSPORT AND ELECTRONIC COMMUNICATIONS – BETTER CONNECTED

- 1.1 To be responsible for a consolidated, multi-year local transport budget for the area of the Combined Authority devolved from the Government consisting of the Integrated Transport Block or any equivalent or replacement funding for the same or similar functions as those covered by that funding.
- 1.2 For the financial years 2017/18 to 2020/21 inclusive the amounts and allocations of the local transport budget shall be as set out in respect of the Integrated Transport Block in the Table at Annex 1 to this Appendix A.
- 1.3 In each financial year referred to in Annex 1 and any other financial year in which the amounts devolved by the Government are identified as allocated to individual Constituent Authorities, the Mayor shall pass that funding to the relevant Constituent Authorities.
- 1.4 In any financial year in which the amounts devolved by the Government are not identified as allocated to individual Constituent Authorities, the Mayor shall consult with the Combined Authority as to his/her spending plans in relation to the devolved amounts and approval of such spending plans shall be subject to paragraph 14.4 b) of the Scheme (i.e. as long as a 2/3 majority did not vote against).
- 1.5 The Mayor shall transfer to the relevant Constituent Authority any amount identified as allocated to that Constituent Authority in the spending plans approved pursuant to paragraph 1.3.
- 1.6 To produce and publish a Local Transport Plan for the Combined Authority area without prejudice to Constituent Authority duties to publish Local Transport Plans under sections 108 and 109 of the Transport Act 2000 and to exercise powers under Part II Transport Act 2000 concurrently with the highway authorities.
- 1.7 To take responsibility for delivering a new Key Route Network of local authority roads; the management and maintenance of which shall be undertaken by the Combined Authority and through this work towards shared procurement frameworks and operational delivery of road maintenance across the Constituent Authorities. In turn this will unlock key sites, along with rail developments and support the delivery of an asset management plan.
- 1.8 To exercise, subject to local consultation and agreement, concurrently with the relevant Constituent Authority to the extent that they have equivalent powers, such powers to franchise bus services in the Combined Authority area as shall be contained in future legislation to support delivery of smart and integrated ticketing across the East Anglia region in conjunction with the other Combined Authority and Constituent Authorities.
- 1.9 Develop in partnership with others an integrated approach to local buses, community based transport, the local network of car clubs and in particular rail services with rail operators and Network Rail.
- 1.10 To explore the creation of a statutory Transport body to influence strategic national transport initiatives and work with Essex and the Midlands through the Cambridge-to-Oxford arc under Part 5A Local Transport Act 2008.

#### 2 HOUSING AND PLANNING

- 2.1 Creation of a non-statutory spatial framework and supplementary planning documents to act as a framework for managing strategic planning across the Combined Authority area.
- 2.2 To have functions corresponding to those of the Mayor of London under Part 8 of the Localism Act 2011 to designate any area of land in the Combined Authority area as a Mayoral Development Area leading to the establishment by Order of a Mayoral Development Corporation subject to the consent of all Constituent Authorities in which the Development Corporation is intended to be based.

- 2.3 The Combined Authority, with its partner authorities, will use the powers and infrastructure resources devolved from the Government, alongside local public and private investment, to substantially increase housing delivery through ambitious targets based on housing need, seeking to deliver 40,000 homes to 2021 and 200,000 homes over the longer period of Local Plans across East Anglia of different types and tenures.
- 2.4 To make proposals for the creation of other emerging vehicles to help take forward large development or new settlements subject to the consent of any Constituent Authority in which area the vehicle is intended to be used.
- 2.5 To exercise strategic planning powers to support and accelerate these ambitions. These will include the power to:
  - 2.5.1 Create a non-statutory spatial framework, which will act as the framework for planning across the Combined Authority area, and for the future development of Local Plans. The spatial framework will need to be approved by unanimous vote of the Members appointed by Constituent Authorities of the Combined Authority. This approach must not delay the production of Local Plans.
  - 2.5.2 Create non-statutory supplementary planning documents subject to the approval process above.
  - 2.5.3 Be consulted on planning applications of strategic importance in the Combined Authority area and to work with local areas to achieve ambitious plans for new housing development.
  - 2.5.4 Create Mayoral Development Corporations or similar delivery vehicles, with planning and land assembly powers, which will support delivery of strategic sites in the Combined Authority area. This power will be exercised with the consent of the Constituent Authority Member/Members in which the Development Corporation is to be used.
  - 2.5.5 Develop closer working with the Homes and Communities Agency.
  - 2.5.6 Support the delivery of housing and regeneration activities above in addition to the applicable land powers in the Local Government Act 1972 the Combined Authority shall be entitled to exercise powers in part II Housing Act 1985 concurrently with the Constituent Authorities (irrespective of whether any land would be held for the purposes of Part II) and the Local Authorities (Land) Act 1963.

### **3 FINANCE**

- 3.1 To exercise the power under paragraph 21.9 of the Scheme above (business rate levy).
- 3.2 To exercise the function of issuing a precept under Chapter 4 of Part 1 of the Local Government Finance Act 1992 in respect of mayoral functions.

