

The background of the cover is a photograph of a large Gothic cathedral, likely Christ Church in Oxford, with its two prominent spires and intricate stonework. The image is partially obscured by a large, semi-transparent white diagonal shape that points towards the bottom right. The sky is blue with scattered white clouds.

MANIFESTO FOR THE EAST

2024

SUMMARY

The Eastern Powerhouse is an independent, business-led, membership body that represents the entire East of England.

We are calling for the next government to:



- 1 Back the East.** Promote English Regions – the missing multiplier in the UK’s policy agenda – and help realise the potential in the East of England to deliver growth in world leading science industries, including agritech, biotech, clean tech, digital and energy, for the benefit of the UK.
- 2 Strengthen and deepen devolution in the region.** A new government should commit to further roll out of devolution deals across the East, including greater control over local tax revenues, planning, skills provision, health and social care.
- 3 Invest in vital infrastructure needed to deliver sustainable economic growth.** There is an urgent need to deliver sustainable housing growth, improve the supply and storage of water in the East by bringing forward new reservoirs to support this development, and accelerate transport improvements beginning with the Ely Area Capacity Enhancement (EACE) programme.
- 4 Reform and devolve planning decisions** to Mayoral Combined Authorities in line with a non-statutory spatial plan for the region, and National Policy Statements, to speed up development and attract investment in the East.
- 5 Create the conditions for business growth.** Business rate reform, tax incentives for relocation and investment in skills, and limited protection for secured loans against mortgages for new entrepreneurs.



- 6** **Develop a pipeline of skills.** Linking future skills to industrial strategy and priority growth sectors by investing in a regional skills observatory to identify and address skill shortages and skill gaps.
- 7** **Establish an East of England Trade and Investment Platform** to expand the East of England's global footprint, activating inward investment opportunities and exporting incredible local products and services around the world.
- 8** **Make the East a world class destination for digital connectivity** by providing full fibre and access to 5G across the region by 2028.
- 9** **Introduce whole-place Public Finance Initiatives (PFI)** to fix the broken public estate. A new government should revisit PFI, learning lessons from the past, to provide the finance to support whole-place development of social housing, hospitals and schools.
- 10** **Strengthen governance for the East** by appointing a Regional Mayor and Minister for the East.

INTRODUCTION

The East is one of the largest and most productive economies in the UK. It has the highest employment rate among all regions and nations and is one of only three regions that regularly makes a net contribution to the UK. Generating more tax revenues than it receives in public funding.

There is, however, huge untapped potential across the East. The region has significant advantages in knowledge-based industries and world class research institutions that can help drive productive growth in the UK. Widening access and opportunity to these industries is also vital to levelling up the stark disparities that exist across the East and ensuring that all parts of the region benefit from good growth.

The East of England needs a regional agenda if it is to fully realise its economic potential. The Eastern Powerhouse is calling for a new government to recognise the role of regional policy and correct the imbalance that currently exists between different regions in England. We are calling for parity with the other areas – the North, the Midlands, the South West and London – so that the East can benefit from the same level of government attention and funding. This include but is not limited to:

An independent Economic Assessment for the East of England.

A non-statutory spatial plan to direct development and investment in infrastructure, including transport and housing.

A special Investment fund for businesses, equivalent to those which government has provided elsewhere in England.



Investing in growth in the East could provide necessary quick wins for a new government and a sizeable return for UK PLC. This will need a clear strategy, at the local, regional and national level. This must incorporate a role for local government, elected Mayors and combined authorities to tackle longstanding regional inequalities and make devolution work. But collaboration between devolved areas on matters of essential regional infrastructure such as transport, particularly rail, is essential.

The challenge will be to provide development that can work with the particular spatial and institutional geography of the East, to maximise the region's economic footprint. Unlike most other English regions, the East is without a large urban centre. Rather, the pattern of urban development is characterised by a number of small and mid-sized cities and towns. Many of these are growing faster than larger cities elsewhere in England. Improving connectivity and proximity between Norwich, Peterborough, Cambridge and Ipswich, as well as outlying coastal towns and villages will provide a multi-polar model for growth that works for the East.

This polycentric approach can provide the spatial framework for the development of housing, transport and employment sites. It can also help to accelerate and distribute the benefits of growth more equitably across the entire region. A regional perspective is required to realise this, but this cannot be achieved without the support of national government.

EDUCATION & SKILLS



Education & Skills

Skill levels vary across the East although the overall proportion of residents with higher-level qualifications (40%) is below the national average (43.5%). This places the East as a middling region for higher level skills.

Skills gaps and shortages are a big challenge for most employers in the region. The East of England has the second highest proportion of skill gaps among all regions and nations with 6.35% of the workforce indicating a skill requirement compared to 5.25% nationally. In terms of training, the East is among the lowest performing regions and nations in the UK with an average of 3.5 training days per employee per year. Investment in training by employers is also lagging.

