

Dear Chancellor

RE: East of England Local Government Association Submission to the Comprehensive Spending Review 2020

The East of England Local Government Association represents the fifty local authorities in the East of England. We have worked during the spring and summer of 2020 to build and prioritise a wide-ranging programme of work focusing on supporting our sector, our partners and our region to develop a recovery plan for Covid 19. Part of this recovery work is to establish our offers to Government, informing the Comprehensive Spending Review in the autumn of 2020.

You will know that in 2019 the East of England was one of the fastest growing regions in the UK, in terms of both population size and economy¹. Investment in research and development within the region's business sector was at the second highest level of any region in the UK, greater even than London, meaning that in 2019 the East of England was one of only three UK regions to contribute more to the Exchequer than it was receiving in public money. We can build upon that success.

The work of our recovery programme has brought together the local government sector and its diverse strategic partners across the region. We have been working closely with the NHS, our regional Sub National Transport Bodies, our Local Enterprise Partnerships, and other strategic partners and local business leaders.

We have focused on three interconnected key themes.

Economic Recovery for the East of England, through:

- Investing in our region's infrastructure, strengthening innovation and supporting our people to thrive economically, and to enhance the East's contribution to the UK as a whole
- Supporting our Sub-National Transport Bodies (STBs) and their considered plans for strategic infrastructure development
- "Seeding" our region's economic recovery from COVID-19
- Prioritising employment and skills, including reshaping skills in response to a changing economic landscape
- Spreading opportunity, and
- Maximising productivity

Supporting our People and Communities, through:

- Building on the improved digital innovation and joint working across Health and Care experienced during the pandemic
- Enhancing and strengthening our communities and the wellbeing of our citizens, and supporting vulnerable people collectively in these challenging times
- Developing a strong focus on the role of the voluntary and community sector in supporting statutory services to create the best outcomes for vulnerable people

¹ See budget submission for 2019, 'An Engine for Prosperity' for further information.

Implementing New Ways of Working, through:

- Improving the management and delivery of our commitments as a sector and as regional partners across the East
- Having appropriate structures and processes in place to deliver the right outcomes for our workforce, on time and within budget
- Developing the agility of our organisations and supporting our partners to work in new and agile ways
- Improving outcomes in public services through our vision, values, culture and behaviours

We are convinced that the region is capable of delivering an equally impressive level of return on any future investment, and we have prepared a strong suite of evidence to support this conviction, examples of which can be found in Appendix A to this letter. We can also make an offer to you.

Our Offer

As a region, we can offer a great deal of support to the UK's economy as a whole and propose to support this in the following ways:

Strengthening the UK's economic recovery from COVID-19 by prioritising jobs and skills

The East will continue its history of adding value to UK's economy and can punch above its weight as part of the UK's economic recovery from COVID-19. The region benefits from a wide-ranging economy including agriculture and food production, technical and digital excellence, transport and logistics, tourism and scientific innovation to name only a few. We would like the Government to consider an investment in the Eastern Region as a solid investment in job creation, portfolio careers and increased opportunities for skills development and training. This will ensure that the workforce across the length and breadth of the region are able to complete effectively with a dynamic and changing world.

For example, a recent report commissioned via Civitas² showed that if the Oxford to Cambridge Innovation Corridor continued to grow toward its potential and was supported to do so, the region would deliver a further 6,000 jobs by 2032. We wish to see this aspiration come to fruition.

Helping to level up economic opportunity across all nations and regions of the country by investing in infrastructure, innovation and people

Infrastructure EELGA fully endorses the submissions to this Comprehensive Spending review made by our two STBs; Transport East and England's Economic Heartland. We believe that the strategic priorities and offers put forward in those submissions will ensure the East can deliver against this and the other priorities within the CSR20.

We described, to the East of England APPG, the breadth of schemes we, as a region are undertaking, from the point of inception through to feasibility and delivery. We confirmed then, as we will now that

² <https://www.civitas.org.uk/content/files/britainsdemographicchallengeweb.pdf>

we are capable of working at pace to deliver shovel ready projects in support out the East of England and our infrastructure needs.

Innovation; We are a national front runner in delivering innovation, with the second highest level of Research and Development spend across the economy of the East, standing at 63% above the national average in 2019.

People; Levelling up does not stop in the North and Midlands. To achieve true, national levelling up, we also need to provide additional support and opportunities to the more disadvantaged and deprived areas of the East of England.

Alongside the priorities set out in this document, we support the Community Wealth Fund Alliance CSR proposal submitted on 31st August which asks the government to dedicate £4bn from the next wave of dormant assets (from stocks, shares, bonds and insurance policies) to establish the Community Wealth Fund.