**ANNEX 1**

<b>Funding and Allocation</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	
<b>Integrated transport block</b>	£(m)				
Norfolk/Suffolk	7.3	7.3	7.3	7.3	
<b>Highways Maintenance Incentive formula</b>					
Norfolk/Suffolk	4.2	8.5	8.5	8.5	
<b>Highways Maintenance Funding formula</b>					
Norfolk/Suffolk	44.9	40.6	40.6	40.6	
<b>Totals</b>	<b>56.4</b>	<b>55.4</b>	<b>55.4</b>	<b>55.4</b>	<b>225.6</b>

## **APPENDIX B**

### **FUNCTIONS TO BE EXERCISED BY THE COMBINED AUTHORITY**

#### **1 FLOOD DEFENCE AND COASTAL MANAGEMENT**

- 1.1 The Government recognises the impact of climate change and that Norfolk and Suffolk are subject to significant strategic and local flood risk. To manage and mitigate these risks the Combined Authority will work with the Government, drainage boards, the Environment Agency and other relevant bodies to create a fully integrated approach to flood and coastal risk management.
- 1.2 This is required in order to secure timely decisions and funding that maximise the ability to reduce risk and to deliver additional economic growth. This will be achieved through:
- a) Alignment of investment plans in using resources to unlock new business development opportunities and attract additional funding including private contributions, whilst maintaining and, where possible, enhancing national and local commitments to protect people, property and land from flooding.
  - b) Pre-emptive action to deliver solutions to reduce risk and increase resilience during severe weather events, preventing blight and increasing economic confidence.
  - c) A consistent approach to assessing flood and coastal risk, benefits across schemes and maintenance plans to maximise economic and social impact.
  - d) Simplification and alignment of funding mechanisms in order to make processes transparent, locally accountable, efficient and deliver targeted local investment needs.
  - e) Integrating local understanding of needs and benefits into the flood and coastal erosion risk management economic assessment approach
- 1.3 Following the scoping report currently underway, the Government will work with local partners in Bacton and Walcott, which will help protect local communities from coastal erosion. In particular the Environment Agency will contribute up to £1.8M towards the cost of a project to better protect Bacton and Walcott, and will continue to work with the terminal operators and local partners.
- 1.4 To exercise functions concurrently with the Constituent Authorities, including the following:
- Flood and Water Management Act 2010 Part 1
  - Land Drainage Act 1991 Part II
  - Local Government Act 2000 s.9FH

#### **2 LEARNING AND SKILLS, EDUCATION APPRENTICES AND EMPLOYMENT**

- 2.1 To ensure continued collaboration the Combined Authority will, with the Regional Schools Commissioner and other key local education stakeholders establish an Education Committee. The Regional Schools Commissioner will work with the Committee to provide strategic direction on education across the Combined Authority area.
- 2.2 The Government commits to an Area Review of post-16 education and training, currently expected to start in November 2016, excluding Great Yarmouth and Lowestoft where a Review has already been conducted during 2015. As part of the Area Based Reviews, the Combined Authority will gather data to feed into the development of a potential proposal for an Institute of Technology (IoT) for regionally significant sectors, and will discuss with the Government the extent to which this meets the criteria

which are being developed for IoTs nationally. The outcome of the Area Review will be taken forward in line with the principles of the devolved arrangements. The review will include all post-16 education and training provision in the initial scoping phase and school sixth forms will be included in the detailed review if the school decides to be involved in the process. Recommendations will be focused on General FE and Sixth Form Colleges; however the Regional Schools Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.

- 2.3 The Government recognises the progress the LEP, local colleges and providers and the private sector have made in improving skills provision across East Anglia. The New Anglia Employment and Skills Board will consider if further refinement of their local skills strategies will be required after the conclusion of the Area Reviews to ensure that post-16 providers are delivering the skills that local employers require. It is expected that the LEP Skills Board will continue to collaborate with colleges and providers, with appropriate support from the Education Funding Agency to work towards delivering this plan.
- 2.4 The Government will enable local commissioning of outcomes to be achieved from 19+ Adult Education Budget starting in academic year 17/18; and will fully devolve budgets to the Combined Authorities from academic year 2018/19 subject to readiness conditions). These arrangements will not cover apprenticeships.
- 2.5 The Combined Authority will focus a greater proportion of its devolved Adult Education Budget on learning that delivers sustained job outcomes, productivity and economic growth.
- 2.6 Devolution will proceed in two stages, across the next three academic years:
  - a) The Combined Authority will begin to prepare for local commissioning. For the 2017/18 academic year, and following the area review, the Government will work with the Combined Authority to vary the block grant allocations made to providers, within an agreed framework.
  - b) From 2018/19, there will be full devolution of funding. The Combined Authority will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to Constituent Authorities and the Combined Authority will need to take into account a range of demographic, educational and labour market factors; it will also need to take account of costs of implementing devolution and continuing operational expenditure.
- 2.7 The readiness conditions for full devolution are that:
  - a) Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.
  - b) Completion of the Area Review process leading to a sustainable provider base.
  - c) After Area Reviews are completed, agreed arrangements are in place between central government and the Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base.
  - d) Clear principles and arrangements have been agreed between the Government and the Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and national interest and protecting the taxpayer from unnecessary expenditure and liabilities.
  - e) Learner protection and minimum standards arrangements are agreed.
  - f) Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.

