

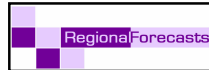
# Norfolk LGA/EEDA/EERA NORFOLK EMPLOYMENT GROWTH STUDY



**TYM & PARTNERS**  
Planners and Development Economists

Final Report  
August 2005

With



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# 1 INTRODUCTION

## The Study

- 1.1 In late 2004, the East of England Regional Assembly (EERA) and the East of England Development Agency (EEDA) agreed to joint-fund a study to look into both the job alignment and sub regional boundary issues in Norfolk. Suffolk County Council also agreed to contribute because the alignment issues affect Lowestoft. The study therefore covers Norfolk and Waveney.
- 1.2 The study has been funded by EERA, EEDA, the Norfolk Local Government Association (LGA) and Suffolk County Council. The LGA funding has been provided by Norfolk County Council and the seven Norfolk districts (Breckland, Broadland, Great Yarmouth, King's Lynn & West Norfolk, North Norfolk, Norwich and South Norfolk).
- 1.3 The Study Brief agreed by the partners required the consultants to:
  - clarify the level of job growth required and advise on the feasibility of achieving it, taking account of the desire to achieve reasonable alignment, improve activity rates and improve economic performance generally
  - indicate how these jobs should be distributed between each sub-region (Great Yarmouth/Lowestoft, King's Lynn and Norwich) and the remaining parts of Norfolk and advise on job targets at the District Council level if considered feasible.
  - Provide recommendations on the economic factors contributing to the most appropriate configuration of sub-regional boundaries to deliver sustainable growth.
  - As the principal aim of the study, provide practical advice on the interventions needed to achieve the required step-change in job growth, taking account of the need to strengthen the local economy generally.

## Regional Spatial Strategy

- 1.4 The Draft Regional Spatial Strategy for the East of England (the East of England Plan) was 'banked' in February 2004. It set targets for housing by district and for jobs by sub-region (but not for all sub-regions - the King's Lynn Sub-Region is included in a 'Rest of Norfolk' figure), as part of an approach that was explicitly employment-led.
- 1.5 As part of the work feeding into the subsequent full draft of the East of England Plan, which was submitted to Government in November 2004 and issued for full public consultation until March 2005, Roger Tym & Partners undertook a study to better understand the degree to which the policies for housing (Policy H1) and employment (Policy E2) are aligned. In Norfolk, the study concluded that there was broad alignment at the County level but some misalignment at the sub-regional level.
- 1.6 The results suggested that there would be an increasing misalignment of jobs and workers in the combined Norwich and Great Yarmouth sub-regions by 2021 and broadly no real change to the rest of Norfolk (including the King's Lynn sub-region, which already exhibit an excess of workers over jobs). Analysis of these results by Norfolk County Council suggested that there will be a serious shortfall in jobs in Norfolk, with a need for somewhere in the region of 65,000 additional jobs in the period 2001-2021, rather than the 42,900 in the Draft East of England Plan.

## Forecasts

- 1.7 Norfolk has commissioned its own forecasts, by Cambridge Econometrics, to inform its economic strategy, Shaping the Future. These were produced in 2000 and have been updated in 2005. This study has used an independent forecast, produced by Regional Forecasts, to provide an alternative and act as a sensitivity test.

- 1.8 Whilst the employment forecasts produce different views on growth a more significant issue has emerged from the revised Anglia Polytechnic University (APU) demographic forecasts produced by its Chelmer Model. These were used to inform the Draft East of England Plan. In February 2005, an updated version of the APU projections produced significantly different projections of growth. This could have substantially different outcomes for Norfolk and its sub-regions.
- 1.9 The timing of this data has necessarily led to a large proportion of the study debating the likely future forecast for Norfolk and its implications. As such, the emphasis has shifted from the original proposal. Work on a vision and future for Norfolk and how to achieve this has only been undertaken in outline rather than detail. Guidance on the future actions required is included in chapter 6.

## Regional Economic Strategy

- 1.10 Whilst this study seeks to address points in the Draft East of England Plan, its reference point needs to be the aims of the Regional Economic Strategy (RES). The RES sets out how sustainable economic growth can be achieved in the region. Implicit in this is therefore the fact that the growth of Norfolk and Waveney also needs to be sustainable.
- 1.11 Any plans for sub-regions within Norfolk and Waveney (or for the areas as a whole) must be in line with the RES. The overall aim of the RES is for the East of England to achieve top-20 status by 2021. To do this, all areas need to show strong growth, including Norfolk and Waveney. It has eight strategic goals and any future economic strategy must demonstrate how it is contributing towards these. Below are the eight goals and how they relate to Norfolk and Waveney:
- A skills base that can support a world class economy - low skills is identified as a problem in Norfolk and Waveney, so successful improvement in this will have a significant effect.
  - Growing competitiveness, productivity and entrepreneurship - similarly, these are areas where Norfolk can improve, particularly in terms of entrepreneurship. Equally though, there are ways that Norfolk and Waveney can become more competitive.
  - Global leadership in developing and realising innovation in science, technology and research - Norfolk has several strengths in these fields but none could be said to be global leaders; but that is not to say that this is not possible.
  - High quality places to live, work and visit - this is an existing strength of the area but there are possibly ways that it can exploit this more and 'sell' it better.
  - Social inclusion and broad participation in the regional economy - there are areas of considerable deprivation in the area - not least in Great Yarmouth and Waveney - that need to be addressed.
  - Making the most from the development of international gateways and national and regional transport corridors - this is a big issue for many in Norfolk and Waveney, with the comparative peripherality of the area an issue. However, it has several international gateway assets, including its airport and its ports.
  - A leading information society - Norfolk and Waveney will soon have complete broadband coverage. However, the question will be whether this can be put to maximum use.
  - An exemplar for the efficient use of resources - sustainability is key, particularly in terms of movement in a rural area.

## Report Structure

- 1.12 Following this introduction, Chapter 2 looks at Norfolk's profile and issues. Much of the detail of this chapter was addressed in the Stage One report, and the purpose of this chapter is not to repeat this. Here we summaries the key elements of that profile and conclude with a SWOT analysis based on the Stage One work. This is used to inform the constraints to growth discussed in Chapter 4.
- 1.13 Chapter 3 presents the forecasts, including their evolution from the RPG14 Alignment Study to the current Chelmer forecasts. It also identifies a revised jobs target and its implications.
- 1.14 Chapter 4 identifies constraints, risks and economic development gaps. It outlines the main requirements to achieve the preferred future (e.g. increase in jobs or worker shortfall), the main possible locations to achieve this and the likely issues that could occur without intervention (e.g. unsustainable movement, skills shortfalls, institutional realignment, etc).
- 1.15 Chapter 5 provides the framework for action. This outlines the interventions required to achieve the recommended future. This is both qualitative and quantitative, involving an assessment of floorspace demand and the ability to deliver this in the locations identified within the strategic employment sites studies for Norwich and Norfolk (as undertaken by GVA Grimley).
- 1.16 Chapter 6 looks at the next steps towards a vision and strategy for Norfolk, considering the degree to which the existing Shaping the Future strategy can deliver the recommended future. Furthermore, it identifies the steps that need to be taken to turn the chosen future for Norfolk into a deliverable strategy.
- 1.17 Chapter 7 provides the conclusions to the study.



## 2 NORFOLK & WAVENEY PROFILE AND ISSUES

- 2.1 The Stage One Report outlined in detail the statistical profile of the Norfolk and Waveney economy. A précis of this economic profile is presented here and the findings from the Stage One work summarised in a SWOT analysis.

### Economic Profile

- 2.2 The Stage One Report analysed in detail the socio-economic profile of the Norfolk and Waveney economy. This shows Norfolk's economic position as being below the regional average but not significantly so. On most measures of economic well-being and competitiveness, the district performance varies. In general, South Norfolk is similar to, or better than the national average, whereas the reverse is true of Great Yarmouth.
- 2.3 The overall structure of the Norfolk and Waveney economy is similar to both the national and regional average, but within districts a number of specialisations are apparent:
- Great Yarmouth has a high proportion of jobs in distribution, hotels and restaurants, reflecting its tourism heritage;
  - South Norfolk has a higher average in public administration, health and education - this is related to the recent relocation into the district of the Norfolk and Norwich Hospital;
  - Breckland has strength in manufacturing;
  - Norwich's employment tends to be significantly within the high value, financial and business services although distribution, hotels and restaurants are also significant;
  - Agriculture is still a dominant land use in Norfolk and Waveney, even if employment in the sector is falling. However, the food processing sector, which is directly related to agriculture, is a significant employer.
- 2.4 Most of Norfolk and Waveney districts have a low representation in knowledge-based industries. These are significant because they have been growing sectors nationally that account for higher value output and better paid employment. They are also less vulnerable to, though not immune from, global competition. *"Knowledge is a critical factor with which Europe can ensure competitiveness in a global world where others compete with cheap labour or primary resources."*<sup>1</sup> With the exception of Norwich, with its high representation in the financial and business services sector, all districts have well below the national share of knowledge based employment.
- 2.5 Norfolk County has a low GVA per employee and low wages. In the latest data, for 2001, Norfolk's GVA per employee was 88.5% of the UK average and 87.5% of the East of England region average. This is partly due to the structure of employment at sectoral level. Norfolk's mix of industries would give an overall GVA per employee at 94% of the UK average if each sector had the same level of GVA per employee as the same sector in the UK as a whole. Hence we might conclude that low GVA per employee in Norfolk is half due to its unfavourable structure and half due to low GVA per employee within individual sectors.
- 2.6 The number of businesses and levels of self-employment suggest growth potential. In terms of indicators of entrepreneurialism, such as the number of business per head and self-employment, the county average is above the national average though below the regional average. In particular, the districts of South Norfolk and North Norfolk both

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<sup>1</sup> 'Working together for growth and jobs: A new start for the Lisbon Strategy' - Communication to the Spring European Council COM(2005)24

score highly on these indicators. What is unclear from such statistics is the growth potential these firms offer. Our consultations suggested there are a core of businesses that represent a lifestyle choice for their owners. To the extent that owners seek to maximise job satisfaction rather than growth, then there will be limits on indigenous employment growth that no amount of intervention will assist. Not all business will fall in this category and the task must be to distinguish those firms that want to grow and the assistance they need, from those that are content to carry on at their current levels of activity.

## Local Economic Roles

- 2.7 The coastal districts of Norfolk and Waveney are relatively self-contained in labour market terms and each have their own distinctive economic make-up. Great Yarmouth and Lowestoft are historic ports that have seen decline, though new investment is planned for EastPort in Great Yarmouth.
- 2.8 King's Lynn and West Norfolk is less connected to the rest of the county by nature of distance and (poor) communications and indeed may look more to Cambridge than Norwich for economic linkages. King's Lynn is the dominant town with 60% of the district's jobs and the King's Lynn vision seeks to grow this role of the town for its hinterland.
- 2.9 North Norfolk's economy is largely based around food, tourism and healthcare, all relatively low value poorly paid sectors.
- 2.10 Breckland has the highest representation in manufacturing and Thetford the dominant market town reflects this character.
- 2.11 All these districts recognise an over-dependency on declining sectors and seek to diversify their economic base whilst utilising their existing strengths.
- 2.12 Norwich City as a location for employment sees significant inward commuting flows from both South Norfolk and Broadland. Norwich City supports more than 92,000 jobs, 40% of all the jobs in the county. Norwich City also expands its functional economic area beyond its administrative boundaries as illustrated by its recent growth pattern. Between 1995 and 2002, employment in Norwich City increased by about 1,224 jobs (+1.3%), well below the national average of 12%. However, over the same period employment in the Norwich TTWA increased by 12.9% (18,922 jobs). The neighbouring districts of Broadland and South Norfolk saw increases of 21.6% and 47.8% respectively, indicating that employment is extending from the City into the adjacent areas.
- 2.13 This reflects the employment land situation in the respective areas. In Norwich City, there has been a shortfall in the range and variety of industrial land and premises. This is being addressed with new allocations in the Replacement Local Plan, including sites at the Livestock Market, the Deal Ground (Trowse) and the Airport. Whilst some are already being taken forward, including the Icen Office Park at the Airport Gateway site and the refurbishment of the Guardian Road Industrial Estate, several sites require substantial infrastructure investment to bring them forward.
- 2.14 Furthermore, the office market has important issues that need to be taken into account and addressed. For several years, there has been an over-supply of poor quality, secondhand space, coupled with a lack of car parking, a major current constraint identified by businesses in Norwich City.
- 2.15 All of this evidence suggests that, whilst the Norwich Urban Area is the engine of the county economy, this is being spread over a wider area than the City administrative boundary. Whilst this is unsurprising given the tight nature of the boundary, it has served to further destabilise the economy of the central area. Whilst Norwich City is by no means in 'crisis,' significant interventions and investment will be required for further

strong economic growth to occur in the City. Indeed, without the City providing the conditions for growth, then it is likely that any higher end targets will be unachievable.

## Labour Force

- 2.16 Economic activity rates in Norfolk and Waveney are lower than the East of England region generally and slightly below the national average. At a district level, Broadland, South Norfolk and Breckland have above average economic activity rates whilst in North Norfolk, Waveney and Great Yarmouth activity rates are low.
- 2.17 The latest National Statistics data on unemployment for May 2005 has Norfolk standing at 2.1%<sup>2</sup>, compared to 1.8% in the region as a whole and 2.4% nationwide. Within Norfolk and Waveney, the highest figures were 4.3% in Great Yarmouth, 3.2% in Waveney and 3.4% in Norwich. Broadland (1.1%) and South Norfolk (1.2%) have the lowest unemployment rates.
- 2.18 Whilst there is under-utilisation of labour in the coastal districts, the county as a whole does not suffer from a serious quantitative deficit of employment. Where Norfolk and Waveney under-perform is in qualitative terms.
- 2.19 Most districts identified the lack of vocational training and the problems for many more remote areas of accessing vocational training as being major issues. This is explored further in Chapter 4.
- 2.20 The percentage of working age population in Norfolk and Waveney qualified to degree level equivalent<sup>3</sup> is some 6 percentage points below the national average. Only Norwich and South Norfolk have a population profile with national average qualifications. For all other districts this figure is much lower and for Great Yarmouth the proportion qualified to degree level equivalent is less than half the national average.
- 2.21 Earnings in Norfolk and Waveney at both resident and workplace level are significantly below the regional and national averages. This is the case across all districts, but especially the coastal districts with earnings in Great Yarmouth and Waveney the lowest of all. Only South Norfolk residents come close to the national average.
- 2.22 The low earnings and qualifications reflect the unfavourable economic structure set out above with low activity in the higher value sectors of the economy.

## SWOT Analysis

- 2.23 The Stage 1 analysis highlighted some of the key issues that need to be addressed. We have drawn on this and our consultation survey to generate an assessment of the strengths, weaknesses, opportunities and threats (SWOT) facing Norfolk and Waveney today. This SWOT analysis is set out in Table 2.1 below.
- 2.24 In Chapter 4 we draw in particular on the weaknesses and threats to identify the constraints to Norfolk and Waveney realising its economic potential.