Skills shortages are also a major barrier to business growth. Among all regions and nations in the UK, the East of England has the second highest levels of vacancies relating to skill-shortages (40.7%) compared to the UK average of 35.5%. All industries across the East are experiencing skill shortages with Health and Social Care (53.9%), Construction (50.1%) and Business Services (44.8) among the highest. This is having an impact on the region's productivity and holding back economic growth

Educational performance at GCSE continues to outperform the national average, although lagging behind in the achievement of higher-grade A-levels. Regional performance conceals large disparities between counties. While Cambridgeshire and Hertfordshire perform well above average, A Level results for Suffolk are at the bottom of the national league table.

For decades the East of England has suffered from chronic underinvestment in compulsory education. The region has had the lowest spending per pupil in England, much less than Inner London and way behind regions in the North of England. The fragmented transport system is also a problem with students often having to make long and difficult journeys to get to school or college, or for apprentices to travel to work.

Far too many children in the East leave school without the qualifications and skills they need to compete in the job market. Reversing the cycle of educational underperformance will address inequalities and improve life outcomes for children in the East, helping to drive a new economy and allowing for greater access to the opportunities arising from future growth. The research evidence tells us that in-school interventions make the greatest difference to improving educational outcomes, and this means excellence in teaching. But schools in the East are struggling to recruit the highest calibre teachers – either at postgraduate or senior levels.

Increase per pupil funding. Central government should increase the per-pupil funding for schools in Suffolk, Norfolk and other left-behind parts of the region to bring it up to the levels seen in other parts of the country.

Create an Eastern Teaching Premium to attract and retain top teaching talent in the East. An Eastern Teaching Premium should include:

- Opportunities for teachers to gain a step up on the housing ladder within a commutable distance of their school or College
- Financial assistance with student debt
- A “Teach Later” programme for 40+ career changers and returners to the East
- Fast track professional development to accelerate advancement and provide a pathway to Higher Education institutions
- Bursaries for professionals in hard to fill areas like engineering and construction who want to teach in Further Education Colleges
- Bursaries for PhD students to teach in secondary schools

Bus subsidy schemes for 16–19-year-olds. Bus and train companies across the region should be subsidised to provide free travel for 16 -19-year-old students and apprentices.

Devolve labour market intelligence functions. Government should create a Regional Skills Observatory to enable better labour market intelligence and a better match of supply and demand for skills.

A Regional Skills Brokerage service for key sectors: Government should establish specialist careers brokerage provision to serve and connect important clusters in the East, including Life Sciences, Agritech and Green Tech, to fill vacancies and meet the training needs of employees.

Support a Regional Universities and Further Education Network. Government should provide funding to establish a network to better coordinate research, innovation and knowledge exchange in key growth sectors.

Introduce flexible, modular training programs that allow students to gain specific skills in response to immediate labour market needs. These programs should be developed in consultation with local industries to ensure they address current skills gaps and shortages.

Strengthen pathways between further education colleges and universities through articulation agreements and joint programs. This will facilitate smooth transitions for students aiming to advance to higher education.

Develop a graduate retention scheme for the East. Universities and industries in the East should develop a graduate retention programme that can harness talent. This should be a scheme that bridges across industries in the East to enable graduates to move between firms within and across sectors – depending on occupational or sector specialisms – to gain a breadth and depth of experience. Such a programme could incorporate a specific industrial focus (e.g. a ‘Tech First’ route) to address recruitment and skills needs in the East. It could also include advanced apprenticeship opportunities and operate on an employer levy.

Develop a 40+ Offer with a Re-Training fund. To encourage career changers and returners to the East. Devolved cities should utilise their new powers over skills provision to design an appropriate training fund, a Personal Learning Account or Career Development Loan, equivalent to current student finance deals.

Coordinate the Region’s Local Skills Improvement Plans. There are currently six separate Local Skills Improvement Plans across the region, supported in Lincolnshire by the Federation of Small Businesses and elsewhere by five Chambers of Commerce. These should be brought together to ensure maximum coordination of efforts, under the auspices of an appropriate regional body.

HOUSING



Housing

The East of England needs an approach to development that can meet the demand for housing, across all tenures. The property boom in Cambridge, and other parts of the region, has made housing unaffordable for many to either buy or rent. This is forcing families and younger workers to live further away from the region's main employment centres and engines of growth. We need to meet aspirations of home ownership and affordable rent in the private and social sector by delivering housing that supports economic growth across the East. We consider that alongside current housing policies, full consideration should be given to the following:

A spatial strategy for the whole region. Local Plans have failed to address the housing problem in the East and by their very nature, create heat in the housing market, rather than housing solutions. The London Plan (2021) took the whole of Greater London into its development plan and the same objective should be sought in the East. By creating a regional spatial strategy, housing development and business growth would be strengthened across the whole region. The plan should include the current local plans then supersede them over time. London's Spatial Strategy is a 25-year plan and a similar, long term goal is needed in the East.