- 2.8 The Government recognises that East Anglia has a world-class higher education offering, with the University of Cambridge consistently ranked amongst the foremost universities in the world and a wealth of strengths in others such as the University of East Anglia, University Campus Suffolk, Norwich University of the Arts and Anglia Ruskin University. This higher education offer has a vital role in enhancing the innovation and productivity of the area's economy. Local partners want to work with the Government to build on this, including investing in the institutions to develop their academic and research offer.
- 2.9 Other proposals include plans in Ipswich by BT and University Campus Suffolk focused on future developments in ICT and the Internet of Things. The Single Pot funds made available through this devolution deal could act as an important source of investment for this project and Government commits to discussing with local partners how best they might progress their aspirations in this area.
- 2.10 Subject to the readiness conditions below, from the 2018/19 academic year onwards, to receive fully devolved Government budgets (calculated on a funding formula taking into account a range of demographic, educational and labour market factors) for 19+ education and training and to exercise within the Combined Authority area the functions of the Secretary of State under sections 2 and 10A Employment and Training Act 1973 and the following provisions of the Apprenticeship, Skills, Children and Learning Act 2009:
- a) Section 86 except subsection (1)(b)
  - b) Section 87
  - c) Section 88 (but not any power to make Regulations)
  - d) Section 90 (but not any power to make Regulations).
- 2.11 Also relevant are the powers and duties of the Education Authorities under sections 15ZA, 15ZB, 15ZC, and 15 B of the Education Act 1996 and the powers under section 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age). Data and information sharing powers in the Social Security (Claims and Information) Regulations 1999 (SI 1999/3108), Social Security (Information-sharing in relation to Welfare Services etc.) Regulations 2012 (SI 2012/1483), the Welfare Reform Act 2012 s.131 and Welfare Reform and Pensions Act 1999 are also relevant. These powers shall be exercised by the Combined Authority concurrently.
- 2.12 Pursuant to the functions referred to above, to be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements and proportionate requirements set by the Government.

### **3 APPRENTICESHIPS**

- 3.1 The Government recognises Norfolk and Suffolk's commitment to delivering more apprenticeships. The Combined Authority will assume responsibility for the Apprenticeship Grant for Employers (AGE). The AGE funding must be used alongside mainstream apprenticeship participation funding to incentivise employers to offer apprenticeships, but the Combined Authority is free to vary the criteria associated with the grant (e.g. size and sector of business) to meet local needs. The Skills Funding Agency will work with the Combined Authority to identify an appropriate share.
- 3.2 The Combined Authority and the Government will collaborate to maximise the opportunities presented by the introduction of the apprenticeship reforms, including the levy, and to work together on promoting the benefits of apprenticeships to employers in order to engage more small businesses in the apprenticeship programme. The Combined Authority will explore the potential of introducing an Apprenticeship Training Agency to the area, funded through local resources.
- 3.3 The relevant powers in this regard to be exercised concurrently include those mentioned above in section 2 and the:
- Apprenticeships, Skills, Children and Learning Act 2009 s.122
  - Education and Skills Act 2008.

## 4 EMPLOYMENT

- 4.1 The Combined Authority will work with the Department for Work and Pensions (DWP) to establish a locally integrated employment services which join together the elements of the employment system to achieve better outcomes. This includes:
- a) The Combined Authority committing to work with the Government to ensure all young people are either earning or learning including supporting Jobcentre Plus in the delivery of the Youth Obligation from April 2017.
  - b) The Government committing to ensuring all young people are either earning or learning and to exploring opportunities for links with local employment services to support this aim, including building in good practice from the present local MyGo service and other local provision.
  - c) The Combined Authority commits to supporting the Youth Obligation by utilising strong local links to business to create work-related training and labour market opportunities for young people including encouraging the provision of apprenticeships and work placements in the local community. It will also work with the Government to investigate the potential for social investment, in particular Social Impact Bonds, for disadvantaged young people not in education, employment or training who may not be in receipt of support from Jobcentre Plus.
- 4.2 The Combined Authority will work with DWP to co-design the new National Work and Health Programme designed to focus on those with a health condition or disability and the very long term unemployed.
- 4.3 The respective roles of DWP and the Combined Authority in the co-design will include:
- a) DWP sets the funding envelope, the Combined Authority can top up if they wish to, but are not required to.
  - b) The Combined Authority will set out how it will join up local public services in order to improve outcomes for this group, particularly how it will work with the Clinical Commissioning Groups/third sector to enable timely health-based support. There will be a particular focus on ensuring the integration of the new programme with local services, in order to ensure that national and local provision works well together, and opportunities for greater integration are identified and levered.
  - c) DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. The Combined Authority will have some flexibility to determine specific local outcomes that reflect local labour market priorities, these outcomes should be complementary to the ultimate employment outcome. In determining the local outcome(s) the Combined Authority should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.
  - d) Before delivery commences, DWP and the Combined Authority will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concern that arise.
  - e) DWP will facilitate protocols for data sharing and transparency by tackling some of the obstacles and developing solutions to enable the Combined Authority to develop a strategic needs assessment for the area.
- 4.4 The Combined Authority will co-commission the Work and Health programme with DWP. The respective roles of DWP and the Combined Authority will include:
- a) DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from the Combined Authority on contract package area geography.

- b) The Combined Authority will be involved in tender evaluation.
- c) Providers will be solely accountable to DWP, but DWP and the Combined Authority's above-mentioned agreement will include a mechanism by which the Combined Authority can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate.