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<sup>2</sup> Claimant count as a percentage of working age population.

<sup>3</sup> NVQ Level 4/5, source Census 2001

Table 2.1 SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>▪ <b>Strength of business sector</b>, particularly:               <ul style="list-style-type: none"> <li>➢ <b>Financial and business services sector</b> in Norwich urban area, with major employers including Norwich Union, Marsh and Virgin.</li> <li>➢ <b>Modern, creative sectors</b> which are growing in significance.</li> <li>➢ <b>Retail in Norwich</b>, being in the top-10 most important centres in the UK.</li> </ul> </li> <li>▪ <b>Connectivity assets</b> - Norwich Airport is an expanding international airport and Norwich only 2 hours from London, King's Lynn only 1.5 hours. Also strong linkages to Cambridge along A11 Corridor and from King's Lynn (45 mins by rail).</li> <li>▪ <b>Elements of HE/FE provision</b>, e.g. UEA, Norwich City College, Norwich School of Art &amp; Design, Paston, Gt Yarmouth, Lowestoft, West Norfolk and Easton Colleges, COWA, CITB.</li> <li>▪ <b>Support agencies</b> have a good working relationship with one another.</li> <li>▪ <b>Low unemployment.</b></li> <li>▪ <b>Quality of life</b> centred around a nice environment, low crime rates and cheaper housing than most of Southern England. This underpins tourism offer and attracts/helps retain 'creatives' and key staff.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Mature economy and business sector:</b> <ul style="list-style-type: none"> <li>➢ Lack of <b>world class/fast growing</b> companies;</li> <li>➢ limited inward investment inquiries;</li> <li>➢ <b>Lack of dynamism</b> with limited entrepreneurship amongst high growth sectors. Large number of lifestyle businesses;</li> <li>➢ Many strong companies have <b>little relationship with Norfolk</b>, e.g. motorsport sector. Few at the <b>leading edge</b>;</li> <li>➢ Strong <b>reliance on a relatively small number of companies</b>, esp. in King's Lynn.</li> </ul> </li> <li>▪ <b>Large skills gaps</b>, due to low skills, low aspirations and comparatively low <b>educational attainment.</b></li> <li>▪ <b>Low numbers of graduate workers.</b></li> <li>▪ <b>Pockets of extreme deprivation</b>, e.g. in Norwich, Great Yarmouth, some rural areas.</li> <li>▪ <b>Poor roads infrastructure</b>, with little programmed in to national priorities.</li> <li>▪ <b>Poor public transport.</b></li> <li>▪ <b>Stock of property</b> poor in Norwich.</li> <li>▪ <b>Inferiority complex</b> among some stakeholders - feeling of being "out on a limb."</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>▪ <b>Role of HEI sector</b> in driving innovation forward (particularly at Norwich Research Park).</li> <li>▪ <b>Bringing in new HE providers</b>, e.g. Suffolk University satellite centre at Lowestoft.</li> <li>▪ Proximity to <b>O2C Arc.</b></li> <li>▪ <b>Proximity to London</b> - capturing more of the finance sector and government decentralisation as it seeks cheaper cost locations.</li> <li>▪ <b>Great Yarmouth and Lowestoft URC.</b></li> <li>▪ <b>Enhance links to Europe</b> through Norwich Airport and EastPort development.</li> <li>▪ <b>Agglomeration potential</b> of Norwich urban area.</li> <li>▪ <b>Proper branding and promotion of Norfolk</b>, based around the quality of life. Norfolk needs to introduce itself to the world and break away from the 'siege mentality.'</li> <li>▪ Potential to improve <b>tourist/visitor 'offer'</b> - improve individual offers (e.g. the Broads) and create packages of tourism/visitor 'experiences', e.g. adventure/gastronomic/sailing.</li> <li>▪ Potential to <b>trade on Quality of Life and environmental expertise</b> of UEA and develop renewable energy/environmental engineering activities, biofuels in W. Norfolk.</li> <li>▪ <b>Bring forward large brownfield sites</b> for redevelopment and deliver the regeneration of significant urban districts.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Complacency</b> - competition from Cambridge to China is increasing.</li> <li>▪ <b>Institutional fragmentation</b> - Norwich v Norfolk:               <ul style="list-style-type: none"> <li>➢ <b>Lack of agreement/alignment behind</b> Vision and Economic Strategy.</li> <li>➢ <b>Lack of Private sector involvement</b> in developing growth strategy for Norfolk. Public sector retains its dominant role.</li> </ul> </li> <li>▪ <b>Ageing population</b> with its implications for the care sector.</li> <li>▪ Significant <b>regeneration potential</b> for Great Yarmouth &amp; Lowestoft (URC) and King's Lynn (NORA), <b>fails to make an impact.</b></li> <li>▪ <b>Spatial and social polarisation</b> continues.</li> <li>▪ <b>Bypassed by the O2C Arc</b> - fails to become a key player in the innovation agenda.</li> <li>▪ <b>Finance sector undergoes restructuring</b> and/or 'jobless growth'</li> <li>▪ <b>Siege mentality/image of peripherality is retained.</b> Norfolk will lose out in regional priorities, particularly in respect of connectivity assets.</li> <li>▪ Limited junction capacity around <b>Norwich Southern Bypass</b> limiting future growth.</li> </ul>

2.25 In summary:

- *Norfolk and Waveney's economy is growing* - there has been strong growth in the last few years as the economy has adapted to global influences and has shown strength in the financial and business services sector. It has several world-class companies, with many focused in and around Norwich. Great Yarmouth and Lowestoft has recently been granted Urban Regeneration Company (URC) status which will underpin substantial physical regeneration of the area and job growth.
- *But Norfolk and Waveney's economy shows elements of considerable weaknesses* - these are weaknesses both geographically and sectorally. The more remote areas along the north and west Norfolk coast suffer from a lack of economic opportunity combined with an ageing population and the Norwich urban area has capacity constraints (particularly junction capacity). Also, many people in these areas and others are employed in a small number of large manufacturing companies, which are increasingly struggling to survive or looking to cut costs by moving operations overseas.
- *So Norfolk and Waveney needs to strengthen its economic potential* - it needs to consolidate its existing strengths whilst providing the conditions for its sectors of potential to grow. This means substantial improvements in infrastructure in order to improve movement of people across the county and also to open up strategically important sites. The Norwich urban area must be the driver of growth but this cannot be to the detriment of the King's Lynn sub-region to the west and the Great Yarmouth and Lowestoft sub-region to the east.



## 3 FORECASTING

### East of England Plan Population and Employment Projections

- 3.1 The Draft East of England Plan contains a policy target for employment E2 and a policy target for housing H1 for the period 2001-21.
- 3.2 Policy E2 sets out a jobs target of 42,600 for Norfolk and 47,300 if we add the Suffolk part of the Great Yarmouth and Lowestoft sub-region.
- 3.3 Policy H1 sets a dwellings target of 72,600 for Norfolk and 78,400 for Norfolk plus Waveney.
- 3.4 On the assumptions prevailing at the time these dwellings figures implied an increase in the resident workforce of 54,700 for Norfolk and 56,900 for Norfolk plus Waveney.
- 3.5 On this basis the existing excess of workers over jobs in Norfolk and Waveney would further from a deficit of 19,300 in 2001 to a deficit of 28,800 in 2021, an increase in the jobs gap of 9,500.
- 3.6 It was as a result of this growing jobs gap implied by the Draft East of England Plan that the Norfolk Employment Growth Study was commissioned.

#### *Origins of the East of England Plan Figures*

- 3.7 The origins of the East of England Plan figures are set out in detail in a previous report to EERA<sup>4</sup>. The process was complex and lengthy, but in summary the E2 and H1 figures were derived from independent forecasts of employment and housing through the following procedure.

#### *Employment Targets*

- 3.8 Employment targets for the East of England, as set out in Policy E2 of draft RSS, are derived from a set of forecasts prepared by Experian Business Strategies in 2003, using Autumn 2002 data banks. These set of forecasts are known as the EBS(02) forecasts.
- 3.9 EBS produced a Business as Usual (BAU) and two Enhanced Growth (EG) forecasts. The EG forecasts were based on the Regional Economic Strategy (2001) ambition that the East of England region should be one of the 'Top 20' regions in Europe by 2010. The first EG forecast had an end date of achieving 'Top 20' status by 2010, in accordance with the RES target. This is known as EG10 forecast scenario. However, for RSS purposes, the EG10 forecasts were quickly dismissed by EERA due to the long lead in time from a spatial planning perspective to deliver those targets.
- 3.10 The second EG forecast had an end date of achieving 'Top 20' status by 2021 and this is known as the EG21 forecast scenario. It was these EG21 forecasts that were taken forward as the basis of RSS preparation. In addition, EERA also agreed with advice from the Economic Task Group in Autumn 2003 that direct translation of EG21 forecasts into job growth targets in RSS would not be appropriate across the whole region because the forecasts did not reflect the underlying RSS objective of regeneration and the creation of jobs in areas of weak economies and deprivation. As such, for certain identified regeneration areas of the region which had prepared evidence of regeneration initiatives and/or specific regeneration targets, an additional allowance was added to the forecast EG21 figures to reflect those regeneration ambitions. These 'boosted' figures became known as 'EG21+' job growth targets, and it is these that formed the figures used in Policy E2.

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<sup>4</sup> RPG14 Alignment Study - Roger Tym & Partners (August 2004)

3.11 For Norfolk, at the time of preparing RSS, there were no such specific policy aspirations which could justifiably 'plus' the basic EG21 forecasts. As such, the figures in Policy E2 are simply a direct transfer across from the basic EG21 forecasts.

3.12 The E2 target was set as follows:

**Table 3.1 E2 Jobs Growth Target 2001-21**

<b>Area</b>	<b>Jobs Growth 2001-21</b>
East of England	421,600
Norfolk	42,600
Norwich sub region and Great Yarmouth Lowestoft sub-region (part)	32,700
Rest of Norfolk	9,900
Great Yarmouth Lowestoft sub-region (Suffolk part)	4,700

Source: Draft East of England Plan

#### *Dwellings Targets*

3.13 A number of approaches were used to assess regional dwellings targets. Broadly these consisted of:

- Demographic projections
- Economic models
- Housing Need

3.14 This process eventually settled on a mid point of two 'bookends' to produce the regional housing target. The lower bookend was derived from the Experian Business Strategies Enhanced Growth forecast and the upper bookend from the Affordable Housing Study.

3.15 The regional dwellings targets were allocated to counties through a process of top-down and bottom-up reconciliation.

3.16 This resulted in the following net additional dwellings targets for Norfolk.

**Table 3.2 H1 Dwellings Target 2001-21**

<b>Area</b>	<b>Dwellings Target 2001-21</b>
East of England	478,000
Norfolk	72,600
Breckland	15,200
Broadland	12,200
Great Yarmouth	6,000
King's Lynn and West Norfolk	11,000
North Norfolk	6,400
Norwich	10,600
South Norfolk	11,200
Waveney	5,800

Source: Draft East of England Plan

## Recent Forecasts

- 3.17 Forecasts are a tool that can assist with the planning process. Given the planning horizon of the Regional Spatial Strategy and the substantial lead time required for much infrastructure investment forecasts are indeed necessary, but it should be recognised that they are neither prescriptive nor precise. Forecast data should be regularly monitored and updated and plans adjusted as new and better information becomes available.
- 3.18 Forecasts of both population and employment are updated on a continual basis. As new data becomes available this may cause previous forecasts to be revised for a number of reasons:
- Actual data superseding previous forecast data
  - Revisions to historical data
  - New data providing updated or altered trend
- 3.19 In addition different forecasting models will produce different forecasts due to factors such as:
- The data inputs available at time of construction of forecast
  - Different assumptions made about the relationship between key variables
  - Alternative views of future trends
- 3.20 In this section we set out recent forecasts of both population and employment and explain why these differ from the baseline East of England Plan targets set out above.

## Population Projections

- 3.21 Anglia Polytechnic University prepared a series of population and workforce projections that fed into the draft East of England Plan. The final version that informed draft East of England Plan we will label APU(04). Anglia Polytechnic University have recently updated these projections, APU(05), and their revised forecasts for the East of England region as a whole are set out in Table 3.3 below and compared to the previous projections that were used to inform the Draft East of England Plan.
- 3.22 APU produce different variants of their projections. The two principal variants are 'migration-led' and 'dwelling-led'
- 3.23 In the Migration-Led variants, APU project population by age and sex using assumptions about the scale and composition of in and out-migration. They then calculate numbers of households at each point in time by applying age/sex specific household representation rates. From numbers of households they derive numbers of dwellings, using assumptions about vacancies, second homes etc.
- 3.24 The Dwelling-Led variants reverse this process. For each district and each point in time they start with the number of dwellings and then work backwards using a goal-seeking process to determine:
- The number of households required to fill this number of dwellings
  - The total population (by age and sex) required to generate this number of households
  - The level of migration required to produce this total population.
- 3.25 The projections in Table 3.3<sup>5</sup> follow the dwelling-led methodology set out above. In terms of the total projected population at 2021 the differences in the APU(04) and

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<sup>5</sup> The figures used for comparison are the RSS 'Banked' version. Figures vary slightly for the RSS 'Submitted' version, though the point remains the same.

APU(05) are small, the new forecast being 1% lower than the previous. But in terms of the growth (or net change) element the revised projections are significantly lower. As can be seen from the table for the region as a whole the same number of dwellings are calculated to house 89,000 fewer people and 54,000 fewer workers than previously thought.

**Table 3.3 APU 'Dwelling-Led' Projections for East of England Region**

	APU(04)	APU(05)	Difference	% difference
Dwellings	478,000	478,000	0	0.0%
Population	648,000	559,000	-89,000	-15.9%
Economically Active	383,000	329,000	-54,000	-16.4%

3.26 This effect feeds through to Norfolk to an even greater extent. In March 2005 APU updated their population and labour supply projections. These latest APU(05) projections show an increase in population for Norfolk and Waveney of 62,900 over the period 2001-21 and an increase in labour supply of 22,600. These figures are significantly lower than the previous projections.