Land Value Capture should be used extensively. It is estimated that up to £4 trillion could be raised nationally by utilizing Land Value Capture (LVC) when building new housing stock. Nowhere else in the UK is more suited to the implementation of LVC than the East. Most particularly LVC should be stipulated when planning is granted on Greenbelt land. This would allow vast sums of money to be raised for public services from the uplift in land value. Consideration should be given to developing new towns around railway lines and utilising LVC rather than allowing continual urban spread. In addition, the gains from LVC should be patient rather than immediately extractive so that the return is greater as value compounds over time.

Community Land Trusts should be promoted across the region. Community Land Trusts (CLT's) should be promoted as a solution to rural housing supply. CLT's can be delivered at scale with sites of 100 homes (Stretham, East Cambridgeshire) and 500 homes (Kennett, East Cambridgeshire) showing that the model works in the East. Both sites offer a third of their housing stock as social housing, providing homes at two thirds market rent. All the facilities on these sites are delivered at no cost to the taxpayer, as both sites are on land outside the planning envelope and have used Land Value Capture as a mechanism to provide social housing, a school and a doctor's surgery. National planning policy should be changed so that similar sites can be developed at scale across the region.

Discounted housing should be promoted to help first-time buyers.

Nationally, government policy has focused on providing social housing but one of the biggest problems facing the country is how to get young people into the housing market. This is an issue that government has failed to address with most schemes focusing on taxpayer funded incentives, rather than on schemes that encourage young people to buy discounted market housing. One successful scheme that is in operation in Ely, Cambridgeshire, allows first-time buyers to buy a freehold home for just over £100k. These homes can only be bought by first-time buyers and then must be sold back into the scheme when they can afford to buy a house at full market price. Giving first-time buyers the chance to get their own home at a discount could turbo charge the private housing market and reduce the need for social and rented alternatives. This simple scheme does not need taxpayer funded initiatives, instead it utilises land in a development that would otherwise be used for social housing and the developer releases the finished 1 bed homes at cost.

A Regional Housing Fund. Fundamental supply side measures are needed to stimulate increased volume and faster build out rates, to enable more people to access housing in both the rental and home ownership sectors. Government should provide funding through the raising of government bonds to enable Housing Associations and Local Government to build houses at the scale needed. This would provide developers and SME housebuilders with a guaranteed buyer of new homes. Homes built through the Fund would be for long-term rent (five or ten years) and would range from market rent to heavily subsidised rents. The debt in the Fund would progressively move off the Government's balance sheet from year 11, when Registered Social Landlords would begin to buy out the Government's shares.

Invest in the vital infrastructure to support housing growth. The UK has some of the oldest water infrastructure in the world. There is an urgent need to improve the supply and storage of water in the East in order to deliver sustainable housing growth. The proposed new Lincolnshire and Fens reservoirs should be brought forward and the new government should work with private and public funding partners to help deliver wider benefits from investments, which will help to accelerate action to address the challenges in the East.

ENERGY



Energy

For the East of England to thrive, we need to advance and reinforce our existing areas of strength – Therefore honoring climate commitments and driving green growth in the energy sector is paramount to the region and the UK's overall sustainable growth model. A well drafted energy strategy for the East would not only have the benefit of mapping current and future energy provision but also it would be an opportunity to engage the education sector in the provision of skills for green jobs, particularly in areas of deprivation along the east coast.

The East is a key region in the UK's transition towards a greener economy. It is arguably unrivalled in the UK for its unique energy mix. The East has over 50 years of expertise in the oil and gas sector, the world's largest offshore windfarm development and nuclear energy production along with tidal, carbon capture and energy transmission. But the green economy is about more than the energy transition from fossil fuels to low carbon. It encompasses a complex supply chain across numerous industries, including construction and manufacturing, to bring about net-zero carbon emissions and sustainable development.

With ambitious regional policies, the East can become the epicentre for the UK's green economy, our regional transition to a low-carbon economy can underpin the UK's long-term success. The East is at the vanguard of the green economy particularly in relation to renewable energy, but a new government needs to work 'hand in glove' with private investment to provide assurances; long term policy commitments, incentives, inbound investment enticements, an operating environment focused on delivery, career/ skills pathways for green jobs, strategic infrastructure planning and 'clustering' agreements to create engines of regional green energy growth.

A long-term regional strategy. 'Green East' a new Net Zero Plan and timeline for the region, that can connect into the overall policy direction set by the Office for Energy Security and Net Zero (DESNEZ). The green economy, and important green hubs are developing at rapid pace across the East in a disparate pattern. The region would therefore benefit from greater coordination and integration, there are significant growth opportunities that could be harnessed successfully through a bespoke energy policy - boost economic growth, create more green energy, secure our future energy needs as well as future energy production and create education opportunities into the industry that would allow local people a clear pathway into secure jobs. While many regional institutions exist, there is no one providing a single voice for councils, business leaders and partners about the region's strategy for green investment priorities, working in close collaboration with the government and the rest of the UK. 'Green East' a bespoke and specific energy plan would ensure strategic and coordinated net zero delivery across the region and build confidence for much needed private investment.

