**East of England All-Party Parliamentary Group Meeting: After the Budget**

**Tuesday 6th November 2018, 10:30 – 12:00**

**Committee Room 13, House of Commons**

**NON-VERBATIM MINUTES**

**Welcome and introductions**

Peter Aldous MP and Daniel Zeichner MP, Co-Chairs of the East of England APPG welcomed all attendees – see appendix 1. The minutes of the last meeting were noted and agreed.

It was commented that there had been fantastic publicity for the launch and that the Westminster Hall debate had also raised the profile of the budget submission.

**Autumn Budget outcomes**

Steve Barwick, for the Secretariat, DevoConnect, presented a short paper – see appendix 2 – that set out the nine recommendations of the agreed APPG submission compared and contrasted with what was actually announced in the Autumn Budget.

A number of comments were made

* Arguably the submission was made a little late but given the Group was only formed in January, and others such as Greater Manchester have been at this for a long time, the APPG made a very good start. It was a compelling bid which attracted attention.
* Regards outcomes it is possible to look at some of them as half full or half empty for example the funding allocated to digital connectivity in Suffolk is only sufficient to ensure broadband for all public buildings not all members of the public.
* If we were able to pull out and highlight regional specific points earlier, especially on transport, that could have had bigger impact
* It was raised whether it is for this Group to discuss and decide transport priorities? Many strategic roads have pressure groups eg A120, A47.
* It was pointed that the region’s two sub national transport bodies would do that prioritisation if statutory bodies but that sadly was not an outcome from Budget
* The debate we have had has been very important and we are creating a collective approach, working well together.
* The recommendations should remain as reference points and the Group should come back to these when inputting into the Spring Spending Review

**Future meetings schedule**

Steve Barwick, for the Secretariat, DevoConnect, presented a short paper setting out a possible schedule of meetings, and invited comments:

* Skills should be moved forward given the potential for Brexit to create labour shortages.
* The region has a lot of FE colleges which are very important although life is tough for many of them. Richard Atkins, FE Commissioner, to address the group
* innovation is also a solution to lack of skills especially for agri tech businesses
* Should take up offer to speak. from Minister responsible for Industrial Strategy, Richard Harrington. Work by CPIER and PWC on Camb-Cox Arc will be of interest
* Devolution does run through a lot of our plans – it would be good to hear from the relevant Minister at some point in 2019
* Digital should be on our agenda – there is a risk that with full fibre there may be a rush to the biggest cities and therefore East of England may be overlooked.
* Mobile connectivity is so important as people do not all work in centre of Cambridge not least as cannot all afford to live there. Better quality of life if better digital connectivity
* Lord Adonis mentioned at an earlier meeting the Cambridge Arc and it was in budget. It is a national/global success story – the rest of region wants to hold onto Cambridge.
* The future shape of the region is a delicate discussion – as greatest enthusiasm for Camb-Cox arc is not at either end
* National Infrastructure Commission is of great importance – so should invite some from there to addess the group
* Housing throughout the region is important including proposed garden towns in Harlow
* Parliamentarians need to know what is going on and how the various coalitions eg sub national transport bodies, LEPs, growth corridors, etc come together.

**Conclusions and next steps**

It was agreed that the Secretariat would revise the future programme of meetings – see appendix 3 – and work with EELGA to prepare short summary document detailing the scope and priorities of the various relevant organsations in the East of England.

Peter Aldous MP and Daniel Zeichner MP, Co-Chairs of the East of England APPG, thanked all attendees for their contributions including the Secretariat, DevoConnect.

They concluded the meeting by saying that we have a document that has got attention and we will now have a strategy going forward. Finally, the agreed to sound out Essex MPs to see if their involvement in the APPG could be strengthened going forward.

**APPENDIX 1 - ATTENDEES**

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| Peter Aldous MP | Co-Chair |
| Daniel Zeichner MP | Co-Chair |
| Sandy Martin MP | Vice Chair |
| Chloe Smith MP | Cabinet Office Minister |
| Cllr Lindsay Haysey | Leader East Herts District Council |
| Rosy Roche | Office of Daniel Zeichner MP |
| Antony Bennet | Office of Jo Churchill MP |
| Alex Riley | New Anglia LEP |
| James Sloan | CBI |
| Harriet Fear | Cambridge Ahead |

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| Andrew Marshall | British Sugar |
| Jacob Wallace | Anglian Water |
| Hannah Shah | EELGA |
| Joe Dancey | TWI |
| Rob Smart | Turner and Townsend |
| Gill Morris | DevoConnect |
| Steve Barwick | DevoConnect |

**APPENDIX 2**

**Success for the East of England in Autumn Budget**

The East of England APPG made a formal submission to the Autumn budget, entitled [*‘Building together the foundations of more productivity, prosperity and inclusivity in the East of England’*](https://eastofenglandappg.org.uk/wp-content/uploads/2018/10/8.AW-EofE-parliamentary-submission-amended-16.10.18.pdf) . It set out a series of asks from the Government to support the region’s economy.