4.5 The relevant powers in this regard include the:

- Apprenticeships, Skills, Children and Learning Act 2009 s.122
- Education and Skills Act 2008
- Employment and Training Act 1973 s.2, s.10A
- Social Security (Claims and Information) Regulations 1999 (SI 1999/3108)
- Social Security (Information-sharing in relation to Welfare Services etc.) Regulations 2012 (SI 2012/1483)
- Welfare Reform Act 2012 s.131
- Welfare Reform and Pensions Act 1999

## **5 FURTHER ACTIVITY TO IMPROVE LIFE CHANCES**

- 5.1 The Combined Authority will set out how it will join up local public services across health, skills and employment in order to improve outcomes, particularly how it will work with local Clinical Commissioning Groups/third sector organisations and NHS England / the Health and Work Unit nationally to enable timely health-based support.
- 5.2 DWP will work with the Combined Authority and other partners to put in place workable data sharing arrangements which enable the integration of services and reduce duplication in order to support more people into work.

## **6 CAREER AND PAY PROGRESSION.**

- 6.1 The Government will work with the Combined Authority to ensure that local priorities are fed into the provision of career advice, through direct involvement and collaboration with the Government in the design of local careers and enterprise provision for all ages, including continued collaboration with the Careers and Enterprise Company and the National Careers Service.
- 6.2 The Combined Authority will develop a business case for an innovative pilot to support career and pay progression for those claiming Universal Credit. The business case will set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans to enable the proposal to be taken forward, subject to Ministerial approval and an agreed investment plan.

## **7 BUSINESS SUPPORT**

- 7.1 The Government will participate in and support the work of The Norfolk and Suffolk Productivity Commission, as a National Pilot Project to improve the productivity of the local economy by:
  - a) Examining the productivity challenges facing local key sectors and the definition of productivity in each sector
  - b) Examining best practice locally, nationally and globally, at tackling these challenges
  - c) Building on the Government's 10-point plan for rural productivity

- d) Assessing how central and local policies are assisting with the productivity challenges and how they can be made to work better
  - e) Developing a Productivity Plan bringing together best practice and policy recommendations
  - f) Overseeing implementation of the plan and evaluate its impact
  - g) Making available findings and actions for roll-out in other parts of the country
- 7.2 The Productivity Commission will be chaired by a senior business figure, co-ordinated by the LEP, funded by local partners and able to capitalise on business-led sector group structures established by the LEP.
- 7.3 Local partners will successfully deliver the New Anglia Enterprise Zone and the extension to the Great Yarmouth and Lowestoft Enterprise Zone as announced on 25 November following the 2015 application round. DCLG will agree with the LEP memoranda of understanding about the high level management and delivery of both the new EZs and the extension. The Government commits to supporting local partners in promoting and supporting the delivery of the Enterprise Zone as well as considering any further proposals subject to future funding rounds.
- 7.4 The LEP will continue to deliver a strong Growth Hub, providing business support tailored to meet local needs across East Anglia. The Government will provide funding to help embed the Growth Hub in 2016/17 and 2017/18.
- 7.5 The Combined Authority, Constituent Authorities and LEPs commit to greater alignment of economic development resources to maximise impact of support for businesses and ensure the most efficient and effective use of public funding. This will include agreeing joint objectives to support the delivery of the Strategic Economic Plans and local plans and explore the pooling of staffing and resources.
- 7.6 The Government recognises the work of the New Anglia Oil and Gas Task Force, established to support the businesses and employees who are being affected by the recent downturn in the oil and gas sector. The New Anglia Task Force will provide intelligence on the state of the local sector to the Government's Inter Ministerial Group, to help shape national policy to support for the sector. The Government will engage with the Task Force to ensure that UK Oil and Gas workforce plan which is currently under development aligns with and enhances measures being taken locally.
- 7.7 The LEP and the Combined Authority commit to working with UKTI, strengthen joint working to increase inward investment and exporting. Local partners will invest in a concerted campaign to help more businesses, particularly smaller companies, export.
- 7.8 The LEP, the Growth Hubs and Constituent Authorities will work with the Government to develop a strategic approach to regulatory delivery, building on the "Better Business for All" national programme which will remove regulatory barriers to growth for businesses. Health and social care
- 7.9 The Government supports the vision for innovation set out by Norfolk and Suffolk and recognises the importance of the delivery of this vision for the region's future economic growth. The Government will offer the Combined Authority expert advice and support through the Smart Specialisation Advisory Hub, and associated workshops, to support activities part-funded by the European Regional Development Fund. The Government also recognises Norwich's growing capability in the area of food and health research, as evidence by the announcement of the Quadram Institute in Budget 2016, and would be interested in the area's views on how East Anglia can capitalise on this strength.

## **8 HEALTH AND SOCIAL CARE**

- 8.1 Norfolk and Suffolk face significant demographic challenges that are putting pressure on resources now and in future years. For example, the population of the area contains more residents over the age of 75 than the average for England and this group is expected to continue to grow significantly.