A Global Innovation Centre for Energy Transition in the East. Government should support the business case to develop a high growth energy cluster at the new ARU Peterborough campus. This will research and develop the new technologies needed for the safe transmission, distribution and use of hydrogen into industrial and domestic applications. Global energy and technology companies are ready to partner with UK Government to invest in the establishment of the centre and fund a 10-year programme of R&D worth £150 million.

Carbon pricing to drive demand for decarbonisation technologies. The region needs to attract inbound investment through incentive mechanisms and schemes. We welcome government's investment and dedication to the energy industry in the East but reasonable incentives and intervention need to be enacted to entice further private investment, otherwise there is a risk that government may not gain the best possible value from their massive financial support. This will provide tax relief and price deductions for local businesses that are decarbonising and transitioning to net zero.

Energy Investment Zone: The East is one of the few regions in England without an Investment Zone. A commitment to create an energy Investment Zone in the East could build on any one of a number of 'green hubs' in the region (e.g. the OrbisEnergy Centre / Enterprise Zone in Lowestoft, Gateway 14 Freeport at Felixstowe) or as a 'hub and spoke' operation connecting numerous sites across the region. A green investment zone in which central and local government, businesses and partners can create favourable conditions for investment and innovation. This would include tax reliefs, support on planning mechanisms and innovation, skills and business support.

Localise Climate Change Levy receipts to combined authorities. The receipts from the tax, which is levied on non-domestic users, should be ringfenced for local schemes to make non-domestic premises more energy efficient. This would provide a reliable source of funding, and putting both CCL receipts and efficiency schemes in the hands of the same body would enable them to proactively target premises most liable for the tax for efficiency improvements.

TRANSPORT



The East of England is one of the most productive economies in the United Kingdom, but it has one of the poorest transport networks. It is time to be ambitious for the region. The East deserves a high quality, modern transport network. The region should be recognised as a leader in science, technology and green energy leader and its transport system should reflect that. Our airports and railway stations should be modern gateways into the region. Railway stations should be transformed into business hubs that reflect the economy of the east. Station gateways should be created in our towns and cities, transforming run-down and neglected areas into economic hotspots. The way we travel in the near future will transform our lives, with autonomous cars and public transport set to revolutionise the way we live. The East should lead the way by creating platforms that invest in our transport networks. The East should embrace new types of public transport and reimagine rural transport solutions. Heavy buses have had their day and autonomous, 24-hour transport solutions are the future. But the future is now and now is the time to invest in new technology.

Rail

The rail network in the East is well connected but suffers from a track system that makes rail travel unnecessarily slow. Improvements to the track, allowing faster and more regular trains would be transformational and should be part of any transport strategy.

Enhancements to the East's railway network is urgently required to improve rail travel and boost productivity. The following schemes represent the strategic priorities for the region, which we would like a new government to take forward:

- **The Ely Area Capacity Enhancement (EACE) programme.** This would enable more frequent freight and passenger services across the region. This would include improved signaling, remodeled junctions, strengthened bridges.
- **Soham doubling.** This would build on the EACE scheme to further increase freight and passenger service frequencies between Felixstowe, Ipswich, Ely and Peterborough. Measures should include track doubling, line speed and signaling improvements, and a second platform at Soham station.
- **Felixstowe electrification.** This would enable electric freight and passenger services (initially only via London).
- **Enhancement in Bury St Edmunds.** This would build on improvements in the Ely and Soham areas. It would provide a further uplift in freight and passenger capacity.
- **Essex Thameside improvements.**

- **West Anglia Mainline improvements.** This would improve journey times from London to Stansted Airport and Cambridge could be improved by completing a range of upgrades
- **Great Eastern Mainline improvements.** This would build on the delivery of Crossrail, new trains and the Beaulieu passing loop.
- **Newmarket line improvements.** Installing a double track between Coldham Lane Junction and Newmarket to increase passenger service frequency.
- **Extension of the planned East West Rail.** To include upgrades to the lines between Cambridge and Norwich and Cambridge and Ipswich.

Transform railway stations into vibrant business hubs across the region.

There are 52 railway stations in the East, most of which are underutilised, despite being on major transport routes. The land around railway stations should be redeveloped, where possible, to provide mixed use development including housing, business premises and lab space for start-ups in the new economy. This should prioritise strategic sites along major transport corridors and close to key sectors in the region.

Roads

Many parts of the region are deemed remote because of poor transport links, while deprivation and poor transport links are closely related. For the East to reach its potential as an economy, major investment into the roads network is needed. The following road improvements are a priority for the region.