Based on six months’ evidence and co-signed by the region’s LEPs, Mayor, council leaders and others, the submission was positively welcomed by Richard Harrington, the Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy.

On all of the nine recommendations in the submission, the Budget contained positive news, a huge success for the East of England APPG’s advocacy over the past few months.

***Recommendation one:* Government should support England’s Economic Heartland and Transport East – the region’s two sub-national transport bodies – to become statutory bodies and deliver corresponding investment in the region’s transport infrastructure.**

The Cambridge-Milton Keynes-Oxford Arc featured prominently in the Budget, with the Government offering £20m to support the development of plans for a new railway section between Cambridge and Bedford.

It also pledged £21m extra towards Cambridgeshire and Peterborough’s share of the Transforming Cities Fund and shortlisted Norwich for a share of the £440m competitive element of the fund.

The strategic roads network will receive £28.8bn of investment between 2020 and 2025 with a £570m fund for potholes and local road improvements announced. Assuming the region gets its fair share – and from [the recent Ely Bypass opening](https://www.cambridge-news.co.uk/news/local-news/ely-southern-bypass-cambridgeshire-traffic-15354615) it appears it will – this will significantly improve connectivity.

***Recommendation two:* Councils should have greater discretionary powers to encourage housing delivery, e.g. regards timescales and planning**

The budget announced that the British Business Bank will deliver a new scheme providing guarantees to support up to £1 billion of lending to SME housebuilders. It also announced that the Government has launched a consultation on new permitted development rights to allow upward extensions above commercial premises and residential properties.

Sir Oliver Letwin’s review of the gap between land allocation and housing delivery found that greater differentiation in the types and tenures of housing delivered on large sites would increase the market absorption rates of new homes (the binding constraint on build out rates on large sites), with the government set to respond to the review in full in February 2019.

***Recommendation three:* Further action is recommended to free-up finances to build affordable homes at scale, for example through Housing Revenue Account borrowing, Right to Buy flexibility and tenure diversification**

£500m extra will be made available for the Housing Infrastructure Fund (totalling £5.5bn).

[Seven local authorities](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692077/HIF_Forward_Fund_projects.pdf) in the East of England have previously been selected to receive money from the Fund and so will benefit. Also, a £653m for strategic partnerships with housing associations to deliver 13,000 homes was announced.

The Housing Revenue Account cap has now been abolished, which could lead to an increase in housebuilding to around 10,000 homes a year. In addition, the Budget also offered £10m for Housing Deals in areas with high housing demand, and £8.5m for 500 neighbourhoods to allocate land for homes sold at a discount to local people. A new five-year strategic business plan for Homes England, was published on 30 October 2018.

***Recommendation four:* Ministers should explore innovative funding options that could help deliver infrastructure to enable new housing, either by direct council investment or by leveraging in other funding, for example regarding business rates, land value uplift and revising stamp duty**

The Budget mentions Land Value Uplift, with policies including setting a higher zonal Community Infrastructure Levy in areas of high land value uplift and removing all restrictions on Section 106 pooling towards a single piece of infrastructure. The Government will launch a consultation in January 2019 on a 1% surcharge on stamp duty for non-residents.

***Recommendation five:* Digital connectivity in the East of England should be enhanced, removing 4G ‘not spots’ with affordable access, enhancing 5G coverage to support Agri-Tech, Cumulo rates reform and investment in Local Full Fibre Networks**

The National Productivity Investment Fund was increased to £37bn in the Budget, earmarked for productivity: housing, transport, digital infrastructure, and research and development. Suffolk is also the first area to receive a £6m share of a fund to develop local full fibre networks.

The Government is also launching a review of the digital economy, led by Jason Furman, and consultations on gigabit-capable connections making it easier for providers to roll out full-fibre networks.

***Recommendation six:* Government should facilitate greater cooperation between developers, infrastructure providers, and local planning authority providers to improve housing delivery.**

While the Budget did not mention utilities’ role in planning specifically, it did announce a consultation on how to encourage greater innovation in the utilities sectors. In addition it noted that a collaborative approach among regulators could help support consumers.

