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.

Broadland
District Council

GREAT YARMOUTH
BOROUGH COUNCIL

Borough Council of
King's Lynn &
West Norfolk

Norfolk County Council

NEWANGLIA
Local Enterprise Partnership
for Norfolk and Suffolk

NORWICH
City Council

NORTH
NORFOLK
DISTRICT COUNCIL

St Edmundsbury
BOROUGH COUNCIL

Waveney
District Council

South Norfolk
COUNCIL

BABERGH
DISTRICT COUNCIL
SOUTH SUFFOLK

Forest Heath
District Council

IPSWICH
BOROUGH COUNCIL

Suffolk
County Council

Breckland
COUNCIL

Mid Suffolk
DISTRICT

SUFFOLK COASTAL DISTRICT COUNCIL

Contents

Overview	page 4
Summary table	page 7
Governance	page 8
Finance and Funding	page 9
Housing and Planning	page 10
The Connected Economy	page 13
Flood Defence and Coastal Management	page 15
Learning and Skills	page 15
Apprenticeships	page 17
Employment	page 18
Business Support	page 20
Health and Social Care	page 21
Public Service Reform	page 22
The Norfolk and Suffolk Combined Authority Commitments	page 22

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 leadersof 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 finically 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 form 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 consistence 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 levering 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.