- 8.2 Local progress has already been made towards greater integration of health and social care in a number of locations – Suffolk and Norfolk have developed local integrated services that support and improve the delivery of health and social care for people in their areas.
- 8.3 There is appetite to build on these foundations and make further progress on health and social care integration in order to deliver the Spending Review commitment to integrate health and social care by 2020, and to make the most efficient and effective use of public resources to meet the demographic challenges that lie ahead. Integrating such complex services will require re-shaping the whole system, which can only be achieved through careful planning, a shared vision and strong co-operation between local partners. The Devolution Deal signals a commitment to take forward the goal of improving local services and building resilience for future generations.
- 8.4 To deliver this shared vision, partnerships between local authorities, clinical commissioning groups, service providers and other local partners will need to be strengthened significantly. Therefore, these parties will work together, with the Combined Authority and with support from the Government, NHS England and other national partners as appropriate, to support each of the counties through their Sustainability and Transformation Planning process to set out plans for moving progressively towards integration of health and social care, bringing together local health and social care resources to improve outcomes for residents and reduce pressure on Accident and Emergency and avoidable hospital admissions.
- 8.5 NHS England and local organisations will remain accountable for meeting the full range of their statutory duties.
- 8.6 Relevant powers to be exercised concurrently with the Constituent Authorities include:
- National Health Service Act 2006 (public health and Part III co-operation and integration);
  - Health and Social Care Act 2012;
  - Care Act 2014;
  - Mental Health Acts.

## **9 PUBLIC SERVICE REFORM**

- 9.1 The Government and the Combined Authority will work with relevant central and local statutory and non-statutory sector partners to explore innovative and integrated approaches to redesigning sustainable public services across Norfolk and Suffolk with a focus on prevention and early help.

## **10 THE NORFOLK AND SUFFOLK COMMITMENTS**

- 10.1 The Combined Authority is accountable to local people for the successful implementation of the Norfolk and Suffolk Devolution Deal; consequently, the Government expects the Combined Authority to monitor and evaluate the Deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the Combined Authority to agree a locally resourced monitoring and evaluation framework that meets local needs and helps to support future learning. This framework must be approved by the DCLG Accounting Officer prior to delivery.
- 10.2 The Combined Authority will be required to evaluate the additional £25 million per annum of funding for 30 years, which will form part of and capitalise the Combined Authority single pot. The £25 million per annum fund will be subject to:
- a) Gateway assessments for the £25 million per annum scheme. The Combined Authority and the Government will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Combined Authority, but agreed at the outset with the Government, and will take place every five years. The next five year tranche of funding will be unlocked if the Government is satisfied that the

independent assessment shows the investment to have met the objectives and contributed to national growth;

- b) The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes, and where relevant with the more detailed transport cost-benefit analysis guidance issued by the Department for Transport (DfT). The assessment should also take into account the latest developments in economic evaluation methodology; and
- c) The Government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio.

- 10.3 The Combined Authority will jointly write a single local assurance framework for the Single Pot, based on guidance produced by DCLG, to outline decision-making processes to allocate funding, and project appraisal. This local assurance framework will be signed off by the Government.
- 10.4 The Constituent Authorities and the Combined Authority will work with the Government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy which will take into account the latest developments in economic evaluation methodology and help supports future learning. This implementation plan must be approved by the DCLG Accounting Officer prior to delivery.
- 10.5 The Combined Authority and the Government will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements on every devolved power or fund to agree accountability between local and national bodies on the basis of the principles set out in this document.
- 10.6 The Combined Authority will continue to set out their proposals to the Government for how local resources and funding will be pooled across the region.
- 10.7 The Combined Authority will agree overall borrowing and capitalisation limits with the Government and have formal agreement to engage on forecasting. The Combined Authorities will also provide information, explanation and assistance to the Office for Budget Responsibility where such information would assist in meeting their duty to produce economic and fiscal forecasts for the UK economy.
- 10.8 The Combined Authority will continue to progress programmes of transformation amongst the Constituent Authorities to streamline back office functions and share more services and data, including on assets and property.
- 10.9 The Government will support the Constituent Authorities by leveraging existing monitoring and evaluation frameworks and, where applicable, by providing assistance to ensure consistency and coordination of metrics and methodologies with other areas receiving a devolution agreement. As part of this commitment, the Government will work with the Constituent Authorities to explore options for the coordinated application of high quality impact evaluation methods in relation to certain policies, which may include i) local commissioning of 19+ skills; and ii) employment support.
- 10.10 The additional £30 million per annum of housing funding for Ipswich and Norwich will be subject to the same processes for evaluation and assessment as the Combined Authority single pot, set out above in paragraphs 10.2 to 10.9

## **11 HOUSING AND PLANNING**

- 11.1 To support delivery of the Mayoral commitment in relation to housing and planning (Appendix A.2) the Combined Authority and the Government agree to establish a Joint Investment and Assets Board to review all land and property (including surplus property and land) held by the public sector (including central Government departments, the NHS and MoD land), building on the success of the One Public Estate Programme and to work together to invest in our strategic infrastructure priorities. The Board will include senior representatives from Government.

- 11.2 The Board will ensure that there is a sufficient, balanced supply of readily available sites for commercial and residential development to meet the demands of a growing economy. It will create a Land Commission to develop a comprehensive database of available public and private sector land (prioritising large sites), identify barriers to its disposal/development, and develop solutions to address those barriers to help the Combined Authority meet its housing goals and to unlock more land for employment use.

