

Suffolk Business Board

Thursday 16th January 2025

Agenda Item 3: Suffolk Economic Strategy Implementation

Purpose: This paper outlines the first wave of key interventions to support the implementation of the Economic Strategy. It seeks Board input and agreement on specific interventions and provides updates on other interventions currently in progress.

Background: The Suffolk Economic Strategy was approved by Suffolk County Council Cabinet on 3rd December. The Cabinet delegated and authorised the Executive Director for Growth, Highways and Infrastructure, in consultation with the Cabinet Member for Finance, Economic Development and Skills, to work with the Suffolk Business Board to implement the Economic Strategy via an Investment and Delivery Plan. Formal reporting on implementation of the strategy will be annually.

The Strategy was endorsed by Suffolk Public Sector Leaders in October, and by the Business Board in November.

The development of the Investment and Delivery Plan is underway, with approximately 70 potential interventions being reviewed against the Suffolk Economic Strategy and the EPIC test. These include both existing interventions requiring evaluation and new concepts.

To maintain momentum and align with the strategy launch, we have identified a first wave of interventions for the Board's consideration.

Further interventions will be presented at the March meeting, informed by ongoing work and input from the Suffolk Economic Leads Officer group, the steering group that has supported the development of the strategy and Business Board. This will remain a dynamic document, incorporating a rolling programme for future interventions.

Recommendations - The Board is invited to:

- **Agree a new Suffolk Economic Grants programme with repurposing of £1,030,000** of unallocated funds from two existing business support grant programmes to deliver the new programme which better aligns with the Suffolk Economic Strategy and the needs of Suffolk Businesses. Annex A – Suffolk Economy Grants Page 2 - 4
- **Agree the proposed approach to support the developing a Local Area Energy Plan (LAEP) and a contribution of up to £100,000** of unallocated funds from an existing business support grant programmes and agree the collaborative approach with Norfolk County Council. Annex B – Local Area Energy Plans (LAEP) Page 5 - 6
- **Agree a contribution of up to £2,000,000 of capital grant and £166k p/a over 15 years from the Enterprise Zone Pot C** to the Advanced Manufacturing Engineering Centre in West Suffolk, subject to later milestones being achieved. Annex C – AME Centre Page 7 – 8,
- **To note the progress made on other interventions** that are currently in development and do not require funding at this stage, with further updates to be provided on these initiatives progress towards implementation. Page 9

Annex A - Suffolk Economy Grants

Suffolk Economy Grants (SEG) is a proposed grant programme for SMEs and combines unallocated former LEP Growth Through Innovation (GTI) and Business Transition to Net Zero (BUTNZ) funds to support the delivery of the Suffolk Economic Strategy.

Pending government approval for re-purposing GTI funds, the program will offer £1 million grant budget to support between 45 and 240 businesses, depending on grant size, leveraging £2.37 million in private-sector match. Intervention rates are proposed to vary by business size: micro 50%, small 30% and medium 20%.

Size	No. of Employees	Turnover or Balance Sheet
Micro	Fewer than 10	Turnover up to £632,000 and balance sheet up to £316,000
Small	10 – 49	Turnover up to £10.2m and balance sheet up to £5.1m
Medium	50 – 249	Turnover up to £36m and balance sheet up to £18m

The programme aims to drive productive, inclusive, and clean growth by promoting digital transformation, decarbonisation, innovation, sustainable practices, and workforce development. Key focus areas include technology adoption, research and development, sustainability, and talent inclusion.

Expected outcomes include improved productivity, reduced carbon emissions, job creation, knowledge and skill enhancement, and innovation outputs.

Areas of focus for the programme with example projects

<p>Digital Transformation and Technology Convergence</p>	<ul style="list-style-type: none"> • Adoption of new technologies: Projects where businesses implement new machinery or software to improve efficiency, enhance their products, or create new market opportunities. • Tech integration projects: Initiatives that combine multiple technologies, such as AI, IoT, or automation, to create innovative solutions for business challenges. • Technology adoption for growth: Projects that help businesses integrate technology to stay competitive, streamline operations, and overcome sector-specific challenges. • Cross-industry collaboration: Projects that encourage partnerships between businesses from different sectors to accelerate the development and market entry of new technologies.
<p>Innovation and R&D</p>	<ul style="list-style-type: none"> • Product and service development: Projects focused on creating and commercialising innovative products, services, or business models. • Collaborative R&D: Projects that involve research and development partnerships between businesses and academic institutions or industry partners to solve real-world problems. • Green technology commercialisation: Initiatives that focus on developing and bringing to market green technologies that

	address environmental challenges and contribute to net zero goals.
Decarbonisation and Sustainability	<ul style="list-style-type: none"> • Carbon reduction initiatives: Projects that aim to reduce carbon emissions through improved energy efficiency, renewable energy adoption, or waste reduction practices. • Green technology adoption: Projects focused on developing, scaling, or implementing sustainable technologies, such as energy-efficient equipment, or renewable energy systems. • Circular economy practices: Initiatives that promote the reuse, recycling, or repurposing of materials to reduce waste and support sustainable business practices.