3.27 The comparison of the two forecasts is illustrated in the figures below.

**Figure 3.1**

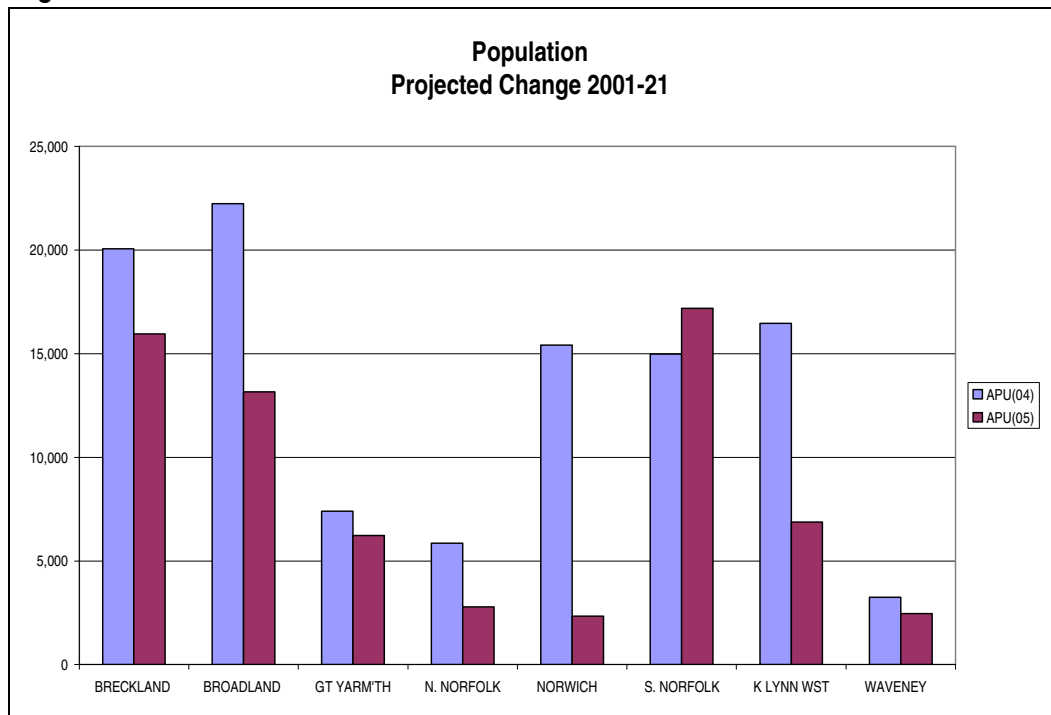
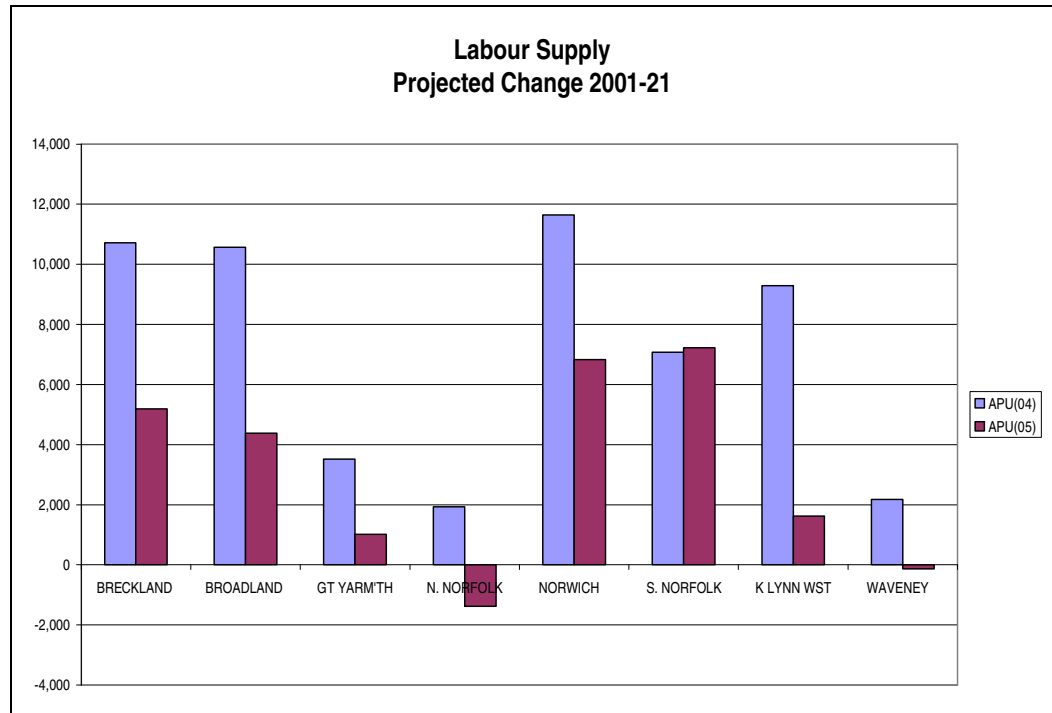


Figure 3.2



3.28 The principal difference between the APU(04) and APU(05) forecasts is a technical one. The difference is in the basic internal migration profiles by age and sex. The APU(04) projections used 1990's data that were not precisely tailored to individual districts. The APU(05) projections used tailored profiles from the 2001 Census. Migration profiles affect the projections in several ways, principally the following:

- They affect the number of households generated by the migrants, or to put it another way - the average household size of migrants. So the number of migrants attracted by the house-building programme will depend on their profile.
- The profiles also affect the natural increase of migrants after migration.
- Collectively, these affect the size of the working age groups and, hence, the labour force.

*Migration-led Variant*

3.29 The forecasts above are set out with regard to the APU dwelling-led variant. APU(05) have also produced a short-term migration led variant which forecasts an increase in population of 114,000 and in labour supply of 52,000.

*Employment Projections*

*The Models*

3.30 Two different independent employment forecasts have been commissioned as part of the Norfolk Employment Growth Study. Cambridge Econometrics have prepared forecasts of employment by sector for Norfolk and each of its component districts to 2015. In addition forecasts for employment as whole at the Norfolk level have been prepared to 2021. RTP have extrapolated these forecasts to produce forecasts by sector and district to 2021.

3.31 Regional Forecasts (RF) have prepared forecasts by sector and district for the districts of Norfolk plus Waveney to the year 2021.

- 3.32 Both CE and RF have a similar approach to modelling. Both have a regional model linked to a national model. CE's Multisectoral Dynamic Model (MDM) is a 'demand-driven' model whereby output and employment in industries in the region is determined by the level of demand from firms and individuals in as well as outside the region. The district-level projections use a detailed sectoral assessment of the past performance of industries in each locality relative to the industry in the region as a whole or the UK to ascertain where industries have tended to be more (or less) responsive to growth stimuli. RF's regional forecast is linked to the Oxford Economic Forecasting model of the UK economy. The main direct links are through employment and productivity in each of 26 individual sectors. UK trends in sectoral employment and productivity are fed into the equations for individual sectors in each UK region including the Eastern region. In this way worldwide and nationwide influences enter the forecasts in each region and hence local area<sup>6</sup>.

#### *The Forecasts*

- 3.33 The two forecasts are compared below at both sector and district level. For ease of comparison these are compared just for the Norfolk districts. Later in this chapter we include projections also for Waveney.
- 3.34 For employment as a whole CE project growth of 33,800 jobs between 2001-21, compared with RF who project growth of 70,000 over this period - more than twice as many. To put this in context over the most recent 20 year period 1984-2004 employment in Norfolk grew by an estimated 56,000 (CE estimates) or 84,500 (RF estimates)<sup>7</sup>. Thus whichever projection is used forecast growth is less than past achieved growth.
- 3.35 By comparison the E2 target for growth over this period was for 42,600 jobs. Thus on the CE forecasts action would be need to raise the trend rate of growth, whilst on the RF forecasts the target would be comfortably exceeded.
- 3.36 A significant cause of the difference between the RF and CE forecast is that RF incorporate the latest 2003 time series data whereas CE actual data only goes up to 2002.
- 3.37 Between 2001-03 the number of employees in employment in Norfolk increased by 10,000<sup>8</sup> - already well on the way to meeting the CE forecast and over a quarter of the way to the E2 jobs target in just two of the twenty years. The change in jobs by districts is set out below.

**Table 3.4 Employee Change 2001-03**

	2001	2003	2001-3
Breckland	40,100	40,300	200
Broadland	36,400	40,600	4,200
Great Yarmouth	35,000	35,600	600
King's Lynn and West Norfolk	48,600	48,000	-600
North Norfolk	29,900	30,000	100
Norwich	91,900	87,900	-4,000
South Norfolk	30,000	39,900	9,900
<b>Norfolk</b>	<b>311,900</b>	<b>322,300</b>	<b>10,400</b>
Waveney	40,300	38,500	-1,800
<b>Norfolk &amp; Waveney</b>	<b>352,200</b>	<b>360,800</b>	<b>8,600</b>

Source: Annual Business Inquiry (excludes self-employed)

<sup>6</sup> See Technical Paper for further explanation of model

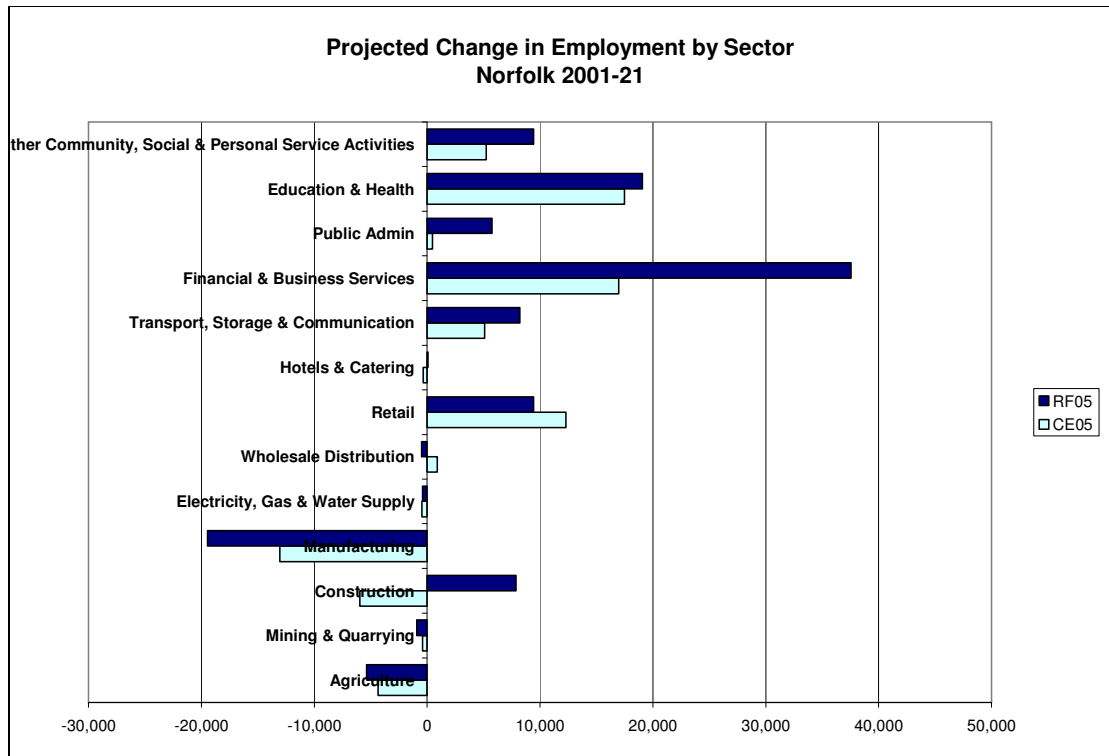
<sup>7</sup> Historic data contains estimates and hence may differ. 2004 is an estimate and both the 1984 and 2004 years include estimates for self-employment.

<sup>8</sup> Annual Business Inquiry. There are some data discontinuities between 2001 and 2003 data

*Sector Forecasts*

3.38 Figure 3.3 compares the CE and RF projections by sector for Norfolk. The chart shows projected growth in employment by sector for the period 2001-21. As can be seen both forecasts show a broadly similar sectoral pattern of growth. Both show growth in the service sectors and both show decline in the production sectors.

**Figure 3.3**



3.39 There are three sectors where the forecasts differ significantly:

- In the construction sector RF project growth of nearly 8,000 jobs whereas CE project a loss of 6,000 jobs.
- In manufacturing RF project a higher job loss, a reduction of 19,500 compared with a reduction of 13,000 in the CE forecasts.
- In the financial and business services sector CE project growth of 17,000 jobs, but RF project growth of 37,500 jobs.

3.40 Thus it is the difference in view over prospects for the financial and business services sector which is the principal difference between the two forecasts.

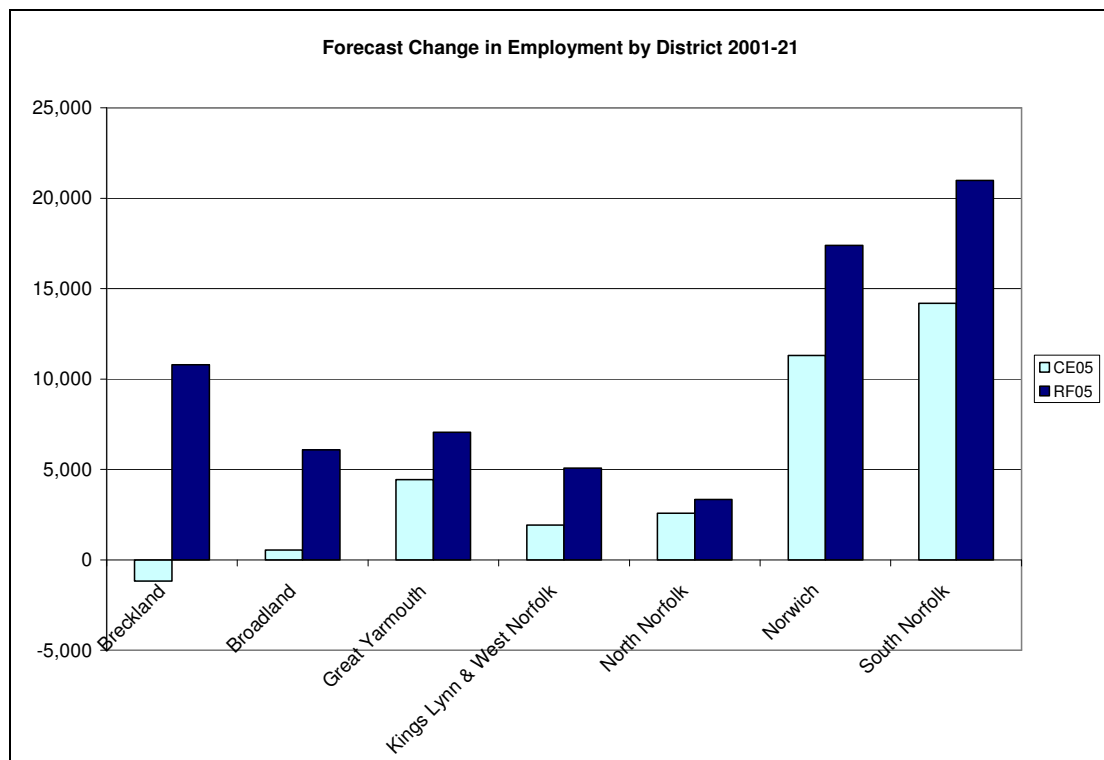
3.41 Whilst there can be no definitive answer to this, the RTP view would be that a forecast falling somewhere between the two seems about right.