The Fund would be a new independent endowment that would be directly invested in the communities that need it most: in 'left behind' neighbourhoods across the country that have not benefited from Britain's wider economic prosperity.

There are 10 'left behind' wards identified in the East of England. Each community would be awarded £2m to spend over a 10-15 year period to improve their areas, and if the fund were successful, we would see significant benefits in terms of both financial (£160 million a year nationally), and social outcomes for people and communities with the greatest level of need across the region.

Improving outcomes in public services, including supporting the NHS and taking steps to cut crime and ensure every young person receives a superb education

The pandemic has shown us the importance of a thriving network of voluntary and community sector organisations in supporting the delivery of public services. We would like government to consider how funding for the VCS, and the infrastructure to support it, can be guaranteed for the future, as these services increasingly become relied upon to deliver duties that have supported society, vulnerable people and communities in becoming self-reliant in challenging times. The pandemic has highlighted how critical informal and volunteer support is in supporting vulnerable people in our communities, and we share the importance of this as a priority with our NHS colleagues.

The Association of Directors of Children's Services are leading our regional response to Family Poverty and Vulnerability and their colleagues in the Association of Directors of Adult Social Services are leading a regional workstream into the Stability of Care Markets. In supporting these two important pieces of work the Comprehensive Spending Review 2020 will ensure the East can continue to improve outcomes in public services.

Helping to make the UK a scientific superpower, including leading in the development of technologies that will support the government's ambition to reach net zero carbon emissions by 2050

The East can be pivotal in making the UK a scientific superpower, including leading in the development of technologies that will support the government's ambition to reach net zero carbon emissions by 2050.

We would draw your attention to, and endorse, the response made to CSR20 by Transport East with regards to their 'oven ready' proposals on Active Travel and Decarbonisation.

In addition, we, as a region, are host to businesses at the forefront of global bio and life sciences. We are therefore a critical region in the national, and global endeavour to deliver safe and effective vaccines to Covid-19, and to prepare for any further future pandemics. Our infrastructure should be an enabler of scientific research, and greater levels of investment in digital as well as physical infrastructure is key to achieving our regional and national ambitions to be a global scientific leader.

Furthermore, the knowledge sector remains important for the UK's economy, as acknowledged by the government within its two Industrial Strategy Sector deals with the Life Sciences Sector. In August alone, it was reported that nearly £500m of investment had been secured in the region³, and that new life-and-agritech businesses were being attracted to the region⁴.

Helping to strengthen the UK's place in the world

A Freeport situated in the East of England would add significant additional benefit to the UK's economy. It would also present an ideal opportunity to mitigate any risks around capacity and throughput in ports further south without the need for the significant re-routing of sea traffic.

In our submission ahead of the March 2019 budget titled 'An Engine for the Nation's Prosperity'⁵ we noted that the twelve key strategic air and sea ports located in the East of England deliver around 40% of all goods in to the UK.⁶ The provision of a Free Port for the East would therefore be of clear benefit to the UK as a whole.

Improving the way we work

We have seen, during the pandemic, how quickly barriers to new ways of working can be eliminated and also how any boundaries between how organisations work together can be overcome with an appropriate level of common purpose. This extends into both the private and public sector, with large organisations reporting that staff have successfully been working from home⁷.

The East wishes to increase the benefits made possible by the recent adoption of digital, flexible working, whilst ensuring the vision, values and cultures remain grounded in improving talent, increasing skills and developing new opportunities that in turn will lead to better outcomes for our citizens through more dynamic and effective public services.

³ <https://www.businesswire.com/news/home/20200811005363/en/Bayer-to-Acquire-UK-Based-Biotech-KaNdy-Therapeutics-Ltd>. & <https://www.businesswire.com/news/home/20200825005795/en/ReViral-Raises-44-Million-Series-Financing>

⁴ <https://www.businessweekly.co.uk/news/biomedtech/meat-animal-cells-pioneer-raises-%E2%80%98steaks%E2%80%99-relocation-cambridge>

⁵ Available here: <https://eastofenglandappg.org.uk/wp-content/uploads/2019/07/EEAPPG-Budget-Submission-2019.pdf>

⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/762200/port-freight-statistics-2017.pdf

⁷ Reporting from regional sources

We fully support the government's Kick Start scheme, and are looking to develop a regional, collaborative model, focused on shaping future career pathways and recruitment in to health and social care, developing shared skill sets and core talents that can be deployed anywhere across the public sector in the East and beyond.

We would ask the government to support the Eastern Region in its aspirations, through the delivery of a digital investment fund to support both the public and private sectors to leverage the benefits of these new ways of working.