Additional components include:

- **Knowledge Exchange Vouchers (£30,000):** A pilot scheme matched by businesses to access research and innovation from the University of Suffolk. The voucher would fund a specific project/piece of research as required by the business with defined SMART objectives. The UoS would place a student/graduate with the business for a set number of hours per week/ number of weeks or until the project is completed. Staff at the UoS would oversee the delivery. Once completed the work may lead to the business applying for a grant as a separate activity. This initiative would focus on both the Digital Futures Institute and the Sustainability Institute at the DigiTech Centre.

Resources: The Suffolk Economy team within Suffolk County Council will administer the programme, working with the Growth Hub and other Business Support partners to promote the grants. The University of Suffolk would deliver the Knowledge Exchange voucher pilot.

Much like the current grant programmes, an approved panel will be put in place to review all bids and decide on awards within delegated limits. A thorough due diligence process will support this programme.

Regular programme performance reports will be provided to the Business Board.

Total funds required: £1,030,000

Source of funds: Unallocated funds from two existing programmes – GTI and BUTNZ. Both these programmes are LEP legacy programmes and are no longer fit for purpose. GTI is funded via government’s Getting Building Fund and there is a requirement to seek permission to change the use of the funds. A programme change request was submitted to government in December 2024 seeking permission which is likely to be approved. BUTNZ was funded via the LEPs own funds allowing flexibility to redirect the funds.

Timeframe: The programme would be publicised as part of the hard launch of the Suffolk Economic Strategy with the programme open for applications from business from 1st April 2025.

Intervention	Profile [sectors, type, status, EPIC score]	Strategic Fit [why]	Deliverability [How]	Additionality [what]	Economic Impact [Return on Investment]	Cost & Risk
DE&I2: Suffolk Economy Grants [Board Sponsor] To Be Confirmed [Lead Officer] Lisa Roberts [Partners] University of Suffolk	Launch Suffolk Economy Grants programme, with applications being accepted from 1 st April 2025. Awarding £1 million to support between 45 and 240 SMEs in Suffolk, leveraging at least £2.37 million in private sector match funding and facilitating access to £30,000 in Knowledge Exchange Vouchers to drive improvements in productivity, carbon reduction, digital adoption, and talent retention.					
	[sector] Universal [type] Grant Programme [status] In development [EPIC Score] E3 P3 I3 C3 (1 is low impact, 4 is high impact)	Aligns with net-zero objectives by driving decarbonisation and promoting sustainable business practices. Enhances innovation and digital adoption among SMEs to improve competitiveness and resilience. Provides a mechanism to enhance knowledge exchange between businesses and academia fostering innovation and research in two key areas that will support EPIC growth. Directly addresses economic challenges by fostering high-potential business growth.	Combines unallocated GTI and BUTTNZ funds, creating a consolidated £1.03 million budget. Intervention rates and size of grant tailored to business size to ensure accessibility to all SMEs Knowledge Exchange Vouchers matched by SMEs to access research and innovation support. Established timelines and processes for application, review, and award streamline implementation. Robust governance structure and due diligence.	Consolidated grants programme with flexibility to support specific SME needs, from decarbonisation to digital transformation, enhancing growth potential. Provides access to innovation support through Knowledge Exchange fostering collaboration between academia and businesses. Creates a foundation for long-term competitiveness and sustainability across growth opportunities.	Leverages £2.37 million in private sector match funding. Supports between 45 and 240 SMEs	£1,030,000 [Risks] Financial risk: Potential for oversubscription or unmet match funding requirements. Engagement risk: Limited SME uptake due to lack of awareness or capacity to apply. Governance risk: Ensuring transparency and fairness in the grant approval process. Outcome risk: Achieving measurable impacts in productivity, innovation, and sustainability.

Local Area Energy Plan (LAEP)

A Local Area Energy Plan (LAEP) is a strategic framework that outlines how a specific area can transition to a low carbon energy system. It considers the unique characteristics, infrastructure, and needs of the area, providing a roadmap for achieving net zero carbon emissions.

LAEPs are essential for identifying the most cost effective and impactful way to reduce energy demands, increase renewable energy generation, and support the adoption of new technologies like electric vehicles, heat pumps, and smart grids.

By tailoring solutions to local contexts, a LAEP ensures that energy transitions are inclusive, economically beneficial, and align with broader environmental goals, making it a vital tool for future proofing communities and achieving sustainability targets.

A significant number of places across the country already have a LAEP in place or are in the process of developing one, making it essential for Suffolk to progress to ensure we are not left behind.