3.42 But whichever forecast is taken it implies the need to plan for new types of employment activity in the future. Planning for this growth will be a key component of the Norfolk Employment Growth strategy.

*District Forecasts*

- 3.43 As with sectors the forecast pattern of growth by district is the same for both projections. For each district the RF forecast is higher than the CE forecast. Both forecasts see Norwich and South Norfolk as the principal areas of growth in the county. RF project that these two districts will account for 55% of the county's growth, whilst CE project they will account for 75%. Thus under the CE forecasts there are limited growth prospects elsewhere in the county although Great Yarmouth is forecast to gain nearly 5,000 jobs, an increase of 10%, the same percentage growth as Norwich and above the county average.
- 3.44 The biggest difference between the two forecasts come in Breckland, where CE project a loss of 1,000 jobs whilst RF project that jobs will increase by more than 10,000.

**Figure 3.4**



- 3.45 Both CE and RF project growth of just over 10,000 jobs in the financial and business services sector in Norwich. RF also project high growth in this sector in South Norfolk with an additional 11,500 jobs whereas CE only project an increase of 1,800.
- 3.46 By contrast CE project an increase of 9,000 jobs in the Education & Health sector in South Norfolk, though these projections may not have fully discounted for the effect of the hospital relocation.
- 3.47 As with the sectoral forecasts, a projection that placed employment growth for each district somewhere between the CE and RF forecasts might seem a reasonable working basis.

## Labour Market Balance

### *East of England Plan Baseline*

- 3.48 As noted at the start of this chapter, based on forecasts and work done in 2004 (mainly via the RTP Alignment Study) under East of England Plan polices E2 and H1 the number of resident workers in Norfolk and Waveney increases by more than the number of jobs.
- 3.49 If we adjust for factors such as double jobbing<sup>9</sup> then there is an increase in the jobs gap of 9,500 for Norfolk and Waveney.

### *Alternative Scenarios*

- 3.50 Based on the more recent forecasts set out above, we present four alternative scenarios to the East of England Plan baseline. These are based on two alternative projections of labour supply:
- APU(05) East of England Plan Dwellings - which uses the fixed dwellings figure and calculates labour supply
  - APU(05) Short Term Migration - which is a demographic projection based on recent (5 year) migration trends
- 3.51 These are combined with alternative employment projections:
- CE(05) - the Cambridge Econometrics projections discussed earlier
  - RF(05) - the Regional Forecast projections discussed earlier
  - RF(05) constrained - Regional Forecast projections constrained by the East of England Plan dwellings totals, with lower population and labour supply figures constraining demand and employment growth.
- 3.52 The four alternative scenarios are summarised in Table 3.5 below and compared with the East of England Plan figures:

**Table 3.5 Labour Supply and Demand Projections for Norfolk**

Forecast	Labour Supply		Labour Demand		Change Supply - Change Demand
	Forecast	Change Norfolk 2001-21	Forecast	Change Norfolk 2001-21	
APU(04) H1	54,700		E2	42,600	12,100
APU(05) Short Term Migration	52,000		CE(05)	34,000	18,000
APU(05) East of England Plan Dwellings	24,000		CE(05)	34,000	-12,000
APU(05) Short Term Migration	52,000		RF(05)	70,000	-18,000
APU(05) East of England Plan Dwellings	24,000		RF(05) constrained	50,000	-26,000

- 3.53 Unlike the East of England Plan baseline which showed a growing job gap, in all but one of these combinations the projected increase in labour demand outstrips the projected increase in labour supply. The exception is the scenario that combines the APU(05) Short Term Migration with the CE(05) jobs forecast.

<sup>9</sup> For a full explanation see RGP14 Alignment Study - Roger Tym & Partners (August 2004)

3.54 A description of each of these scenarios is set out in a previous working paper<sup>10</sup>. Whilst three of the scenarios showed a decreased job gap for Norfolk and Waveney as a whole, there was differential pattern by district. Norwich tended to show a growing jobs surplus, whilst Waveney, for example, tended to exhibit a growing job gap.

*Regeneration Scenario*

3.55 For each of the combination of scenarios set out in Table 3.4 unemployment was held constant at 2001 levels and economic activity rates were given by the APU model. Thus no explicit attempt was made to address the problems facing economically weaker parts of Norfolk and Waveney.

3.56 To address this point we constructed a regeneration scenario that built in a more conscious attempt to raise employment rates in the more economically disadvantaged parts of the county. This echoes the process adopted elsewhere in the region for the EG21+ scenario.

3.57 The starting point for the Regeneration Scenario is:

- The APU(05) labour supply projections based on the East of England Plan Dwellings total
- The RF(05) employment forecast constrained to the lower population figure

3.58 To this we added the regeneration elements which were:

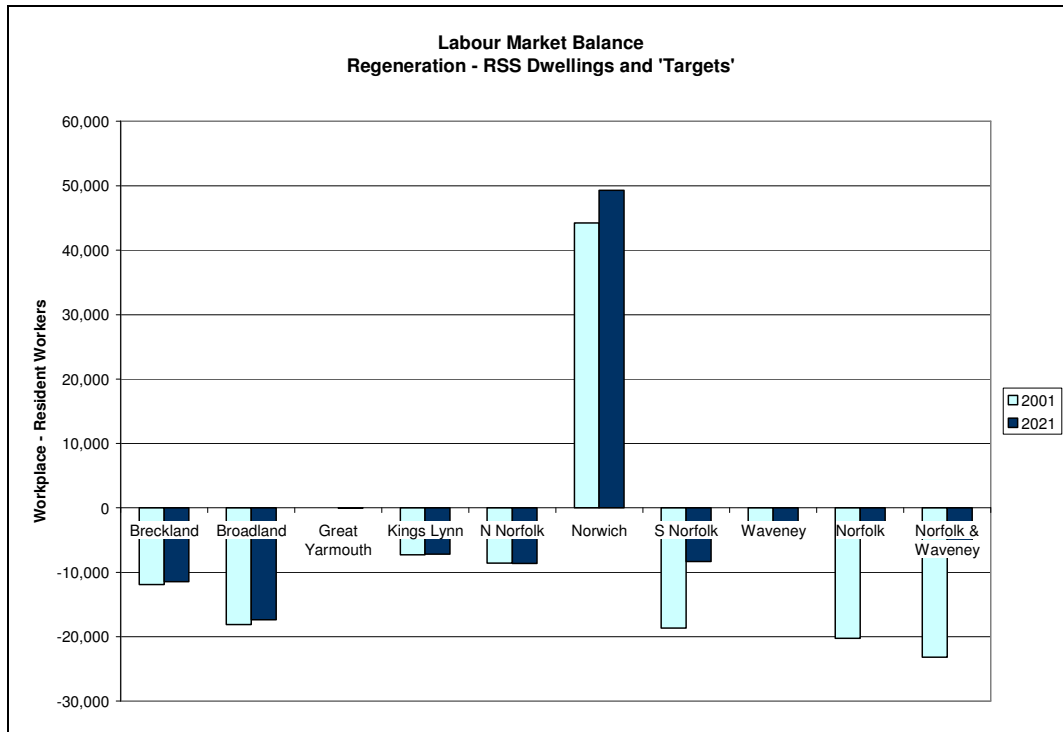
- Reduce the unemployment rate at 2021 to the Norfolk County average for all districts where it is above average in 2001.
- Increase the economic activity rate at 2021 to the Norfolk County average for all those districts where it is below average in 2001.
- For those districts where the effect of this would be to increase the supply of workers more than jobs - i.e. have a negative impact on the labour market balance - we have raised the jobs targets to eliminate this negative impact.

3.59 The graph below illustrates the balance of jobs and workers for this scenario.

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<sup>10</sup> Forecasting Technical Paper (March 2005)

**Figure 3.5 Labour Market Balance East of England Plan Dwellings and Jobs Targets**



- 3.60 The regeneration scenario reflects the situation facing the local authorities in formulating their response to the Draft East of England Plan. The dwellings target is that contained in policy H1, the forecast growth of 50,000 jobs is higher than the E2 target of 42,600, but takes account of recent employment growth in Norfolk and Waveney. Further an active policy input is targeted at the most economically disadvantaged districts.
- 3.61 Under this scenario the jobs gap is reduced to 3,700 for Norfolk and to 6,600 for Norfolk and Waveney.
- 3.62 For Norwich there is a growing jobs surplus.
- 3.63 Broadland and Breckland see a marginal decline in their jobs deficit, whilst the jobs deficit in South Norfolk is halved as a result of the strong employment growth forecast for that district.
- 3.64 The Great Yarmouth labour market remains roughly in balance and King's Lynn, North Norfolk and Waveney all see their small jobs deficit held constant.
- 3.65 For Great Yarmouth and Waveney together the jobs gap remains at 3,000.

## Conclusions

### Summary

- 3.66 The Draft East of England Plan policy E2 sets out a jobs target of 42,600 for Norfolk and 47,300 if we add the Suffolk part of the Great Yarmouth and Lowestoft sub-region. Policy H1 sets a dwellings target of 72,600 for Norfolk and 78,400 for Norfolk plus Waveney.
- 3.67 The E2 employment target falls in the range of forecasts examined and is towards the lower end of this range. Employment growth post 2001 suggests that Norfolk and

Waveney already achieved a quarter of their target growth in the first two years of the twenty year plan period.

- 3.68 The H1 dwellings target now implies a significantly lower increase in both population and labour supply than previous estimates. But the migration-led variant of the forecast suggest that demand side pressure for housing will be strong, which may affect current assumptions about average household size.
- 3.69 Our own conclusions would be that neither the dwellings nor employment targets for Norfolk are very challenging in terms of demand. But supply-side constraints on either the housing or employment side could prevent the target growth from being realised.
- 3.70 The H1 and E2 targets from the draft East of England Plan implied a growing jobs gap for Norfolk and Waveney of an additional 9,500 jobs. Revised APU population and labour force projections imply lower labour force growth which effectively works to decrease the jobs gap. We examined different combinations of labour force and demand projections, under most of which jobs and workers would be roughly in balance at 2021.
- 3.71 But there can be significant variations within Norfolk. Under all scenarios Norwich grows as an economic pole for the County providing jobs for the surrounding districts.
- 3.72 If the policy is to increase employment rates in the more disadvantaged parts of Norfolk & Waveney (without higher net out-commuting), then the forecast suggest that there will still not be sufficient jobs created in the Great Yarmouth and Lowestoft sub-region to meet the needs of its forecast resident workforce. Similarly at King's Lynn and North Norfolk there are insufficient jobs created.

### *Policy Choices*

- 3.73 In our opinion the jobs and dwellings targets that Norfolk and Waveney have been set in the draft East of England Plan should be attainable. We can certainly see no case for reducing them.
- 3.74 But, and this is where a policy as opposed to technical input is required, if the objective is to maximise Norfolk's economic potential then the county should be arguing for higher targets for both jobs and dwellings.
- 3.75 There is also a policy decision to be made on the spatial distribution of jobs. At present policy E2 does not distinguish between the Norwich and Great Yarmouth and Lowestoft sub-regions.
- 3.76 The forecasts would suggest that the greatest need for jobs is found at Great Yarmouth and Waveney. This sub-region could have a specific jobs target assigned set slightly above the existing forecasts.
- 3.77 A similar target could be set for both King's Lynn and North Norfolk, which may also experience a growing jobs gap if employment rates are equalised to the County level.
- 3.78 But if the regeneration areas were accorded a higher jobs target this would either imply less growth elsewhere, or the target number of jobs for the County as a whole should be higher.
- 3.79 The forecasts also suggest that growth potential is strongest in Norwich and South Norfolk. Rather than targeting growth at the regeneration areas, the Norwich sub-region could be identified as the growth part of the county to provide jobs for workers in other parts of the county. Sectorally such a strategy would lay greater emphasis on the financial and business services sector. Such a strategy would no doubt have implications for transport networks to Norwich.
- 3.80 Alternatively the dwellings targets for the Norwich area and South Norfolk could be raised to meet demand by accommodating more workers.

### *New Targets?*

- 3.81 Each of the authorities commented on the jobs targets implied by the regeneration scenario. For instance, in King's Lynn it was felt that the jobs growth implied by the RF forecast did not adequately reflect the policy ambitions of the district. In South Norfolk it was felt that recent growth from the hospital relocation may have exaggerated its future potential.
- 3.82 Taking into account these comments and rounding the targets, we have generated a potential new set of jobs targets for each district. These are set out in Tables 3.6a and 3.6b and are compared with three different forecast for Norfolk and Waveney, namely:
- the RF(05) constrained forecast,
  - the CE(05) forecast;
  - and the EBS(02)EG21 forecast which formed the basis of the original East of England Plan E2 jobs targets.
- 3.83 The most significant difference from the EBS figures that informed the East of England Plan are for South Norfolk where Annual Business Inquiry data shows an increase of 10,000 employees in South Norfolk between 2001-2003<sup>11</sup>.
- 3.84 In order to enable monitoring of targets, It is necessary to show the sub-regional areas by district. This is shown in Table 3.6a. Local authorities will also need to draw up their LDF's at this level and this should be the process for fine tuning allocations between boundaries.
- 3.85 However, it is Table 3.6b that shows the final recommended sub-regional targets for the three Norfolk sub-regions, along with the remaining districts that are outside the sub-regional areas (on a district basis).

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<sup>11</sup> This is in part, but only in part, accounted for by the hospital relocation. In any event the new target should be seen in the light of only requiring an additional 4,000 jobs (after allowing for self-employment).-

**Table 3.6a Potential Jobs Targets and Forecast - Development of Sub-Regional Target by District**

District	District Breakdown of Possible Sub-Regional Targets			
	RF(05)c	EBS(02)EG21	CE(05)	
Breckland	6,000	6,700	4,600	-1,200
Broadland	5,000	4,900	5,700	600
Great Yarmouth	5,000	5,100	2,200	4,400
King's Lynn	5,000	1,700	4,300	1,900
N Norfolk	4,000	600	4,500	2,600
Norwich	15,000	13,300	16,200	11,300
S Norfolk	15,000	18,200	5,000	14,200
Waveney	5,000	0	5,000	
Norfolk	55,000	50,500	42,600	33,800
Norfolk & Waveney	60,000	50,500	47,600	

**Table 3.5b RTP Recommended Sub-Regional Targets**

Sub-Region	Targets	RF(05)c	EBS(02)EG21	CE(05)
Great Yarmouth & Lowestoft	10,000	5,100	7,200	
King's Lynn	5,000	1,700	4,300	1,900
Norwich Sub Region	35,000	36,400	26,900	26,100
North Norfolk	4,000	600	4,500	2,600
Breckland	6,000	6,700	4,600	-1,200

Great Yarmouth and Lowestoft Sub-Region - Great Yarmouth and Waveney districts;

King's Lynn Sub-Region - King's Lynn & West Norfolk district;

Norwich Sub-Region - Norwich City, Broadland and South Norfolk districts

3.86 These targets would be testing, but would represent a realistic ambition for growth. We consider them to be, within the bounds of reasonableness, an appropriate set of targets to meet the overarching regional objective of aligning housing and jobs.