- **Fully dualled carriageway:** Of the A47 between Peterborough and Great Yarmouth, the A120 from Harwich via Colchester to Stansted and the M11, the A10 from Kings Lynn to Cambridge.
- **Upgrade of the A12.** The trunk road from Lowestoft to London that runs through Suffolk and Essex should be upgraded to a Motorway.
- **Northern bypass for Ipswich.** To alleviate problems with regular closures to the Orwell Bridge.
- **Connectivity upgrade to the M11.** This would provide access to rural north Cambridgeshire and Lincolnshire.
- **A dual carriageway link road between the A11 and A14.** This would make travel between Thetford and Bury St Edmunds and across the region much easier.

Air

There are four airports offering regular international travel in the region - Stansted, Luton, Southend and Norwich.

- **Improved road access to Stansted.** This would increase capacity to take 45m passengers a year.
- **Terminal 2 at Luton Airport.** This would increase passenger capacity to 32m.
- **Improved public transport access to Norwich Airport.** The airport is 4 miles from the nearest train station.

Autonomous Metro Systems

Work with elected Mayors to develop and fund autonomous metro systems. Transport pods, with a scalable passenger capacity, running on routes no wider than a cycle lane will allow cities in the east of England to adopt high quality systems. And because these systems can run beyond a city into rural towns and villages, the problem of expensive, underutilised rural bus services can be solved. Autonomous transport systems could be built in Cambridge, Ipswich, Norwich, Peterborough and Colchester.

Air Taxi

Legislation for electric air taxis in the East. This technology is within reach and could cut journey times significantly between science parks in the region connecting Cambridge Biomedical Campus, Norwich Research Park, Stevenage Bioscience Catapult and Adaya Park in Ipswich.