LAEPs will play a critical role in informing the emerging Regional Energy Plans being established by government, ensuring that local energy plans feed into broader regional and national objectives for net zero and sustainable growth. The current proposed footprint for the regional energy plan which Suffolk would sit within covers Essex, Norfolk and Suffolk.

Distribution Network Operators (DNO) like UKPN will be using these plans to help inform where they prioritise infrastructure upgrades.

Proposed Approach:

It is proposed that up to £100,000 contribution would be put towards the development of the LAEP in collaboration with Norfolk County Council who will also be contributing up to £100,000.

This contribution will support a joint effort to commission specialist expertise through a tender process, led by Norfolk County Council. The work will set out current use and demand, future use and demand, identify a pipeline of energy innovation and identify where action is needed to unlock economic and housing growth.

Given the role of water within the energy systems and future solutions, along with the challenges both Norfolk and Suffolk face with water resources, it is proposed that the inclusion of understanding water capacity and impacts is important.

The work will involve close collaboration with district local authorities across Suffolk to ensure the plan reflects the specific needs and priorities of each area.

Resources: By pooling resources across Norfolk and Suffolk, we aim to ensure a cost-effective, cohesive approach to developing a tailored energy plan that meets the unique needs of both counties whilst advancing shared sustainability and net zero ambitions. This collaboration will lay the ground for informed decision-making, unlocking future opportunities for funding and implementation.

Essex have already commissioned consultants to support them but are keen to work closely with Suffolk going forward.

Intervention	Profile [sectors, type, status, EPIC score]	Strategic Fit [why]	Deliverability [How]	Additionality [what]	Economic Impact [Return on Investment]	Cost & Risk
BI&C 1: LAEP TBC [Board Sponsor] Lead Officer: Lisa Roberts [Partners] Norfolk County Council District Councils	By March 2026, develop a Local Area Energy Plan (LAEP) for Norfolk and Suffolk, ensuring alignment with the Suffolk Economic Strategy, with full stakeholder engagement from local authorities and other relevant organisations delivering a plan that supports net-zero targets and positions Suffolk to access future government funding.					
	Universal [sector] Feasibility Study [type] In development [status] E3 P2 I2 C4 [EPIC Score]	Works towards addressing two significant barriers to growth – Energy and Water Aligns with Suffolk’s commitment to achieving net-zero targets. Directly supports the development of sustainable energy infrastructure tailored to local needs. Contributes to the emerging UK Regional Energy Plans, ensuring integration with national and regional goals.	Requires: Resources pooled across Norfolk and Suffolk ensure a cost-effective and scalable approach. Clear project structure with Norfolk County Council leading the tender process for specialist appointment. Staged delivery approach ensures realistic timelines, with progress reviewed at key milestones. Partnership with district authorities opening access to local data, insights, and stakeholder networks.	Enhances the evidence base and understanding to support unlocking growth Creates a foundation for accessing future government funding for energy projects. Ensures Suffolk is not at a disadvantage to other counties in the East of England and beyond already advancing their LAEPs.	Increase Suffolks Competitiveness Unlocks opportunities to access public and private investment enabling growth.	Up to £100,000 Suffolk Contribution Total Budget £200,000 [Risks] Conflict of interest: Mitigated by clear governance and transparent tender processes. Delivery risk: Potential delays in specialist appointment or stakeholder engagement. Requires alignment of county and district to ensure project momentum. Reputational risk: Falling behind the UK if delivery is not timely or effective.

Annex C - Advance Manufacturing and Engineering (AME) Centre

The Suffolk Economic Strategy recognises that Suffolk has national strengths in clean energy, agri-food & drink, and ports and logistics, where it makes a significant contribution to UK PLC, along with local/regional strengths including advanced manufacturing, visitor economy and health and social care. Advanced Manufacturing is the largest of the growth sectors in the Suffolk Economy, with £1.9bn gross value added in 2022. The Economic Strategy sets out that Suffolk needs to improve its productivity and value add in its largest sectors. In particular, there is the opportunity to develop advanced manufacturing opportunities through tech convergence, to create higher skilled jobs and higher value products.

West Suffolk Council have over the last 24 months developed a proposal to construct approx. 40,000sq ft of advanced manufacturing facilities at Suffolk Business Park in Bury St Edmunds. This proposal was originally supported by New Anglia LEP and the remaining funding has been on hold since the LEP was wound up. Part of Suffolk Business Park is an Enterprise Zone, where a proportion of the business rates generated are retained by Suffolk County Council and West Suffolk Council to support delivery of the Suffolk Economic Strategy. These retained monies will be used to fund this proposal.

The proposed Advanced Manufacturing Centre will deliver 17 self-contained but linked, flexible workshop units (from 1,000 to 1,800 sq ft). There will be meeting rooms and conference facilities for business support and networking events for the wider AME community.