## 4 CONSTRAINTS AND GAPS

### Introduction

- 4.1 In this section we set out the principal constraints to the realisation of the forecast jobs. As we noted in the previous chapter we believe that demand side conditions are sufficient, but that there may be supply constraints that could impede progress. In this chapter we identify these constraints in the context of the forecast growth. In the next chapter we explore a framework for action to address those constraints and hence realise the growth potential of Norfolk and Waveney.

### Labour Force Skills

- 4.2 One constraint that could bite is labour force skills. Because this is such a critical issue we explore its background a little further.

#### *Education, Skills and Training Profile*

- 4.3 Throughout the course of the study, education and training has been identified as a critical issue in Norfolk and Waveney. The common points that have been raised by stakeholders are:
- The skills and learning profile of the Norfolk and Waveney population is comparatively weak and this is holding back the potential of the economy to grow.
  - Young people have low aspirations and are not being encouraged to stay on at school or undertake training.
  - People in more remote areas struggle to access learning and training opportunities.
  - There are several particularly acute skills shortages and skills gaps in Norfolk and Waveney. As a result, many businesses fulfil their skills requirements from outside the County.
- 4.4 It is important therefore to understand in more depth what the precise nature of these issues is because they must be addressed in order for the Norfolk and Waveney economy to accommodate strong growth.
- 4.5 The Norfolk Learning and Skills Council (LSC) has produced a Needs Analysis report that identifies several key things that are needed to stimulate ambition and ensure that everyone has the opportunity to achieve their goals. There are three of these which are of most relevance:
- encouraging young people to stay in learning;
  - maximising the contribution of learning to the economy; and
  - raising standards of learning.

- 4.6 We address each of these in turn.

#### *Encouraging Young People to Stay in Learning*

- 4.7 The Norfolk LSC analysis found that:
- When young people in Norfolk leave compulsory education they are less likely to enter post-16 learning than their regional counterparts.
  - The existing data (both survey-based and administrative) points to a link between the demographic and socio-economic characteristics of certain localities (both urban and rural) and the difficulties in engaging young people in learning.
  - However, the retention of young people in learning appears to be more directly related to rurality, i.e. it is the rural localities where participation is lower than

average which suffer from lower levels of retention rather than in the urban localities where participation is lower than average.

- 4.8 It is clear that current knowledge does not sufficiently explain the geographical variations in participation and retention levels. Added to this, the frequent recurrence of anecdotal evidence relating to the low aspirations held by young people in Norfolk does not lead on to a better understanding of exactly why this is the case.
- 4.9 Norfolk has the highest proportion (18.3%) of Year 11 leavers in either employment or training (rather than in full-time education), the national average being 16.5%.
- 4.10 This suggests that Norfolk and Waveney has higher numbers of young people leaving school at 16 and then entering the labour market. For growth in the sectors that Norfolk and Waveney is strong in, there is a need for these people to receive further education and/or improved training in the relevant skill areas. This is particularly pertinent in more rural areas and in areas in need of regeneration, such as Great Yarmouth.

*Maximising the Contribution of Learning to the Economy*

- 4.11 This will mean raising skill levels in the workforce, working with employers, employees, trades unions, the Small Business Service, Chambers of Commerce and other agencies and providers to increase their investment in learning and addressing skills gaps and shortages.
- 4.12 The Norfolk LSC analysis has found the following:
- It is generally accepted that a positive relationship exists between productivity levels and the skills of the workforce. Acceptance of this assumption implies that the relatively low skills levels evident within the Norfolk workforce may well explain the low forecast Gross Value Added per employee. Furthermore, average earnings in the County are well below the regional average, which also indicates the existence of relatively, low productivity levels.
  - Norfolk is characterised by highly localised labour markets (evident from the distance people are willing/able to travel to work) because of constraints on labour mobility effected by transport issues and perhaps, by low wage levels which are pushed even lower by the addition of transport costs.
  - Empirical evidence has shown that much of Norfolk's industrial base is affected by skills shortages and skills gaps which, are instigated and exacerbated by persistently low levels of educational achievement. Norfolk's performance at Levels 2 and 3 is very weak and there is a clear mismatch between the supply and demand for intermediate level skills. Intermediate level occupations account for around one-half of all occupations in Norfolk.
  - The predominance of small employers in the Norfolk economy is well documented, as is the fact that smaller employers (<10 employees) are less likely to provide or arrange training than their larger counterparts. However, countering this is the point, that the largest 5% of employers employ around two-thirds of the County's employees and at least one-half of these employees do not receive training. In terms of the magnitude of numbers involved, this amounts to more than the number of people working for small employers who do not receive training.
  - The dominance of SMEs is both a strength (higher levels of local autonomy) and a weakness (when some of these employers do not aspire to grow their business). In addition, the low rate of new firm start-ups in some parts of the County, suggests a need to work on entrepreneurial skills. This may be related to the comparatively, lower aspirations of significant numbers of young people mentioned earlier and suggests that further investigation should take place.

### *Raising Standards of Learning*

- 4.13 The Norfolk LSC analysis has found the following:
- One-half of all employers in Norfolk, including those who provide no training, believe that there are no obstacles that limit or present a barrier to the amount of training they provide. Of the remainder, the most frequently mentioned obstacles relate to local training provision in terms of cost, quality, suitability and the inappropriate times at which courses are provided.
  - Attainment at all levels is subject to a geographic bias, certain localities (the more affluent areas in terms of the occupational mix of residents) perform relatively well, while other localities (typically areas which suffer many types of deprivation) perform poorly.
  - Empirical evidence has shown that to a large extent, participation is determined by ease of access to learning. If learning opportunities are to be geared towards the learner this will mean that more flexible methods of learning will need to be provided.
- 4.14 Therefore, as stated in the Norfolk LSC Analysis Report (p.57), “This suggests that the level of qualifications in particular localities is considerably influenced by the different socio-economic and demographic profiles occurring in each local area. Therefore, policies may also need to be targeted on a geographic basis.” The data suggests that a particular focus should therefore be on the following areas:
- North Norfolk coast;
  - South west Norfolk along A11 corridor (Breckland);
  - Great Yarmouth and Waveney;
  - Norwich.
- 4.15 Again related to the general public/private partnership issues, private sector stakeholders felt that there needs to be greater understanding of and engagement with business. Several showed a clear willingness to invest in the process provided they could see that the end product is worthwhile - namely young people with the skills to replace the ageing workforce that is going to be retiring over the next decade. This last element was seen as being particularly critical in the manufacturing sector.
- 4.16 This is understood by the providers but, particularly in the rural areas, they are having to spread themselves very thinly. There is evidence of the need for considerable support and financial assistance in order to help these institutions deliver the kind of educated, skilled population necessary to support growth.
- 4.17 Things are not all doom and gloom - the main further education (FE) and higher education (HE) providers give an impressive range of opportunities, supported by a high level of knowledge and understanding. Also, new opportunities are being created, including the proposed satellite centre of Suffolk University at Lowestoft.
- 4.18 But again, it is about tapping into that resource more effectively. Many of the HE institutions interviewed appear to operate in a vacuum; they have little relationship with their locality, be it Norwich, Norfolk or their respective district. They produce graduates of the highest calibre yet there is little coordinated effort to encourage these people to stay and develop the Norfolk and Waveney economy. Despite this, many do stay, with UEA having one of the highest graduate retention rates in the country<sup>12</sup>. However, there is no knowledge of what sectors they are working in and how long they are staying for. Moreover, if these bright, young things do leave, then there is still the possibility that they will return. But no one is monitoring where they are and what they are doing.

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<sup>12</sup> Source: Norfolk County Council

### *Forecast Skills Demand*

- 4.19 Skills is an issue that has been raised as a concern at all qualifications levels but in particular we want to highlight the issue of graduates. We have noted that Norfolk has a low GVA per head and a low proportion of graduates in the workforce, two factors that are strongly linked.
- 4.20 Wages in Norfolk and Waveney are in line with the low level of skills. Norfolk County as a whole has one of the lowest proportions of graduates among its employees of any UK county (despite the high graduate retention from UEA which causes the level in Norwich City to be much higher). Since average wages are closely correlated with the proportion of graduates (hence the high wages in London), Norfolk's low wages and GVA levels are predictable. The policy implications revolve around the issue of how to get more graduate-employing companies into Norfolk and Waveney. This is likely to improve the sectoral structure and also improve 'productivity' within sectors. In practice it is likely to increase the proportion of people moving in to Norfolk and Waveney to work in the financial and business services sectors. In our view this involves high quality office developments, and if possible faster trains/better road links to London. It also involves promoting Norfolk and Waveney as a highly desirable place to live. These factors are all dealt with later.
- 4.21 One potential source of attracting graduates into Norfolk and Waveney is through the Lyons Review and the proposed relocation of many Central Government departments to regions outside London. Norwich is one of the cities being considered, and if successful, would bring in a considerable number of highly skilled civil servants.
- 4.22 Currently only 14% of the workplace employees in Norfolk County are qualified to NVQ level 4 or above. Even if we make very conservative assumptions about occupational growth and rising qualification levels then this still implies that Norfolk would need 40,000 extra graduate level workers by 2021.
- 4.23 This combines three factors:
- Structural shift to higher value service sectors
  - Occupational shift to more professional workers in each sector
  - Raising of qualifications across all occupations
- 4.24 The structural shift to higher value service sectors was set out in the forecast chapter above. If we apply to this an industry/occupation transformation we can generate the change in workers by occupation. We have assumed a very conservative assumption in that the occupational structure for each sector moves from its current district structure to that which is the current regional structure. The results of this are set out in Table 4.1 below.
- 4.25 As can be seen the growth is in the higher order occupations. Managerial, professional and associate professional occupations all see an increase of between 14,000-20,000 jobs. Administrative and secretarial occupations also increase by 15,000 reflecting the structural shift to the business services sector.

**Table 4.1 Projected Growth in Jobs by Occupation**

Managers and Senior Officials	19,500
Professional Occupations	15,500
Associate Professional and Technical Occupations	14,200
Administrative and Secretarial Occupations	15,300
Skilled Trades Occupations	-2,500
Personal Service Occupations	3,200
Sales and Customer Service Occupations	-600
Process, Plant and Machine Operatives	-9,400
Elementary Occupations	-4,800
<b>Total Employment</b>	<b>50,500</b>

Source: RTP/ Regional Forecasts/LFS

- 4.26 Over time the skills levels and qualifications requirements for each occupation are continually being raised. Again using fairly conservative assumptions we have applied the projected growth in qualifications using projections from the Warwick Institute for Employment Research for the period 1999-2010<sup>13</sup>.
- 4.27 This suggests an increase in demand for degree level equivalent (NVQ4) workers of 43,400. There will also be an increase in demand for A-level equivalent workers of 10,000. By contrast there will be a reduction in demand of 14,000 for those workers with no qualifications.

**Table 4.2 Projected Change in Qualifications by Occupation**

<b>Norfolk &amp; Waveney (Added)</b>	<b>No Quals</b>	<b>NVQ1</b>	<b>NVQ 2</b>	<b>NVQ 3</b>	<b>NVQ 4+</b>	<b>Total</b>
Managers and Senior Officials	-300	-2,400	3,400	6,200	14,600	<b>22,000</b>
Professional Occupations	0	0	-200	400	13,500	<b>13,500</b>
Associate Professional and Technical Occupations	0	-200	1,100	2,400	11,200	<b>14,400</b>
Administrative and Secretarial Occupations	200	4,300	5,500	2,300	4,100	<b>16,700</b>
Skilled Trades Occupations	-1,600	400	-500	500	-200	<b>-1,500</b>
Personal Service Occupations	-2,400	5,600	-500	500	800	<b>3,000</b>
Sales and Customer Service Occupations	-1,900	-900	-300	1,200	200	<b>-1,800</b>
Process, Plant and Machine Operatives	-3,600	-800	-2,400	-2,000	-400	<b>-8,600</b>
Elementary Occupations	-4,500	700	-1,700	-1,200	-400	<b>-7,200</b>
<b>Total Employment</b>	<b>-14,100</b>	<b>6,600</b>	<b>4,300</b>	<b>10,200</b>	<b>43,400</b>	<b>50,500</b>

Source: RTP/IER

### *Population and Housing*

- 4.28 Equipping workers with the necessary skill will place demand on the education and training agencies. But this in itself will not be sufficient. Complementary action is required in other areas to attract and retain highly qualified workers. So housing and amenities become an essential component of delivering a skilled workforce.

<sup>13</sup> Projections of Qualifications and Employment - Warwick Institute for Employment Research (2001)

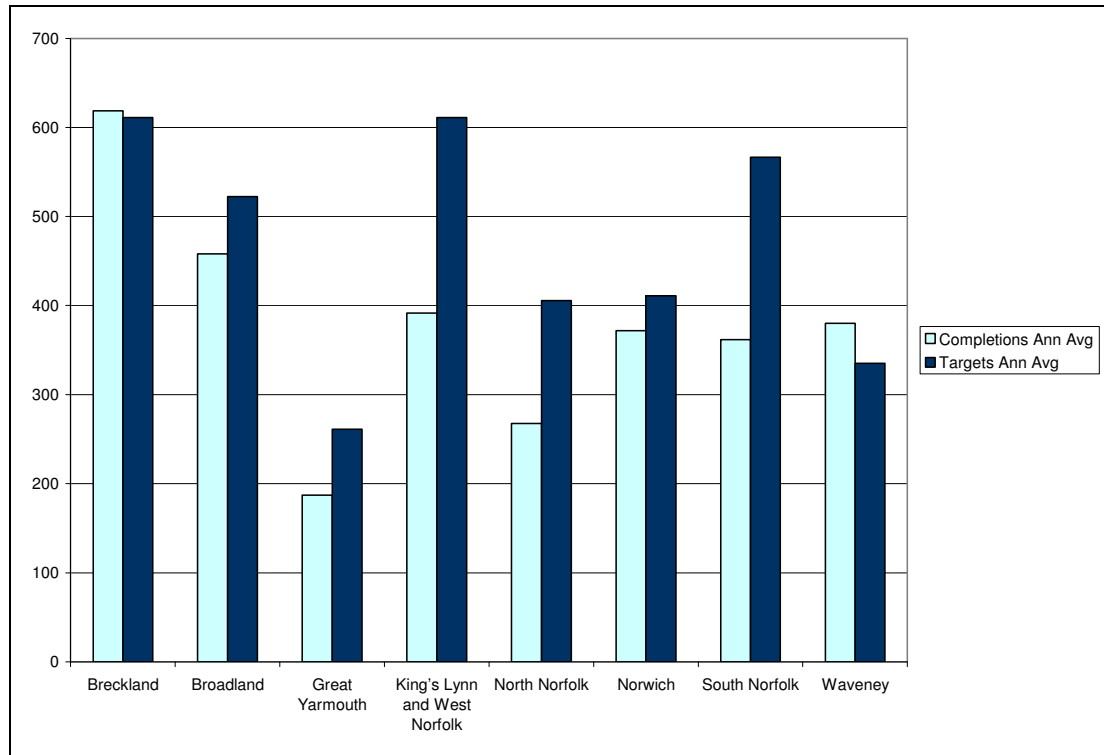
*Demographic Profile*

- 4.29 The age profile of the Norfolk and Waveney population is an inhibiting factor on labour supply growth as set out in the technical working papers. Of the Norfolk districts only Norwich has net in-migration in the 15-30 age group. For all other districts there is net out-migration for this age cohort. All other districts have positive net in-migration flows from older age groups. For South Norfolk and Broadland this peaks for the 30-45 age group. For Great Yarmouth and King's Lynn it peaks for the 50-60 age cohort, whilst for North Norfolk and Breckland it peaks for the 60-70 age cohort. The effect of this migrant age structure is to depress activity rates and labour supply whilst adding to an aging of the population driven by natural demographic factors.
- 4.30 High paid graduate level jobs are clearly the principal driver, but to attract and retain a younger age profile of population will require action on the provision of amenities. Each town will need to look at whether the right range of cultural, leisure, retail and recreational facilities are provided, or at least accessible, that will encourage young mobile graduate workers to live there.
- 4.31 It will also require that the right type and mix of housing is available.