## **12 EQUALITIES**

- 12.1 The Combined Authority will adhere to the public sector equality duty under section 149 of the Equality Act 2010 as if it was a public authority for the purposes of that section.



# **The Norfolk and Suffolk Devolution Deal**

## **Equality Assessment Phase 1 Findings and Recommendations**

**June 2016**

## Summary

1. This report summarises the findings of Phase 1 of the equality assessment of the Norfolk and Suffolk Devolution Deal. It sets out:
  - The purpose of equality assessments (see this page)
  - The legal context (see this page)
  - Overview of the assessment process (see this page)
  - Which people with ‘protected characteristics’<sup>i</sup> are likely to be affected (Page 3)
  - Potential impact, issues and risks (pages 3 to 5)
  - Human rights implications (Page 5)
  - Recommended actions (Page 5 - 6).

## The purpose of an equality assessment

2. Equality assessments enable decision-makers to consider the impact of proposals on people with protected characteristics, prior to decisions being made. Every opportunity can then be taken to promote equality, build positive community relations and eliminate discrimination as part of the proposal.
3. If any potential for adverse impact is identified, mitigating actions can be developed.

## Legal and policy context

4. Public authorities have a legal duty under the Equality Act 2010 to consider the implications of proposals on people with protected characteristics. The Act states that public bodies must pay due regard to the need to:
  - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
  - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it<sup>ii</sup>;
  - Foster good relations between people who share a relevant protected characteristic and people who do not share it<sup>iii</sup>.
5. The full Act is available [here](#).

## The assessment process

6. The equality assessment of the Deal comprises two phases, to enable the authorities involved to consider a wide range of evidence before drawing conclusions about likely impacts. This involves reviewing, for example, data about people and services that might

be affected, contextual information about local areas and populations, and crucially, the findings of public consultation:

- **Phase 1** – Draft equality assessment published. Public consultation launched. Where public consultation highlights any specific issues affecting people with protected characteristics, further evidence is gathered to explore these issues and, where appropriate, mitigating actions are identified.
- **Phase 2** - Public consultation closes, the results are analysed. The equality assessment is revised to reflect any equality or accessibility issues highlighted by residents or stakeholders. The revised equality assessment is published.

## Who is affected?

7. The Deal will affect everyone in Norfolk and Suffolk – including people who live, work in and visit the region with the following protected characteristics:

<b>Age</b> (people of different age groups; older and younger people)	<b>YES</b>
<b>Disability</b> (all disabilities and long-term health conditions)	<b>YES</b>
<b>Gender reassignment</b> (e.g. people who identify as transgender)	<b>YES</b>
<b>Marriage/civil partnerships</b>	<b>YES</b>
<b>Pregnancy &amp; Maternity</b>	<b>YES</b>
<b>Race</b> (different ethnic groups, including Gypsies and Travellers)	<b>YES</b>
<b>Religion/belief</b> (different faiths, including people with no religion or belief)	<b>YES</b>
<b>Sex</b> (i.e. men/women)	<b>YES</b>
<b>Sexual orientation</b> (e.g. lesbian, gay & bisexual people)	<b>YES</b>

## Potential impact

8. The Deal seeks to improve the quality of life for every resident in Norfolk and Suffolk. It has the potential to significantly enhance accessibility and equality of opportunity for people with protected characteristics<sup>IV</sup>. This is because:
- The Deal represents a lifetime opportunity for the 16 local authorities covering Norfolk and Suffolk to systematically integrate accessibility considerations into core initiatives proposed by the Deal – accelerating progress on equality and accessibility, and addressing persistent barriers to participation.

- The Deal will uniquely position the region to address regional ‘grand challenges’, some of which specifically impact on people with protected characteristics. For example, Norfolk and Suffolk have higher than average numbers of disabled and older residents compared to other areas of the UK. The Deal will enable the region to accelerate health and social care integration, promoting independence and building resilience for future generations<sup>v</sup>.
- The Deal prioritises a number of core initiatives - infrastructure, transport, digital connectivity, housing, economic development, employment and skills, all of which are well documented to have a fundamental impact on the life chances of people with protected characteristics – particularly disabled people, women, Black, Asian and minority ethnic (BAME) people, young people and people who identify as lesbian, gay, bisexual or transgender (LGBT).
- It is worth noting that three of the core initiatives proposed as part of the Deal – digital connectivity, infrastructure and transport – have particular potential to enhance access for disabled and older people. Disabled and older people face persistent barriers in these areas and consistently highlight this in public consultation.
- The Deal will create a better connected region, improving the digital and broadband offer. This could particularly benefit disabled and older/younger people living in rural communities, who are at greater risk of social exclusion and isolation.

## Issues and risks

9. Unless a robust mechanism is established to ensure that equality and accessibility are systematically and routinely integrated into all regional strategic planning, design and commissioning activities, there is a risk that sometimes, basic considerations may be missed. This would have the following consequences:
  - Accessibility for people with protected characteristics (particularly older and disabled people, due to the focus of the core initiatives) may be significantly reduced.
  - Opportunities to promote equality for people with protected characteristics may be overlooked – for example, BAME people, disabled and older people, LGTB people, younger people and women.
  - It may be necessary to make reasonable adjustments retrospectively – which is costly, inefficient and inconvenient for the end user.
10. When accessibility is integrated into service design it greatly improves access for disabled and older people. Proposals to enhance the region’s infrastructure and use more technology will particularly impact on different groups of disabled users. For older and disabled people, blind and visually impaired people, Deaf and hearing impaired people, people with learning disabilities/difficulties and people with mental health issues, it will be critical to ensure that infrastructure and technological innovations are accessible.