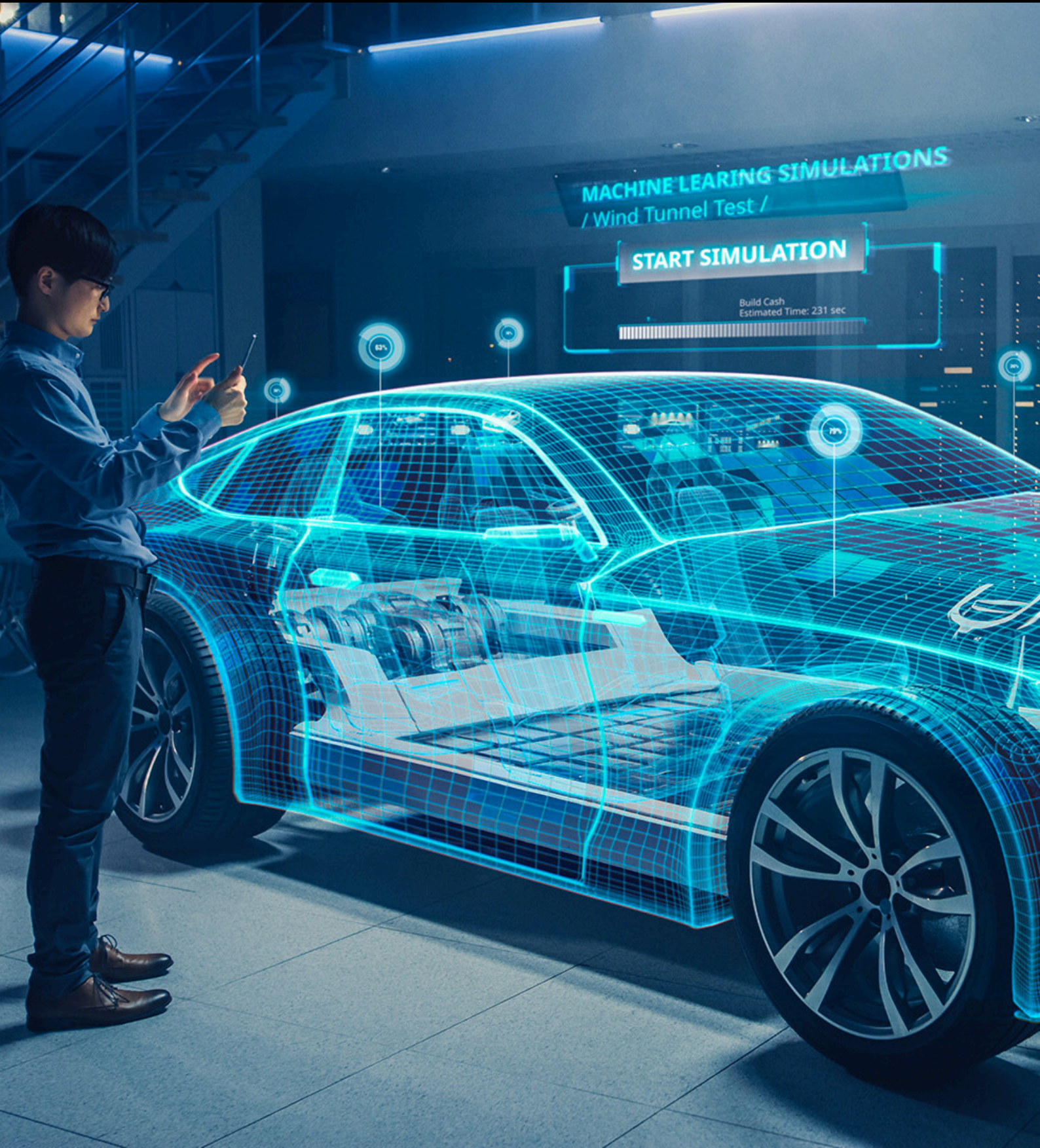
Integrated transport systems

Beyond buses: Devolve TfL-style powers to elected Mayors. All powers currently available to Transport for London (including rail, roads, rivers, and cycle superhighway powers) should be available to elected mayors and their administrations. This will help to create the smart, integrated local transport networks which will facilitate the movement of people within the city region and catalyse regional economic growth.

Establish Infrastructure for the East alongside Transport for the East.

Establishing a body or extend Transport for the East to cover the whole Eastern region with a broader remit covering wider infrastructure needs, with the task of assessing the scale of deficiencies and developing a targeted programme of investment. This would allow for the development of an integrated Eastern infrastructure strategy.

INNOVATION



Innovation

Innovation is the most important factor in increasing long-term productivity. For the private sector, that means higher output, greater returns and more trade. For the public sector, it means better services and better outcomes for citizens. Therefore, it's vital that both have systems in place to allow the cultivation of disruptive ideas and concepts. With its leading universities and dynamic industries, the East has the potential to be the UK's science and technology leader. By building on the success of Cambridge and linking the region's burgeoning energy, life science, agritech, communications and manufacturing sectors, the government could create a Silicon East capable of challenging science innovation centres across the globe.

An industrial strategy for the region. This should provide the basis for much needed collaboration within and between different sectors including Life Sciences and Agritech and across different locations in the East (e.g. emerging Life Science clusters around the science parks in Cambridge, Norwich and Stevenage). The relative proximity of these places and the confluence of advances in science and technologies, provides the opportunity to explore the inter-related scientific, technology and industrial development of the eastern region of the UK.

Create an innovation network for start-ups in key specialisms. Accelerator programmes for high-potential start-ups in existing key specialisms, such as energy and advanced manufacturing. These would build on existing local strengths, using the assets of local universities and technical colleges. They could provide co-working space, intensive mentoring, and investment for the most promising firms.

Create a Staff exchange system in innovation networks. Too often innovation doesn't pass from the leaders to the laggards in high innovation sectors that need to cross the export frontier. A network that allows for staff exchange between firms that are not in direct competition would greatly enhance the transmission of innovation across the network and lead to new supply chains being created.

Create a lead member for innovation on every city-region cabinet. Successful innovation requires good 'convening power', working across the network of innovators in private, public, and third sectors. The strong mandate of a lead member could provide this. It would also create a driver of innovation in every part of the region, who could collect evidence and implement best practice.

Change planning guidance to encourage innovation districts. A spatial strategy for the region would provide a framework for the Local Development Plan process to identify areas characteristic of 'Innovation Districts' and put in place measures to support them. These could include public realm enhancements and transport links. To encourage the vibrant culture that attracts high-skilled workers and businesses, incentives should be created for cultural development. These could include a grant for firms in target sectors who locate in the district, or liberalised licensing conditions.

East of England Investment Fund. This should build on existing funds currently available in the region to provide an at-scale commercially focused finance platform for the East including Microfinance, Debt and Equity Finance funds. This should be a public-private fund with collaboration between combined authorities, the British Business Bank, and private finance institutions.

Offer financial incentives for business. Tax incentives should be offered to priority sectors in strategic locations across the region, to help shape the innovation ecosystem in line with a spatial plan. This would help to attract and grow innovative businesses by reducing the relative cost of locating in the East. This could also attract high-volume, large-workforce businesses, albeit potentially lower-value ones. Taxes that could be offered relief include National Insurance, Climate Change Levy, Business rates, Plant tax, CIL, and others.

World class digital connectivity. There are vast disparities in the quality and reliability of digital connectivity across the region, both fixed and mobile connectivity. Full fibre and access to 5G are key to the future success of the region. Given the combination of economic opportunity and poor transport infrastructure Government should commit to making the East of England a world class destination for digital connectivity.

Establish an Eastern Digital Service. A pan-Eastern Digital Service should be created, to provide a shared platform for automating council services that all cities and councils could use. This would reduce the cost of every council designing separate systems, but maintain local discretion over services. The 'EDS' would work with councils to make all their data freely accessible and usable by public services, whether at the level of combined authority pan-Eastern.

DEVOLUTION



Devolution

Currently, over half of England is covered by one form of devolution deal. Most areas have agreed mayoral combined authority structures to which central government has gradually devolved some key policy levers like transport and skills. The East of England currently has just one mayoral combined authority, covering Cambridgeshire and Peterborough, although Norfolk and Suffolk could follow in 2025 with a devolution deal to be agreed with a new government.