Working to rebuild Public Sector resilience, with sustained investment

EELGA recognise the massive impact that the Covid 19 crisis has had on our Country and the significant challenge that this continues to present for the public sector.

We would ask that government continue to support local authorities in the East of England by ensuring that any funding settlement made available to councils is delivered over a sustained period of three to five years. This means that our authorities can plan, manage and deliver services more effectively, within understood financial constraints, and over a significant period of time. Indeed, in focusing on recovery from Covid-19, we have looked at what we can achieve in the short, medium and longer term, and the ability to deliver this work, with a sustainable funding model behind it, will drive significantly improved outcomes for the region, and for our people.

Further, Local authorities have borne a considerable financial burden throughout the pandemic. A Local Government Association study put this figure at £1.88bn in both lost revenue and additional cost to councils across England⁸. The East of England share of this deficit is in the region of £400m and rising. We would ask that government provide funding to cover deficits accrued as a result of Covid-19 in the East of England, to give us a solid base to build upon so that we can enable the region to achieve its full potential.

If properly funded, we can and will deliver statutory social care services, provide mental health services for those who need it, and work to build and develop innovative leisure and arts provision that will prevent costly recourse to statutory services in a wide range of cases. In the East of England this will have a massive impact on both the wellbeing of our people and the strength of our economy. We cannot do this without a secure medium-term financial footing on which to plan and to shape our services.

We must have this assurance to allow us to support the growing, and changing, future needs that we have discussed above. The risk in failing to meet the challenge in the areas we have set out is that statutory services will be the next areas that councils look to reduce, to balance fragile budgets under unprecedented strain.

In Conclusion

In conclusion, the East of England possesses an excellent track record in delivering value to the UK as a whole, both economically, and for the wellbeing of our citizens. We hold a wide range of key

⁸ As at end of July 2020. This figure is likely considerably higher as at September.

strategic assets, crucial for our nation's economic recovery, and we are global leaders in science and in innovation.

The public sector in the East is strong and collaborates effectively to achieve the best outcomes for our communities and for the treasury, delivering consistently to a high standard. Indeed, investing in our region will offer a sustainable path to recovery and an excellent return on investment.

We look forward to your receipt of our submission and to the dialogue that it will open with regards to opportunities in the East of England.

Yours Truly

Cllr Linda Haysey,

Chair of the East of England Local Government Association and Leader of East Herts District Council.

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Appendix A

Examples of potential return on investment of additional spend on infrastructure for place, and for people in the East of England, explored as a spend per person:

Further Investment Area	Additional Investment	Return	Benefits
Investment in Infrastructure, Transport and Travel	£15 per person	£50 per person	<ul style="list-style-type: none"> • More efficient movement of goods across the region and the nation as a whole • Delivery of sustainable, green transport alternatives fit for the 21st century
Digital and Broadband Infrastructure	£18 per person	£127.60 ⁹ per person	<ul style="list-style-type: none"> • Reduced commuting volumes leads to sustained reduction in CO2 emissions • Increased broadband speeds and reliability improve business efficiency and performance • Attraction of technology firms to the region, building on existing infrastructure, ecosystem and links • Increased property value, particularly in rural areas
Preventative Community Wellbeing Services	£1 per person	£8.04 ¹⁰ per person	<ul style="list-style-type: none"> • Provision of low level mental health support outside of statutory services reduces burden on statutory systems, driving savings • Improved wellbeing of individuals leads to greater productivity
Child and Adolescent Mental Health Services	£10 per person	£400 per person, per year to age 25 (£75,000 ¹¹ per person across lifetime beyond 25)	<ul style="list-style-type: none"> • Substantial financial return on investment of reduction in A&E visits for self-harm, reduction of ambulance usage, reduction in practitioner engagement time across mental health services
Support for Local Authorities Post Covid-19	£28 per person	£650 per person ¹²	<ul style="list-style-type: none"> • Reduction in state-funded residential and nursing provision • Improvements in community cohesion and wellbeing

⁹ Per capita calculation based on return on investment in DCMS subsidised areas provided with Superfast Broadband in 2018:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/734855/Superfast_Integrated_Report.pdf

¹⁰ Calculated of Social Value to investment undertaken by Suffolk Libraries IPS with Moore, Kingston, Smith:

<https://www.suffolklibraries.co.uk/about/news/impact-report-published/>

¹¹ Promoting positive mental health in children and young people; LGA, in partnership with NEF:

https://b3cdn.net/nefoundation/bb8366694aa033e578_vvm6bfv3t.pdf

¹² Based on potential reduction in residential admissions for older people as a result of local authority capacity to provide and support preventative whole population programmes alongside leisure and recreational services.

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