The market/private sector will not deliver this type of innovation centre; for example, both the Epicentre in Haverhill, and Hethel Engineering Centre in Norfolk required subsidy from local government. Business incubators often require public sector support due to market failures, high turnover of companies and insufficient returns. However, once established, they have been proven to incubate many new and innovative companies with associated knock-on economic benefits.

This £15m project will be largely funded and delivered by West Suffolk Council and has been approved by their Cabinet. However, additional investment is needed by partners to ensure the scheme can viably be delivered. It is therefore proposed that an additional sum of funding be allocated from the Enterprise Zone funding pot, of £166k p/a over 15 years, along with an up to £2m upfront capital grant, also from the Enterprise Zone funds.

The risks as regards delivery, construction costs and operational site profit and loss will be borne by West Suffolk Council. The Business Board is the junior investor, and its contribution equates to approx. 22% of the value of the scheme.

Further milestones need to be achieved before this scheme can progress, including detailed design, planning consent, subsidy control review and contracting, so this is an in-principle proposal, with further details to be provided and agreed as milestones are reached.

Intervention	Profile [sectors, type, status, EPIC score]	Strategic Fit [why]	Deliverability [How]	Additionality [what]	Economic Impact [Return on Investment]	Cost & Risk
DE&I1:	To deliver a 40,000SqFt (approx.) Advanced Manufacturing Centre in Bury St Edmunds with intention to be operational by end 2026.					
AME Centre Bury St Edmunds To Be Confirmed [Board Sponsor] [Lead Officer] Julian Munson Local Experts [Partners] NAAME SCC WSC	Focus - Advanced Manufacturing and Engineering – impact on other sectors [Sector] Capital Build [type] In development [status] E3 P3 I2 C3 (indicative) [EPIC Score]	Supports strategic objectives in the Advanced Manufacturing sector Facilitates regional collaboration, bolstering Suffolk’s role in the NAAME network, aligning with the priorities of neighbouring counties. Boosts Suffolk’s competitiveness Aligned with EPIC framework	Requires: Public sector investment Addresses market failure associated with this type of innovation centre. Partnership work Regional private sector advice and services Project is ‘ready to proceed’	Provides larger Suffolk companies with supporting supply chain companies and skilled employees that are currently in short supply Create a catalyst for AME clustering - The industry is worth £1.9bn and supports 39,200 Suffolk jobs Provide opportunity for practical applications of Tech Convergence, e.g. bringing together manufacturing, defence and space applications Compliments Freeport East objective to stimulate UK exports, supports increased trade and investment across the region. Links with Connected Innovation network	Defines clear strategies to stimulate business growth in a key sector for West Suffolk and the surrounding area. Establishes a foundation for sustained growth in GVA and overall economic productivity. Promotes economic resilience at district level with a wider impact. Enhances Suffolk’s appeal to national and international investors, unlocking significant additional value. Increase average salaries and aspirations - the median wage in this sector is £31,300 – which is 11% higher than the national median wage	Total project costs £15.1m Business Board contribution combination of upfront capital grant up to £2m and £166kp/a draw down on Enterprise Zone retained business rates equating to 22% of the scheme cost. [Risks] Project costs could increase , e.g. construction costs Subsidy Control approval from government outstanding

For update and awareness

Cluster Feasibility Study

At November Business Board meeting, the proposed cluster feasibility study was outlined, focusing on developing a clear understanding of key sector clusters to drive innovation and growth in Suffolk. Following discussions with the Board Chair, it was agreed that, to avoid any potential conflict-of-interest and to ensure an open and fair tender process, the review and approval of the cluster feasibility tender would be reviewed and agreed by the Chair of the Business Board.

The intervention and associated funding of £125,000, with the potential for a further £80,000, were formally agreed by the chair of the business Board in December 2024. The aim is the tender will be advertised the week beginning 13th January, and the process on track to appoint a contractor by early March. This study will play a critical role in identifying opportunities to foster cluster development, aligning with the priorities of the Suffolk Economic Strategy.

The Code Institute (CI)

Suffolk CC have recently engaged with the Code Institute following an introduction via the Business Board Network. Code Institute are a provider of Coding education across Europe and undertake research focused on skills in digital and AI. CI have proposed the undertaking of an informative piece of research for no cost to help organisations in some of our key sectors in Norfolk and Suffolk to assess how well equipped our employers are in relation to AI while identifying skills gaps stopping them from reaching AI transformation.

In collaboration with both County Councils the work will assess AI-related skills in key areas (Governance, People, Technology, Data, Value, and Strategy) across a minimum of 20 local organisations. In the short-term this will help immediate organisational AI skills gaps to be identified and in the longer term, the development of tailored AI training courses to uplift AI capabilities across the region.