*Housing*

- 4.32 There is a further issue with regard to housing delivery. Whilst we do not believe that the existing target rates of housing growth are high relative to forecasts of unconstrained demand, concerns have been raised about past ability to meet housing targets in some parts of the County.
- 4.33 The figure below sets out average completion rates by district over the past five years compared with the current annual targets.

**Figure 4.1 Average Completion Rates<sup>14</sup>**



<sup>14</sup> Completions annual average 1999/00-2003/04. Targets annual average 1993-2011

### *Labour Force*

- 4.34 In addition to concerns over the quality of employees there may be constraints imposed in terms of the number of workers available. Indeed our consultations with businesses suggested this was a real concern already and employers are looking to overseas workers to plug gaps.

## Commercial Property

### *Employment Requirements*

- 4.35 To meet employment growth implied by the projections of the previous chapter requires significant additions to the property stock in Norfolk and Waveney. This should not require additional land for employment, indeed there may be a net decrease in the stock of employment land, but the structural change implied by the forecasts will require corresponding qualitative change in the commercial floorspace stock.
- 4.36 There is no exact correspondence between use classes and industrial sectors, but past studies have established a set of working proxy indicators<sup>15</sup>. From the available data we have found that the best fit of industrial classification and use class data is to use the following sectoral match as a proxy:
- B1 = Financial Services + Business Services
  - B2 = Manufacturing
  - B8 = Wholesale Distribution
- 4.37 To translate employment forecasts to floorspace requires the application of employment density ratios - i.e. the average number of square metres occupied per worker. Using past empirical research<sup>16</sup> we use the following density ratios and apply these density ratios to the sectoral employment forecasts:
- B1 = 18 sq m per worker
  - B2 = 30 sq m per worker
  - B8 = 40 sq m per worker
- 4.38 If we again use the RF(05) constrained forecast as the guideline then this implies the addition of 650,000 sq m of office floorspace to the total stock in Norfolk and Waveney, whilst at the same time there would be a loss of some 700,000 sq m of industrial space. Forecast change in floorspace stock by district for B class employment is set out in Table 4.3 below.
- 4.39 Higher employment growth implied by the target figures would imply yet higher levels of additional office floorspace stock required.
- 4.40 The forecasts shown above clearly envisage significant quantities of new office stock in the future. For many districts this represents a near doubling of office stock. In many locations where there is a sufficient supply of land and there are not large volumes of existing office space, growth implied by the above forecasts must be accommodated in newly constructed space. However, in urban locations such as Norwich where a large proportion of the growth is anticipated there is little space for new development in the city centre and of the existing stock, much is generally unsuitable for modern, high-quality occupiers. The stock is typically dated and in some instances, functionally incompatible with modern office-based activities or is in a poor state of repair due to under-investment in maintenance and upkeep. Without significant re-provision (either through refurbishment or redevelopment) occupiers that would otherwise have located

<sup>15</sup> See for example 'Demand and Supply of Business Space in London' Roger Tym & Partners for GLA - SDS Technical Paper 21 (2002)

<sup>16</sup> Based on 'Use of Employment Space' Roger Tym & Partners for SERPLAN (1997); 'Employment Densities' Arup for English Partnerships (2002); 'South East Employment Densities' DTZPieda for SEERA (2004)

in central locations will be more predisposed to choosing alternative locations such as Broadland Business Park where newer, higher quality space is available and where costs associated with providing new, purpose built space of the type needed are generally lower than in more constrained city centre sites.

**Table 4.3 Net Change in Floorspace Stock 2001-21**

	Office Change 2001-21	Industrial Change 2001-21	Office Stock 2001	Industrial Stock 2001
	Sq m	Sq m	Sq m	Sq m
<b>Norfolk</b>	<b>608,000</b>	<b>-625,000</b>	<b>846,000</b>	<b>5,636,000</b>
Breckland	61,000	-82,000	64,000	1,065,000
Broadland	38,000	-82,000	58,000	655,000
Great Yarmouth	57,000	-82,000	77,000	587,000
King's Lynn & West Norfolk	59,000	-138,000	80,000	1,204,000
North Norfolk	37,000	-77,000	47,000	519,000
Norwich	166,000	-150,000	446,000	1,050,000
South Norfolk	190,000	-14,000	74,000	556,000
Waveney	46,000	-104,000	103,000	850,000
<b>Norfolk and Waveney</b>	<b>654,000</b>	<b>-729,000</b>	<b>949,000</b>	<b>6,486,000</b>

Source: RTP/ODPM Floorspace Statistics

- 4.41 We now consider what the current situation is in respect of the office market in Norwich City and across the rest of Norwich Sub-Region.

#### *New Office Developments*

- 4.42 The market research that we have undertaken for this study highlights the lack of new office accommodation in and around Norwich City. This work has emphasised the extent of supply of sites for employment (office) uses in out of centre locations compared to the relative lack of supply of pipeline commitment towards new floor space within the city centre itself. In this section we assess the location and size of employment (office) developments under construction and identify 'pipeline' sites and their current status based upon the further research we have undertaken through internal and external sources including direct discussions with local agents.

#### *Out of Town Developments*

- 4.43 At the time of writing there is approximately 14,307m<sup>2</sup> (154,000sq.ft) of office space under construction or recently completed in and around Norwich, which equates to less than 1% of existing floor space in the city. This space is located out of town at established office locations and approximately 52% of this space is understood to be currently available. The full list of developments is shown in Table 4.4.
- 4.44 At Broadland Business Park, construction has started on a 5,574m<sup>2</sup> (60,000sq.ft) building for Norwich Union. The company pre-let 10,219m<sup>2</sup> (110,000sq.ft) at the end of 2004, and is understood to be planning to develop a further building totaling 4,645m<sup>2</sup> (50,000sq.ft) in the short-term.
- 4.45 Two buildings are also currently underway at St Andrews Business Park. The first for NPS Property Consultants who already occupy space at the park and have pre-let a further office building of 1,207m<sup>2</sup> (13,000sq.ft) for expansion. Secondly, a small speculative building of 6,000sq.ft is due to complete in autumn 2005.
- 4.46 The majority (75%) of planned schemes in Norwich are situated in out of town locations. At Broadland Business Park, a number of office developments have obtained planning permission, and form part of the 94-acre mixed-use scheme.

- 4.47 To the west of the city at Longwater Pits, there is a 36-acre site allocated for employment use. However, this development is unlikely to proceed without pre-lets at this site.
- 4.48 At Wrenbridge's Gateway 11 development at Wymondham, 25 acres remain available for mixed-use development including hotel, leisure, offices and industrial/distribution uses.

**Table 4.4 Key Schemes Out of Town -Under Construction and Planned<sup>17</sup>**

Address	Under Construction/ Planned	Developer	Completion Date/Status <sup>18</sup>	Size m <sup>2</sup> / sq.ft	Notes
Plot 5, Broadland Bpk, Yarmouth Rd	Under Construction	Lothbury Prop Trust/Atlantic Fund Management	Feb 06	5,574m <sup>2</sup> / 60,000 sq.ft	Pre-let; to Norwich Union
Lakeside 300, Plot 12, Broadland	Under Construction	Lothbury Prop Trust	Jun 05	2323m <sup>2</sup> / 25,000 sq.ft	Spec.
Meridian Bpk, Yarmouth Rd	Under Construction	Dencora	Nov 05	2,025m <sup>2</sup> / 21,800 sq.ft	Spec.
Fmr St.Andrew's Hospital, St. Andrew's Bpk, Yarmouth Rd	Under Construction	Bullen Developments	Sep 05	1208 m <sup>2</sup> / 13,000 sq.ft	Pre-let; to NPS Property Consultants Ltd
Longwater Pits, Dereham Rd A1074, Costessey	Planned	Longwater Consortium	OPPG	36 acres	Seeking D&B sales
Gateway 11, A11 Wymondham ByPass, Wymondham	Planned	Wrenbridge Props	OPPG	25 acres	Seeking D&B office and industrial sales
Colney Ln/Watton Rd	Planned	Colney Devts	OPPG	14 acres	Proposed Science Park
Fmr St. Andrew's Hospital, St. Andrew's Bpk, Yarmouth Rd	Under Construction	Bullen Developments	Sep 05	558 m <sup>2</sup> / 6,000 sq.ft	Spec.
Fmr Bally Shoe Factory, Hall Road	Planned	Targetfellow/ Healthweb UK	FPPG	7,497m <sup>2</sup> / 80,700 sq.ft	COU to offices/retail
Plot 22, Broadland Bpk, Yarmouth Rd	Planned	Lothbury Prop Trust	OPPG	6 acres	
The Street, Costessey	Planned	May Gurney/Building Partnerships	OPPG	4,877m <sup>2</sup> / 52,500 sq.ft	
Plot 3, Broadland Bpk, Yarmouth Rd	Planned	Lothbury Prop Trust	OPPG	4 acres	
Plot 8, Broadland Bpk, Yarmouth Rd	Planned	Lothbury Prop Trust/Atlantic Fund Management	FPPG	4,645m <sup>2</sup> / 50,000 sq.ft	To Norwich Union, to start imminent
Longwater Pits, Dereham Rd A1074, Costessey	Planned	Longwater Consortium	FPPG	3 acres	B1/B2/B8 devt

<sup>17</sup> All data are taken from PROMIS, 2005 and are un-tested.

<sup>18</sup> S106: Discussing Section 106 agreements, OPPG: Outline Planning Permission Granted, FPPG: Full Planning Permission Granted, Appl: Planning application submitted, COU: Change of Use

Address	Under Construction/ Planned	Developer	Completion Date/Status <sup>18</sup>	Size m <sup>2</sup> / sq.ft	Notes
Norcor Site (Hi-Tech Hse), Blackfriars St	EOT/Planned	Building Partnerships	FPPG	3,465m <sup>2</sup> / 37,300 sq.ft	Redevt for offices and resi
Longwater Pits, Dereham Rd A1074, Costessey	Planned	Longwater Consortium	FPPG	3,363m <sup>2</sup> / 36,200 sq.ft	Call centre Norwich Union Healthcare
Meridian BPK, Yarmouth Rd	Planned	Dencora/Norfolk CC	OPPG	2 acres	Office devt
Plot 11, Broadland BPK, Yarmouth Rd	Planned	Lothbury Trust/Atlantic Fund Management	FPPG	2053m <sup>2</sup> / 22,100 sq.ft	
Fmr St. Andrew's Hospital, St. Andrew's BPK, Yarmouth Rd	Planned	Bullen Devts	FPPG	1,439m <sup>2</sup> / 15,500 sq.ft	
North side of Delft Way, off Amsterdam Way, part of Airport Gateway site	Planned	Iceni Developments Ltd			Erection of two two storey office buildings and two storey link to Unit 4
Group Lotus Site, Wymondham Rd, Wymondham	Planned	EEDA/Norfolk CC/South Norfolk DC/Norfolk Engineering Excellence Partnership	Application	1,802m <sup>2</sup> / 19,400 sq.ft	Innovation Centre

#### *Town Centre Developments*

- 4.49 Our research has shown that within the administrative area of Norwich City Council, land and property exists capable of accommodating around 2 million sq.ft (185,000m<sup>2</sup>) of new office floor space. Assuming that the rate of take up of new accommodation developments proceeds in line with the trends witnessed in the city in the last five years, this equates to an overall supply of floor space for office uses for approximately 91 years.
- 4.50 Of the space planned in Norwich, there are 6 schemes of over 100,000sq.ft, and 4 of between 50-100,000sq.ft. However only a small number of schemes (25%) are proposed in the city centre. Many sites that had previously enjoyed planning permission for office uses have since been developed for residential use, a trend that is likely to continue.
- 4.51 The full list of developments is shown in Table 4.5.

**Table 4.5 Key Schemes City Centre -Under Construction and Planned**

Address	Under Construction/planned	Developer	Status	Size m2 / sq.ft	Notes
St James Pl, Jarrold Site, Whitefriars	Planned	Jarrold & Sons	Likely to be granted, late-2005	20,000m <sup>2</sup> / 215,285 sq.ft	Office floorspace
Busseys Site, 39 Palace St	Planned	Bussey & Sabberton Bros	S106	4,255m <sup>2</sup> / 45,800 sq.ft	Redevt of car showroom
125/129 King St	Planned		Appl	1,347m <sup>2</sup> / 14,500	
Livestock Market Site, Hall Rd	Planned	Simons Estates	Application	3,484m <sup>2</sup> / 37,500 sq.ft	On edge of City Centre

4.52 There are also three other sites allocated for development:

- Anglia Sq/Pitt St/St Crispins Road - significant part of the allocation here is for employment purposes, meaning replacement of offices (incl Sovereign House).
- Rose Lane/ Mountergate site - allocated for mix of uses including housing and employment uses. Brief in preparation and application likely soon.
- Lawrence Scott Electromotors - site close to City Centre allocated for mixed use redevelopment including employment use.

#### *Possible Ways Forward*

4.53 It is unlikely that the prevailing market in Norwich is strong enough to deliver large-scale provision of additional office accommodation within the city centre. However, there are a number of measures the Client Group may wish to explore that could help facilitate re-provision. These measures might include making adjustments to employment allocations to permit other higher value uses (such as residential) as part of a mixed use regeneration. The inclusion of such development could serve to 'enable' or cross-subsidise the provision of more employment accommodation. Alternatively, the public sector could take a more interventionist approach through the targeted acquisition of particular sites / areas to facilitate redevelopment. Clearly such initiatives need to take account of cost and the wider town planning implications for example employment and housing land supply considerations and the principles of sustainability.