***Recommendations seven and eight:* Local industrial strategies should focus on supporting the East of England’s flagship industries (life sciences, agri-tech, ICT and clean energy). This might include a business network, R&D funding and supporting HE organisations through the Industrial Strategy Challenge Fund. LEPs need full support.**

Relevant measures included a proposal to create a Small Business Leadership Programme and a £20 million investment to support local peer-to-peer networks for businesses. Given the East of England’s strengths in R&D, the prevalence of it throughout the Budget, including a commitment to spending 2.4% of GDP on R&D and a £120m Strength in Places fund will be a boon to the region.

In addition, up to £121 million for Made Smarter to support the transformation of manufacturing through digitally-enabled technologies, such as the Internet of Things and virtual reality. The government will increase the Industrial Strategy Challenge Fund by £1.1 billion, supporting ‘technologies of the future’.

***Recommendation nine:* Education strategy icn the East of England should focus on helping local people to develop transferrable, adaptable skills, with specific consideration given to extended apprenticeships including for science, reform the Apprenticeship Levy, supporting life-long learning and devolving responsibility for strategic skills commissioning.**

Various relevant measures are included into the budget such as investing up to £25 million to boost business productivity through the Knowledge Transfer Partnerships scheme, placing over 200 additional graduates and academics with relevant skills into firms to translate their research insights into business growth.

There are also measures to improve apprenticeships, such as £450m to allow levy paying employers to transfer 25% of funds to pay for apprenticeship training and £240m to halve co-investment rate to 5% for apprenticeship training. Also there was a £100m national retraining scheme announced.

**Prepared by DevoConnect, Secretariat for the East of England APPG**

**APPENDIX 3**

**PROVISIONAL SCHEDULE OF EAST OF ENGLAND APPG MEETINGS**

**FOR FIRST SIX MONTHS OF 2019**

**[Provisionally Tuesday 15th January 2-3pm]**

**Employment, Skills and Productivity: the region’s Local Industrial Strategies**

Detail progress on Local Industrial Strategies. Examine the role of the National Productivity Investment Fund and what skills and employment will look like in the East of England post-Brexit. Specifically ask what are the implications of Brexit on labour supply and what can be done in response? How can increased spending in R&D benefit all

*Potential speakers:*

* Richard Harrington, BEIS Minister
* Chris Stephenson, UNISON Regional Secretary
* Ruth Day, British Sugar (TBC)
* Laura Mann, Astra Zeneca (TBC)

**[Feb/March]**

**Sustainable growth in the East of England: the transport implications**

Explore and discuss the various growth corridors in the East of England including Camb-Cox and London, Stansted and Cambridge. What future shape of the region do we want to see? What are the implications for the prioritisation of the region’s various priority transport projects? How do we maximise the potential of the Transforming Cities Fund?

*Potential speakers:*

* Baroness Sadie Morgan, NIC Commissioner
* Dr Ann Limb, London, Stansted, Corridor
* Cllr Kevin Bentley, Chair Transport East Sub National Transport Body
* Cllr Dave Hodgson, Chair England’s Economic Heartland Sub National Transport Body

NB sponsors London Stansted Airport and the A120 Campaign would be invited to contribute from the floor of the meeting

**[April]**

**Sustainable growth in the East of England: delivering on housing**

What are the barriers to delivery? What will garden towns and cities look like? How will the East of England benefit from the Housing Infrastructure Fund? How can we maximise the benefits of removing the Housing Revenue Account cap? How do we ensure quality and affordability as well as quantity?

*Potential speakers:*

* Mayor James Palmer, Mayor of Cambridgeshire and Peterborough
* Sir Oliver Letwin, Chair of review of buildout and/or Kit Malthouse, Minister for Housing
* Catriona Ridout/Natalie Elphick on behalf of EELGA
* Alex Plant, Anglian Water

**[June]**

**Joint East of England APPG / EELGA Parliamentary Reception**

On the Terrace and subject to specific additional funding this would be an opportunity to highlight a brief (four page) summary of more specific asks to be submitted to the Autumn budget.

Potential speakers

* Peter Aldous and Daniel Zeichner (hosts)
* Cllr David Finch, Chair EELGA
* Rt Hon James Brokenshire, HCLG Secretary

***Other possible topics for APPG in the remainder of the year***

* Digital connectivity and wider infrastructure investment
* Higher and Further Education
* The crucial role of R&D, science and innovation to the region’s future economy