Places with mayors have seen benefits that others without have missed out on, while some (Greater Manchester and the West Midlands) have broadened and deepened their devolution deals with additional powers and responsibilities over sub-regional policy. The priority for the next government will be to boost growth in all regions and plans for devolution should therefore be central to this mission.

A new government should commit to further roll out of devolution deals across the East, including greater control over:

Employment support including the devolution the advisory functions of JobCentre Plus, and a retained share of savings in the benefits bill to be re-invested in local programmes to further reduce unemployment.

Skills programmes, including the devolution of a reformed apprenticeship levy, all adult education budgets and the successor to the Single Programme Fund.

Planning, the reform and devolution of major infrastructure planning decisions to MCAs in line with a non-statutory spatial plan, and National Policy Statements, to speed up development and attract investment in the region.

Funding settlements, with simpler and longer-term place-based settlements for the entire allocation of public spending in devolved areas.

Fiscal devolution

Only five per cent of the UK's tax revenues are collected by local government – compared to 14 per cent in France, 23 per cent in Japan, and 35 per cent in Sweden. Devolution deals for England have thus far included very limited fiscal control, beyond the pilot 100% business rate retention schemes. Deals are largely dependent on government funding with devolved areas answerable to Whitehall.

For our regions to really thrive, devolution deals will need greater autonomy to plan budgets and raise revenues. As one of only three regions and nations in the UK that makes a net contribution to the nation's finance, the East would make an ideal test ground for piloting fiscal devolution.

Greater fiscal devolution should be built around a new settlement between central and local government and based on shared risks and rewards, which incentivise local investment - rewarding economic growth in return for reduced dependency on public funding. As such, the East should receive the powers to generate and retain a significantly higher proportion of tax locally to invest in major infrastructure opportunities which are seen as a priority for the region.

The next government should negotiate with areas prepared to take on the highest level of devolution governance and accountability to bring the following measures forward during the first three years of parliament:

Devolve property taxes, including council tax, business rates, stamp duty and capital gains tax. MCAs should keep 100% business rate and council tax revenues and gain control of the multipliers to set rates for business and council taxes.

Retain a share of growth in Income Tax and National Insurance Contributions, these taxes relate directly to the workforce. MCAs in the region should retain a share of income tax to experience an immediate gain through local employment growth.

Devolution of Corporation Tax. Control of corporation tax rates to provide could influence firms to locate in the East, while Corporation Tax credits for local firms in exchange for investment in skills could drive productivity.

Allow local tax raising powers for health. Combined Authorities across the East should have the right to request localised tax-raising powers to fund improvements in the health and social care system. If we can have Business Improvement Districts funded by businesses – why not Health Improvement Districts that improve workforce recruitment, retention and reduce days off work due to illness?

These fiscal measures, in line with those already available in the devolved nations, will provide the incentives for growth and create a new mechanism for investment to help self-fund and self-finance investments in local infrastructure, including housing and transport (see above).

Health devolution

The health geography for the East of England is complex, covering both urban and rural populations and a large range of health and social care partners. The region faces a number of challenges, including:

- Poor connectivity and access to health services in the more remote parts
- Widening health inequalities between the most and least deprived communities
- A growing and increasingly ageing population with rapidly accelerating chronic health conditions
- Multiple and fragmented organisational boundaries that can complicate the commissioning and delivery of integrated healthcare
- Mounting financial pressures across the whole health system including the NHS and social services.

A step change in the health of the population in the East is urgently needed. Too much potential is lost through high levels of ill health and early onset of life limiting conditions. There is a stark contrast in life expectancy between the least and most deprived parts of the region. Importantly, many of these wider determinants of health (e.g. income, employment opportunities, education, housing conditions) lie outside the health and care system. Getting 'upstream' to prevent poor health outcomes requires a holistic range of public policies, better partnership working and local control of the levers of good health.

Combined Authorities in the East, in collaboration with local health partners, should seek a whole-system health devolution deal with Government. This would require the following:

Funding

- Devolution of the total health and social care budget to Mayoral Combined Authorities in the East.
- A single ring-fenced budget for the delivery of Total Population Health for a minimum five-year financial settlement.
- Commitment to review the funding allocation formula for the East to ensure it matches the needs of the population.
- VAT exemption for any new entity which Combined Authorities might seek to create for the purpose of integrated commissioning and delivery of health and social care services.

Commissioning

Delegated authority for the pooling of funds and the place-based commissioning of all health and social care services.

Transformation

- A transformation fund, over a proposed five-year period, to facilitate reform of the system, including workforce development and infrastructure investment in both premises and IT solutions.

Ownership of assets and NHS estates

- Enable local ownership and control of assets, with Combined Authorities and Health Partners taking on the management and control of NHS Property Services assets.

Regulation and monitoring

- Devolve responsibility for designing and creating the provider structures to support the commissioning intentions of Combined Authorities in close collaboration with the relevant regulators.