4.54 As important as identifying new office provision is to need to rapidly recycle former industrial land. As can be seen from Table 4.3 even with the forecast loss this only amounts to just over 10% of existing floorspace stock.

#### *Market Constraints*

4.55 The work undertaken for this study has identified a number of general trends that provide an important insight into the drivers of employment development throughout Norfolk and Waveney.

4.56 With the possible exception of the Norwich urban area (where speculative prime employment development may be considered to be on the margins of development viability), cleared, serviced sites, in the wider region (including the key locations of King's Lynn, Great Yarmouth and Lowestoft), are unlikely to be economically viable for market-led employment development, in the absence of pre-lets. All of the evidence revealed by this study and the earlier work undertaken by GVA Grimley points to this conclusion. This is likely to have been the primary reason why a large number of the

allocations throughout the County have remained undeveloped for some time. Longer term demand pressures may raise rentals, but only once a market has been established.

- 4.57 Demand does exist in a number of important locations around the County for high-quality space related to important growth sectors. However, even where prevailing rents are relatively high in places such as Norwich, the development of land speculatively remains an unattractive proposition for the vast majority of commercial developers. In many of these instances, there is a strong case for public sector intervention.
- 4.58 Before it is possible to identify the appropriate projects in which the public sector may wish to invest, it will be necessary to determine which sites will provide the public sector with its optimum return for investment. In other words, where should the public sector invest to achieve the greatest return on its financial outlay in terms of cost, employment outputs achieved and strategic fit with the regional economic/growth strategy?
- 4.59 This analysis could take the form of more detailed preliminary financial appraisals of the key sites to determine the extent of the 'viability gap' for employment led development at each. This could be coupled with further analysis of the strategic location of the sites and their ability to respond to the anticipated growth and future market demands highlighted elsewhere and also determine the likely number of jobs that could be created through this targeted investment. From this an 'investment matrix' could be devised that would be a useful starting point for the key public sector agencies within the region in determining their investment decisions.

### *Strategic Employment Sites*

- 4.60 There is a good supply of strategic employment sites across Norfolk and Waveney. A recent study<sup>19</sup> (which only covered Norfolk county) identified a total of 23 sites that were considered to fall within this category, together totalling over 500 hectares. In total these sites might accommodate 1.8m sq m of floorspace, or just over 60,000 jobs - more than sufficient to meet the forecast needs.
- 4.61 However, very few of these sites are considered to be developable in the short-term and many suffer from significant constraints that serve to prevent development for employment uses. The unconstrained sites might accommodate around 430,000 sq m of floorspace or 16,000 jobs. Furthermore only 10,000 of these would be office jobs compared with 35,000 forecast growth in office jobs (as proxied by the financial and business services sector).
- 4.62 The strategic sites identified are suitable for a range of employment uses and, in some cases, residential or mixed-use development. The table below lists all of the strategic employment sites identified in the study and shows which of the Norfolk sub-regions they fall within. The areas relate to the total land on the site rather than the remaining available land.

**Table 4.6 Strategic Employment Sites**

Sub-region	Site	District	Allocation	Size (ha)
Norwich Sub-region	Broadland Business Park	Broadland	B1,B2,B8	54
	Longwater Employment Area	S. Norfolk	B1,B2,B8	41
	Norwich Research Park	S. Norfolk	B1 (b)	35
	North Walsham Industrial Estate Extension	N. Norfolk	B1,B2,B8	26

<sup>19</sup> Norfolk Strategic Employment Sites Study, GVA Grimley 2005

Sub-region	Site	District	Allocation	Size (ha)
	Lotus 60 Acres	S. Norfolk	B1,B2,B8	24
	Snetterton Circuit and Heath	Breckland	B1,B2,B8	18
	Utilities Site	Norwich	B1,B2,B8	13.1
	Deal Ground	Norwich	B1,B2,B8,C3	8
	<b>Sawmills Industrial Estate</b>	S. Norfolk	B1,B2,B8	<b>6.7</b>
	General Trailer Site	N. Norfolk	B1,B2,B8	6.5
	<b>Anglia Square</b>	Norwich	Mixed use	<b>4.3</b>
	Hurricane Way	Norwich	B1,B2,B8	2
<b>Great Yarmouth &amp; Waveney Sub-Region</b>	<b>Beacon Business Park</b>	Gt Yarmouth	B1, B8	<b>33.2</b>
	Whitehouse Farm / Bure Loop	Gt Yarmouth	B1,B2,B8	15
	Gapton Hall Industrial Estate Extension	Gt Yarmouth	B1,B2,B8	12
<b>King's Lynn Sub-region</b>	British Sugar Site	King's Lynn	B1,B2,B8	51
	NORA	King's Lynn	Mixed use	50
	Hardwick Industrial Estate Extension	King's Lynn	B1,B2,B8	27
	Tattersett Business Park	N. Norfolk	B1,B2,B8	20
	The Willows Business Park	King's Lynn	B1,B2,B8	14.6
	<b>St John's Business Park</b>	King's Lynn	B1,B2,B8	<b>7</b>
<b>Sites that fall outside the sub-regions</b>	RAF Watton	Breckland	Mixed use	23
	<b>Thetford Business Park</b>	Breckland	B1,B2,B8	<b>17.3</b>

Source: Norfolk Strategic Sites Study, GVA Grimley, 2005

- 4.63 The Strategic Employment Site Study highlighted that only six of these sites (emphasised in bold) are capable of being developed in the short term without a requirement for public sector intervention<sup>20</sup>. These sites are detailed below.

#### *Norwich Sub-Region*

- 4.64 Within the Norwich sub-region, the GVA Grimley study identified only three sites capable of being developed in the short-term; Anglia Square, Broadland Business Park and Sawmills Industrial Estate. Each of the sites is significant in its ability to accommodate growth of employment activities in the future but considered collectively are unlikely to provide sufficient space to meet the long-term growth requirements of the County. The reasons for this include the limited size of the sites and their locational/spatial distribution which may not meet the needs of the prevailing market.
- 4.65 Anglia Square and the surrounding area is a key city centre regeneration opportunity site within the city of Norwich. The area is currently subject to an emerging policy framework under preparation by the City Council that will propose its future redevelopment for a mix of uses to include employment, retail and residential uses. This work is at an early stage and will become the subject of significant further stakeholder and public consultation before it evolves into formal planning policy (possibly an Area Action Plan under the Council's emerging Local Development Framework). At the current time, the Anglia Square area is largely developed with a

<sup>20</sup> However, it is acknowledged that in some instances there may be a need for the public sector to intervene in order to achieve comprehensive development or address specific local infrastructure issues

1960s district shopping centre (with a high rate of occupancy) and leisure uses plus vacant offices and associated car parking (both at grade and multi-storey). Any major new development would require key landowner support/co-operation and would necessitate significant demolition and site clearance work and could only be achieved in the medium to long-term. Development at this location may also require the re-configuration and re-provision of major transport infrastructure, which is likely to require public sector financial support.

- 4.66 Development is currently underway at the Sawmills Industrial Estate in Diss. It is a small industrial estate primarily serving the needs of the market town and its immediate hinterland -although, it has been successful in attracting some businesses from outside the area. Infrastructure and site services have been provided and individual plots are available for immediate development. The location of the site means that it is only likely to serve businesses operating at a relatively localised level in and around Diss and it is unlikely to be able to, or indeed be appropriate for, the levels of growth required for the wider sub-region.
- 4.67 Finally, in the Norwich sub-region, Broadland Business Park, to the east of the built up area of Norwich is currently one of the key locations for new employment development in the City and County, primarily (although not exclusively) for office-based activities. Demand for additional space from existing and new occupiers is strong. The site is a typical modern, out-of-town business park benefiting from good access to the regional road network. It is currently the main location of choice for significant new employment developments in the sub-region and is likely to continue to capture the majority of inward investment and expansions in Norwich.
- 4.68 In addition to these strategic employment sites, Table 4.5 identifies another five key employment sites either under construction or planned that will provide office floorspace in the short- to medium-term. Together, proposals for these sites could provide up to 43,000m<sup>2</sup> (472,300 sq.ft) of office space. However, as noted above, this represents only 25% of the planned office space for the Norwich sub-region as defined by PROMIS.
- 4.69 The city centre office market in Norwich is heavily constrained in terms of the quality of supply. The continued lack of supply of good quality office accommodation in the city coupled with city centre congestion, access and current parking problems, could start to impact negatively on the City's ability to attract new investment. It is recognised however, that the parking problem caused by three old multi-storey buildings will soon be alleviated.

### *Great Yarmouth and Lowestoft Sub-Region*

- 4.70 The Great Yarmouth and Lowestoft sub-region is likely to be the subject of significant change in the medium to long-term. In recent years regional, national and European attention and funding has already been focussed on the area through the ERDF and other programmes, reflecting the extent of its underlying economic problems and the importance of addressing these structural weaknesses to restore the area's economic vitality. These initiatives have already achieved some improvements to the area but are acknowledged to be relatively small scale when taking account of the full scale of the area's issues. A key area of predominantly employment land within the sub-region is now the subject of a newly established Urban Regeneration Company that is expected to facilitate significant physical and economic renewal over a wide area.
- 4.71 The URG will be tasked with delivering a number of initiatives aimed at promoting physical and economic regeneration in the Great Yarmouth and Lowestoft sub-region. Following its inception, the first task of the URG has been to commission a masterplan/development framework (which is currently out to tender). This is aimed at shaping or framing future development of the designated URG area. As the URG area broadly covers the principal central employment areas of the two towns, the future direction of employment land use within the locality will be substantially informed by

the masterplan process. However, it is recognised that it does not entirely encompass the whole of the sub-region and that opportunities could arise elsewhere.

- 4.72 There are two significant employment sites - one in each town - that are appropriate for the type of activities the forecasts illustrate will exert future demand for land and premises.
- 4.73 In Great Yarmouth, the Beacon Business Park is likely to be the primary focus for new, high-quality office. Delivered with assistance from EEDA and ERDF, the site is a high-quality business park benefiting from a greenfield location and access to local transport networks. Phase 1 including site servicing and infrastructure and the development of a business incubator (the Beacon Innovation Centre) are now complete. Indicative of strong local demand for high-quality space, we are advised that occupancy rates in the Beacon Innovation Centre are consistently high. The remaining undeveloped plots are currently being marketed and are capable of accommodating employment proposals as and when required.
- 4.74 In Waveney, the Riverside Business Park is currently the focus for new, high-quality office developments. Provision of the site, infrastructure and the Riverside Business Centre (managed workspace) was funded by a number of parties including EEDA and ERDF. Similar to the Beacon Business Park in Great Yarmouth, the Riverside Business Park is allocated for high-quality employment uses, including retail and community facilities. Again, much like the Beacon Innovation Centre, the Riverside Business Centre experiences consistently high occupancy rates, indicative of robust demand for this type of space. However, we are advised that many of the limited number of the plots on the Riverside Business Centre are now subject to active proposals and there may be limited or no capacity for additional development.

#### *King's Lynn Sub-Region*

- 4.75 Within the King's Lynn sub-region, there is only one strategic employment site that is considered capable of being developed in the short-term. This is at the St John's Business Park at Downham Market. As with Sawmills in Diss, this site benefits from having all infrastructure and site services provided and is immediately available for development. The location of the St John's Business Park means that is only likely to serve a localised market in and around Downham Market and is unlikely to be either appropriate or large enough to accommodate the levels of growth required for the sub-region.
- 4.76 In addition to St John's Business Park, it is important to note that the employment constituent of the Nar-Ouse Regeneration Area (NORA) development in King's Lynn, whilst not appearing as 'unconstrained' in the table above, is likely to be able to accommodate a significant quantity of employment space in the medium term. A partnership between the private sector and key public sector bodies (English Partnerships, King's Lynn and West Norfolk Borough Council, County Council and EEDA) has committed significant investment in order to facilitate the delivery of the scheme. It is likely to be the main focus for high-quality, office-based development in the sub-region in the short and medium-term and should be sufficient to meet sub-regional demand for this type of space over that period.

#### *Rest of Norfolk and Waveney*

- 4.77 There are two strategic sites in the rest of Norfolk & Waveney, both in Breckland. The first, which is a site capable of being developed in the short term without public sector intervention, is Thetford Business Park. This would be close to the existing successful industrial estates in Thetford and also close to the A11 and train links.
- 4.78 The other site is RAF Watton. This is a large site (23 ha) with a development brief for a major mixed use development, which would incorporate B-class employment uses. Presently the site looks likely to proceed, following the submission of a revised application.

### *Summary*

- 4.79 It is clear that whilst there is presently sufficient employment land to meet future requirements, concerns remain over the extent to which many of the employment sites will be able to deliver this new development. There are only a small number of strategic employment sites - noted above - that are capable of being developed in the short-term to accommodate significant economic growth. It is unlikely that this small selection of sites will be sufficient to meet the long-term growth requirements for Norfolk and Waveney. The first reason for this is simply that the allocations are not large enough to house the levels of growth required and the second reason is that it is unlikely that these few allocations will be able to meet the varied requirements of the market in terms of their location and therefore access to key markets, suppliers or transport links.
- 4.80 In Chapter 5, we outline a number of other strategic employment sites that we consider are likely to be key to meeting the economic requirements of the County in the medium to long-term future but are unlikely to be delivered due to significant existing constraints.

### *Infrastructure*

- 4.81 The concept of an infrastructure deficit has been identified by stakeholders in Norfolk and Waveney and across the regional as a whole. However, the feeling in Norfolk is that it has suffered greatly from its peripherality and that the regional priorities continue to underpin this and widen the gap between it and better connected parts of the region. This is not just in terms of transport but other key infrastructure resources such as education and health. We shall now look at the issues for each of these.

### *Transport*

- 4.82 Transport infrastructure is identified by many as being an issue in such a comparatively isolated county. However, infrastructure is commonly identified by businesses as needing improvement, irrespective of location, because it has consistently been identified as one of the most important considerations when a business is choosing where to locate. It is therefore important to understand exactly why it is constraint in order to properly identify a means of remedy.
- 4.83 Many stakeholders have mentioned the need to dual to whole of the A11, yet a large number of people felt this was more an issue affected the perception of Norfolk and particularly Norwich. To many, it does not give a good impression to clients if the journey into the major city is partly on a single lane carriageway but to a significant number this doesn't strictly matter within the context of their working relationships. This is particularly the case in the growing creative industries sector which has so many footloose businesses - a web designer operating in a global marketplace does not need to be located within easy reach of all its clients.
- 4.84 A large proportion of the economy of Norfolk and Waveney is in sectors that are reliant on transport links, particularly more traditional forms of manufacturing. Furthermore, there are significant existing and proposed transport assets which are and can be taken advantage of, particularly the existing Norwich International Airport and the planned EastPort development at Great Yarmouth. In respect of the Airport, its ability to grow will depend in part on the quality of the links to it, which many businesses have identified as being constrained in terms of their capacity.
- 4.85 Some stakeholders working in the Norwich urban area did identify transport as a growing problem that was having an impact on their locational decisions as their businesses grow and they seek new floorspace. These were not necessarily related to congestion but rather to parking in the city centre, which is seen as one factor forcing companies to relocate. The question that was raised was whether this could reasonably be alleviated with reasonable public transport measures. Our consultations also highlighted capacity problems at several of the major junctions on the Norwich

Southern Bypass/A47, particularly at Longwater and Postwick. However, a more general issue is whether, if these are alleviated, it will further promote the out-of-town business park model that has been so successful at Broadland Business Park.