11. In view of this it is recommended that, if the Deal is implemented, equality assessments should be undertaken at the design stage of all core regional strategic planning and commissioning activities. This will enable accessibility and equality to be routinely and systematically reviewed. In particular, as part of the assessment, guidance should be sought on the minimum and maximum access considerations that could be applied to any given initiative.
12. This would enable decision-makers to consider what would be the most reasonable approach in the circumstances, taking all relevant factors into account - such as regional aspirations for equality; available resources; demand and future proofing. In the medium term, this would have obvious benefits for service quality and would stretch performance on accessibility as far as reasonably practicable. It would also ensure consistency across all aspects of the Deal.
13. It will not always be possible to adopt the course of action that will best promote accessibility and equality for all. However, equality assessments enable informed decisions to be made, that take into account every possible opportunity to minimise disadvantage.
14. If the Deal is implemented, the region should consider adopting a universal equality and accessibility standard. A sample is attached at Annex 1.

## Human rights implications

15. Public authorities in the UK are required to act compatibly with the Human Rights Act 1998. This assessment does not identify any human rights issues arising from the Deal. Any specific issues will be addressed in individual equality assessments.

## Actions

	Action	Lead	Date
1.	If the Deal is implemented, equality assessments to be undertaken at the design stage of all core regional strategic planning and commissioning activities <sup>vi</sup> .	All councils	From implementation
2.	Consider adopting a universal accessibility standard, to clarify expectations and ambitions for creating a more accessible region – now and for future generations.	All councils	From implementation
3.	Ensure that arrangements for public consultation on the Deal are accessible and inclusive, and engage with local communities proportionately.	All councils	From 4 July 2016
4.	Ensure that all health and social care integration initiatives developed take full account of the voice of disabled and older service users (“Nothing about us	All councils	From implementation

	<b>Action</b>	<b>Lead</b>	<b>Date</b>
	without us”).		
5.	Ensure that, in the determination of new democratic arrangements, all appropriate measures are taken to encourage people who share a protected characteristic to participate in public life or in any related activity in which participation is disproportionately low.	All councils	From implementation

## **Next steps**

Phase 2 commences with the analysis of the results of the consultation at the end of August. The equality assessment will be revised to reflect any equality or accessibility issues highlighted by residents or stakeholders, then published.

If the Deal is approved by Councils at the end of October 2016 and the order is laid by the Secretary of State to establish the Combined Authority, further steps would be to implement the actions in the table above.

## **Evidence used to inform this assessment**

- Equality Act 2010
- Public Sector Equality Duty
- Accessibility best practice guidance
- Consultation findings (to be confirmed:
- Respondent numbers and demographic background

## **Further information**

For further information about this equality impact assessment please contact xxxx

# Sample universal equality and accessibility standard

The region is committed to providing equality of opportunity and accessible services for everyone in Norfolk and Suffolk.

We do not tolerate unlawful discrimination, harassment or victimisation in service delivery or employment on the grounds of age, disability, gender reassignment, race/ethnicity, religion or belief, sex/gender, sexual orientation, marriage/civil partnership, and pregnancy and maternity (known as 'protected characteristics'). We will not treat anyone less favourably than any other, on the grounds of any protected characteristic, except when such treatment is within the law and determined by lawful requirements.

In adopting the aims of this standard, we will:

- Take steps to remove any barriers which might deter people from accessing services or working in the region
- Promote equality of opportunity between people who share a protected characteristic and people who do not share it
- Take steps to promote understanding, tackle prejudice and foster positive relations between different communities
- Eliminate unlawful discrimination, harassment and bullying
- Undertake equality assessments at the design stage of all core strategic planning, policy development and commissioning activities ([hyperlink to guidance](#))
- Encourage people who share a protected characteristic to participate in public life or in any other activity in which participation is disproportionately low
- Be inclusive by engaging with local communities fairly and proportionately.

### **Accessibility standard:**

Our accessibility standard clarifies our expectations on regional accessibility:

- ✓ Accessibility is embedded in all policies and procedures, service design, planning and commissioning
- ✓ Accessibility is embedded in all employment policies and ways of working
- ✓ Our premises are accessible to customers and staff
- ✓ All ICT equipment and web services are accessible.

As part of our commitment to equality, new elected members and staff are required to undertake [e-learning modules] on equality within their first six months in post. This is part of our commitment to develop understanding of equality and accessibility across the region.

### **Who this standard affects**

This standard affects elected members and all workers including employees, consultants, temporary workers, agency staff and other third parties working on behalf of Norfolk and Suffolk. It also applies to suppliers, sub-contractors and agencies in our supply chain.

<p>This standard applies to (but is not limited to) the planning, design, operation, construction and delivery of services, the provision of goods, facilities and services, exercising of public functions, recruitment and selection, conditions of service, benefits, facilities and pay, training and development, opportunities for promotion, conduct at work, grievance and disciplinary procedures and termination of employment.</p>
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We expect all staff to take personal responsibility for familiarising themselves with this standard and conducting themselves in an appropriate manner.