Workforce development

- Devolve responsibility for determining the supply side measures for adult skills training in the health and social care workforce to Combined Authorities and Health Partners.

Public Health

- Upgrade the emphasis on prevention and the wider determinants of public health in the local health and care system.

Governance

- Support the development of a new institutional vehicle for the purpose of integrated health and Social Care Government in the East. This should allow for localised structures to manage the programme of transformation, and in setting up governance arrangements for any new pooled budgets or sub-regional arrangements for delivery.

Data

- Better data for better health. Central government should allow access to the wealth of data its departments hold. Doing so would enable them to monitor the markers of later ill health, identify those most at risk, and design early intervention programmes.

Regional governance

The question of regional governance must be raised when thinking about the appropriate scale needed to deliver infrastructure development across the East. There is one Mayor of London, responsible for 9 million people and 32 London boroughs. The current position in the East allows for one Mayoral Combined Authority in Cambridgeshire & Peterborough. This could follow with two county deals with directly elected 'leaders' in Norfolk and Suffolk. This will leave the East at a disadvantage when it comes to competing with large city Mayors, not just in London but in Birmingham, Manchester, Sheffield and elsewhere. The issue to be considered is whether a single 'Mayor' for the East is better than multiple Mayors, tied to smaller county boundaries. Failing agreement for a single elected role, a 'Council of the East' comprising directly elected leaders for all areas in the East should be formed.

A single elected Mayor or 'Governor' for the East. Responsible for 7 million people, this would become the second most powerful Mayor in the country.

Place-making

The new government will face tight fiscal constraints. Consequently, new financing mechanisms will be required to deliver 'viable investment models' to attract private sector funding of infrastructure projects. Public Finance Initiatives were introduced in the 1990s but scrapped in 2018 due to the high costs of repaying PFI funded schemes. However, they can still be used by some devolved administrations, such as regional transport bodies. Transport for London is financing the Silvertown tunnel under the river Thames, which is due to open next year, through a PFI scheme that was signed in late 2019.

Mayoral Combined Authorities in England need the means to attract private finance to rebuild and develop cities, towns and villages. Individual projects and funding interventions lack the vision and scale to meet the challenge which many places in the East are facing. A whole-place financing solution is required to regenerate and transform our communities and public services. The new government should review and learn the lessons of the past before approving large-scale public-private funded initiatives. However, MCAs, in partnership with private investors, should be encouraged to come up with viable whole place propositions for such schemes.

Whole-place Public Finance Initiatives (PFI) to fix the broken public estate.

A new government should revisit PFI, learning lessons from the past, to provide the finance to support social housing, hospitals and schools at scale.

TRADE & INVESTMENT



The global economy has slowed since the financial crisis and has been further impacted in recent years by a series of unprecedented shocks, including the Covid-19 pandemic and the UK's withdrawal from the European Union. This has affected Trade and Investment in the East leading to a widening trade deficit and a fall in Foreign Direct Investment.

However, despite this the East of England has very strong trading relationships with the rest of the world. The Eastern coastline is situated at one of the closest points to mainland Europe and a natural trading partner to the EU. Felixstowe, the largest container port in the UK, shifts over ten thousand units daily, connecting our region and the UK to 700 other ports around the world.

An effective regional platform is required to expand the East of England's global footprint, activating inward investment opportunities and exporting incredible local products and services around the world.

The East of England Trade and Investment Platform. Working with local government and business to promote the East to the rest of the world. The East of England Trade and Investment Programme will stimulate trade and promote investment opportunities. The Programme will work 'hand in glove' with the Department of Business and Trade (DBT) to provide:

- Expert advice on export finance and regulation.
- An investment portfolio that advertises specific, investment-ready projects, will make sure opportunities are front and centre for international investors. The East needs to promote the most exciting capital investment opportunities for investors and highlight potential major infrastructure projects that are needed.
- Global Trade missions promoting the East in key markets around the world.

An Export Council for the East. This would bring together key stakeholders, including elected Mayors, with the government and UK Export Finance to devise a regional export strategy. The Council will attract prospective investors and connect to 'account managers' at the Department for Business and Trade who can assist with planning, visas, financing and other delivery-critical factors, such as jumping the queue for grid connections and fast-track planning approvals.

East of England International Trade Summit. Championed by a Regional Minister the East should host an Annual Trade Summit hosted in Cambridge to attract inward missions from global markets. Particular attention should be paid to recent Free Trade Agreements and alignment with major trading blocks. The objective is to link key regional clusters and specialisms as part of a regional export strategy.

As noted by Lord Harrington, “Areas of the UK are best placed to identify their own sectors of strength, but central government needs to take an active role in supporting and endorsing local differentiation. Central government should do this by partnering with and promoting areas based on in-depth analysis of strengths and an understanding that not all sectors in all regions can attract central support. This will involve challenging decisions about priority sectors in each local area.”

A UNIFYING VISION FOR THE EAST OF ENGLAND