### **Communication**

This standard will be made available to the public, staff and elected members.

### **Review**

We will review the terms of this standard and any associated codes of practice and guidance every three years.

### **Relevant legislation**

In implementing this standard we have regard to our legal obligations under relevant legislation, including the [Equality Act 2010](#) and the Public Sector Equality Duty.

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<sup>i</sup> The protected characteristics specified by the Equality Act 2010 are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

ii The Act specifies that having due regard to the need to advance equality of opportunity might mean:

- Removing or minimizing disadvantages suffered by people who share a relevant protected characteristic that are connected to that characteristic;
- Taking steps to meet the needs of people who share a relevant protected characteristic that are different from the needs of others;
- Encouraging people who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such people is disproportionately low.

iii Having due regard to the need to foster good relations between people and communities involves having due regard, in particular, to the need to (a) tackle prejudice, and (b) promote understanding.

<sup>iv</sup> 'Access' is defined as the ability of a user to access a service in relation to physical access, ICT, organisational culture, policy and procedure. It involves meeting any reasonable access needs an individual might have because of a disability, their age, gender, race, sexual orientation or religion or belief. For example, reasonable access could mean a blind person being able to obtain information via self-serve, or an older gay person in residential care feeling comfortable about being open about his sexual orientation with carers. It could also mean a wheelchair user being able to use public transport.

vi This will enable accessibility to be routinely and systematically reviewed. In particular, guidance can be sought on the minimum and maximum access considerations that could be applied to any given initiative. This would enable decision-makers to consider what would be most reasonable approach in the circumstances, taking all relevant factors into account - such as the ambition of the region to provide equality for all; available resources; demand and future proofing. In the medium term, this would have obvious benefits for service quality and would stretch performance on accessibility and equality as far as reasonably practicable. It would also ensure consistency across all aspects of the Deal.



### **The principles agreed to be applied to the £30m housing money for Ipswich Borough and Norwich City**

1. Government will provide the Combined Authority with an additional £30m over five years split equally for Norwich City Council and Ipswich Borough Council to meet their housing needs
2. The grant can be used to deliver new social rented homes (defined as rents at Local Housing Allowance levels).
3. The new housing can be owned and managed through the Council's Housing Revenue Accounts (HRA) and will be let as secure local authority tenancies.
4. The Borough and City Council will spend the grant over a five year period from July 2016 (spend to be defined as start on site of new homes).
5. The Councils will have full flexibility to spend the grant and combine with other funding sources (notably RTB receipts) excepting that the grant will not be combined with grant from the Home and Communities Agency (unless otherwise agreed).
6. The Councils will have the freedom to choose the extent that it provides the new homes on land that it owns or land owned by others (including through section 106 planning agreements).
7. The grant is separate and in addition to the £100m ring-fenced housing funding already within the draft Devolution Agreement.
8. The two Councils will produce a Business Plan for the delivery of the new homes within three months of the signing of the Devolution Agreement. The Business Plan will include periodic reviews - say in 2020 - and the potential for further funding.
9. It is noted that the requirements of the Housing and Planning Act in respect of the sale of high value sales are specifically not covered by this document and will be subject to future discussion and resolution for Ipswich and Norwich.
10. As with the £25m per annum 'gain-share' funding allocation, this fund will be subject to a 5-yearly gateway assessment to evaluate how spend has contributed to national growth and will be delivered in line with the single pot assurance framework guidance.



### **Norfolk and Suffolk scheme of delegation consultation arrangements**

Legislation requires devolution deal areas to publish a scheme of governance setting out plans for the scope of the combined authority, the arrangements for local representation, and decision making. The public must be consulted on these arrangements, and the Secretary of State will then take the outcome of consultation into account before further legislation can be taken forward.

The draft scheme will be the subject of a statutory consultation exercise which will commence no later than 4 July 2016. The results of the consultation exercise will be reported back to council and the Secretary of State.

Key elements of the consultation will be based on an online consultation that is accessible and open to all so the requirement to formally consult with residents on the proposed governance scheme is met. Evidence from other areas suggests that on-line alone will not reach the number of people we would like to reach, and those who do will be self-selecting and unrepresentative of the population as a whole.

Therefore, in order to fully consult residents and ensure we get more representative views there will be:

A booster telephone survey to ensure that we get representative consultation feedback that enables us to compare public opinion at district level and ensure that our elected members can base their decision on robust data. This will mean 5,320 individual telephone interviews across the two deal areas to give a robust sample (380 per district).

The telephone survey will also include 250 interviews with businesses across both counties.

During the consultation period each authority is also likely to receive direct representations from stakeholders in writing and email. Each participating authority will collect the responses they receive directly.

Upon completion of the consultation, we will submit an overall report with executive summary to the Secretary of State as a joint submission from all councils in Norfolk and Suffolk. Each participating authority will submit copies of all stakeholder representations they receive by hard copy or email along with their own representations.

The process requires the consultation to take place over the summer months. The maximum time we can have the consultation open is seven weeks. Whilst this is fewer weeks than standard consultations, it is balanced by the extensive telephone interviews which ensure the robustness of the exercise. The consultation will open on July 4th and run until August 19th. The submission of responses to the Secretary of State will be on September 9th.