- 4.86 Transport infrastructure is therefore an important issue that potentially impacts on the ability of the economy to grow. Whilst Norfolk and Waveney generally has a poorer infrastructure network than most other counties, it is necessary to consider transport needs on a scheme-by-scheme basis. This fits in with the approach taken in the draft East of England Plan and will be considered in the next chapter on recommended actions.

### *Education and Health*

- 4.87 Growth in Norfolk and Waveney inevitably brings increased requirements for infrastructure over and above transport. Of particular concern in the area are the costs of new education and intermediate healthcare facilities.
- 4.88 Work has recently been undertaken (November 2004) by RTP in respect of costing infrastructure in the South East and East of England. This found the following for the levels of housing growth identified in the Draft East of England Plan:
- For the number of secondary schools required in the region, there will be a cost of £91-94 million per annum or £1.8-1.9 billion over the 20 years.
  - For the number of primary schools required in the region, there will be a cost of £62-65 million per annum or £1.3 billion over the 20 years.
  - For the number of hospitals required in the region, there will be a cost of £32-33 million per annum or £642-667 million over the 20 years.
- 4.89 The report does not subdivide this down further into a county total but does give an indication of the levels of funding required to support new education and health facilities. The overall findings of the work were that the Greater South East would need an additional £8 billion in order to provide sufficient infrastructure to support proposed growth. This is therefore an issue across the whole of the area, including Norfolk and Waveney.

### *Regeneration*

- 4.90 We have noted the differing strengths of the Norfolk and Waveney economies. There is the danger of success being achieved in the easier part of the County whilst the harder to reach bits are left behind. This affects the potential for Norfolk and Waveney as a whole.
- 4.91 This danger has been recognised and the newly established Great Yarmouth and Lowestoft URC and the King's Lynn Vision are the vehicles for taking this forward. It must also be recognised that Norwich is also an area identified as having regeneration requirements.

### *Norwich Regeneration Initiatives*

- 4.92 As part of the development of its Local Development Framework, Norwich City Council has identified the Deal Ground and Utilities Site, and surrounding area as a major regeneration opportunity for the District. We are advised that they Council, in partnership with adjoining authorities is in the process of defining a boundary for an Area Action Plan. In addition, we are also advised that a similar approach is being pursued for Anglia Square and its surrounds.
- 4.93 We endorse this approach to both areas. Planning for regeneration at the scale of city districts, rather than individual sites will ensure that greater returns in the long-term with regard to land-use change and connectivity.

### *Vision for King's Lynn*

- 4.94 The Vision for King's Lynn covers the period 2000-2020 and was launched in 2005. It recognises the constraints that are occurring in King's Lynn town and that the gaps in opportunities for its poorer and richer residents need to be narrowed. This is to be done by:
- ensuring that King's Lynn remains at the heart of the social life of west Norfolk, north Cambridgeshire and south Lincolnshire;
  - building a strong economy around our core strengths in food processing, advanced engineering and tourism; and
  - empowering people and communities to transform their own lives and the fortunes of King's Lynn.
- 4.95 The key projects that are proposed are:
- The Nar-Ouse Regeneration Area (NORA) and the development of the Millennium Community in South Lynn;
  - Town centre redevelopment, including 50 new shop units and a multi-storey car park - this is already underway;
  - The 'Grow our Own' initiative to address skills issues in the workforce;
  - Improvements to the Greyfriar's Tower and Lynn Museum;
  - New road from South Gate to A47 which is to open shortly;
  - New business park, enterprise centre and healthy living centre at South Lynn;
  - New marina at Boal Quay;
  - Extension to Hardwick Industrial Estate;
  - Centre of Excellence for the Food Sector.

### *Great Yarmouth and Lowestoft Urban Regeneration Company*

- 4.96 The vision for the Lowestoft & Great Yarmouth URC is nested within the vision for the sub region, as outlined in the Draft East of England Plan:

*"To promote the comprehensive regeneration of the sub-region by building on its unique qualities and its links with the rest of Europe through an urban renaissance and other initiatives to harness established strengths, realise leading edge opportunities, protect and enhance the natural environment and encourage the environmental economy."*

- 4.97 The URC forms a key delivery vehicle for wider regeneration of the sub region as a whole. The main focus of the URC will be to reverse economic decline by creating an enlarged and diversified economy based on the renewable energy sector, port activities and existing sectors.
- 4.98 The towns, with the help of the URC, aim to reach the following in the future:
- Redundant waterfront industrial areas in both towns will be opened up towards and connected to the town centres, making them attractive and accessible for the public. The waterfronts will offer a new focus for leisure, employment and housing, and will allow for an urban renaissance.
  - The towns will further develop their position as gateways to the Broads, attracting a larger number of leisure boats and tourists. They will offer attractive additional marina areas and related facilities. Other diversification of tourism will be sought.
  - Building upon the strength of the sub region in the energy sector, the URC area will develop as the main centre of excellence for renewable energy in England.

Suitable sites for the evolving offshore renewables sector will be established and safeguarded.

- Major projects such as *inte*GREAT, Sunrise and EastPort will be dovetailed into the overall URC strategy/framework.
- Other economic clusters will develop further, with the URC being able to facilitate and ensure a high quality working environment. The main potential for economic and knowledge hubs are identified in the maritime, electronics and health sectors, but also specialisms in the service industry, including call centre activities.
- Through redevelopment offering attractive office accommodation, financial and business services sectors will develop and entrepreneurship will be encouraged.
- The positive economic impacts of the URC will aid the social regeneration of the sub-region. Unemployment rates, in particular for long-term unemployment, will be reduced and activity rates increased.
- High standards will be aspired to at every level of regeneration within the URC areas.

4.99 The tender for the masterplan is currently out to tender, with the project due to start in September 2005. Preferred options are to be presented in January 2006, with submission to the Secretary of State in June 2006 and an Examination in Public taking place in November 2006.

## Image and Outlook

### *“Norfolk: a county of wonderfully wasted opportunities”*

4.100 The above is a quote from a private sector interviewee for this study and the words are very revealing.

4.101 The Norfolk economy has a number of identifiable strengths but few that would be called ‘world-class’. Its financial services sector is world class in the sense that it is home to several major companies such as Norwich Union, Marsh and Virgin but its performance is still only average in terms of national competitiveness<sup>21</sup>. It also shows elements of world class performance in certain parts of particular sectors, i.e. energy, high value manufacturing and, increasingly, creative industries.

4.102 However, whilst it shows significant evidence of entrepreneurial activity in particular lifestyle sectors, these are not the sectors that deliver real growth. Furthermore, it has a good higher education (HE) offer but this has little relationship with the local economy.

4.103 This highlights the basic fact that there are many development opportunities in Norfolk but they are not being exploited to their full potential. There are many reasons at the heart of this, and a future strategy for the county must address these directly. If not, then the opportunities will continue to be wasted. Nevertheless, it is clear that Norwich City in particular has a considerable appetite for growth both in terms of employment and housing. This is an important underlying condition for growth to occur.

### *Outlook*

4.104 We have combined image and outlook to try and capture both internal and external perceptions of the County. The outlook of local residents and businesses will be reflected back in external perceptions of what the County is about. The mentality of the County has been raised as an issue because it has been made clear by several stakeholders representing a range of different disciplines that this is much of what holds the County back. With its peripheral location allied to low population density and

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<sup>21</sup> Based on the Robert Huggins Associates 2003 UK Competitiveness Index

generally high quality of life, it is felt that many have developed a 'drawbridge' mentality. For a step change in the County's economy to occur, it was felt that this mindset must change and a clear way forward to do this must be formulated.

- 4.105 Related to this is the packaging and branding of the County. It was felt that many areas have had similar sets of issues in the past but have been able to successfully brand themselves and shown the outside world what they have to offer. The feeling in Norfolk is that this has never really been done, mostly due to this drawbridge mentality. To some, this now gives Norfolk a golden opportunity, with an effective approach, to 'come from nowhere' and put itself on the map by dispelling many myths and showing what the County has to offer.

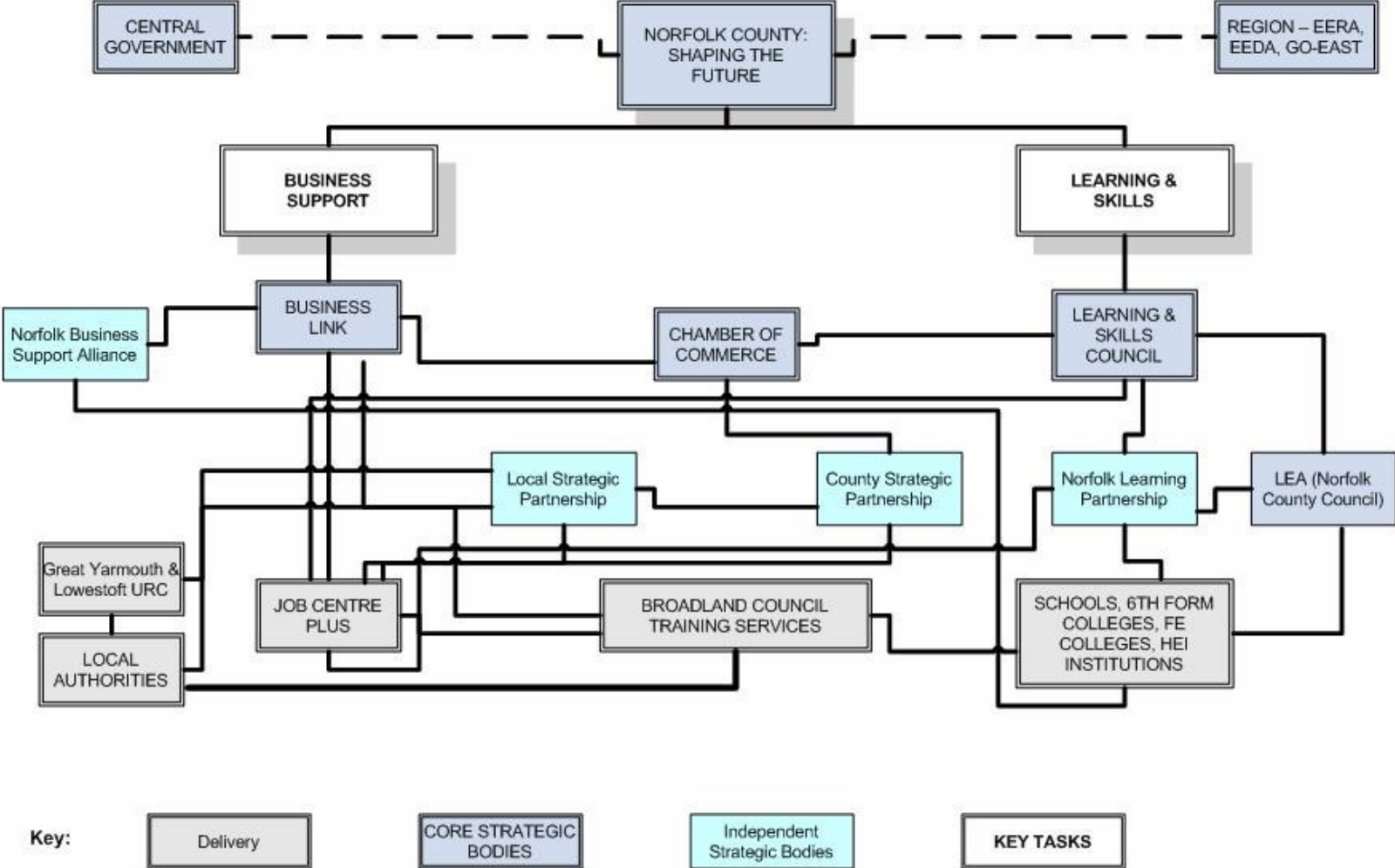
## Institutional Profile

- 4.106 A considerable factor in the ability to achieve a healthy, strong economy is the institutional structure and the way in which those institutions operate. The current stakeholders in this context include:
- the administrative public sector - county and district councils;
  - the public sector support network (some are publicly funded and some privately funded) - Business Link, LSC, Job Centre Plus, LSPs, Chamber of Commerce;
  - the private sector - private businesses.
- 4.107 The degree to which these three sets of stakeholders, and particularly those in the public sector and those in the private sector, work together will determine the strength of the base of any strategy. Moreover, it is important that these stakeholders are effectively aligned; simple cooperation between immediate partners will not ensure success.
- 4.108 What has been highlighted through the consultations undertaken with stakeholders are two main points:
- there are many institutions involved in either the development of strategy or actual delivery;
  - the relationship between these institutions is very complex - this is shown by the diagram in Figure 4.1.
- 4.109 In this diagram, the detail of the particular relationships shown are not important; it is merely seeking to demonstrate the sheer numbers of stakeholders involved in shaping and delivering the chosen economic future for Norfolk and the number of other stakeholders that they each have to interact with. Inevitably, each institution has its own agenda and it is the interaction between each of these agendas, particularly between public and private sector institutions, that is key.
- 4.110 Consultation with stakeholders showed that the relationship between stakeholders was quite good. Many organisations that in other areas experience tension in their relationship, demonstrated an ability to work together to achieve a broadly common goal. Allied to this are the support structures that are in place to help businesses and service providers generally.
- 4.111 Whilst the offer was felt to be good and there is a good relationship between all of the main agencies, most businesses stated that they want two fundamental things - SIMPLICITY and CONSISTENCY. Whilst it is accepted that much of the offer is controlled at a national government level, there was felt to be a need to give businesses a simple set of choices when they require help. They want to know where they can go and they want to know that the help they get will remain under the same banner. This is partly about branding and partly about better engagement.
- 4.112 Whilst several stakeholders saw the relationship between public and private sector as being quite good, there were many who felt that the private sector was being hindered

by what they saw as the sizeable and dominant public sector. The public sector must look after the needs of everyone and so therefore, the view is that this has the effect of diluting the impact that focused assistance to private businesses in specific sectors could have.

- 4.113 It therefore needs to be determined whether the relationships between institutions, along with their respective roles, need to be changed. This will partly be dependent on the economic future that is identified for Norfolk in this report. However, these relationships, as shown in Figure 4.1, relate to the delivery of the Shaping the Future strategy which is not within the realm of this study.

Figure 4.1 Norfolk Institutional Structure



## 5 A FRAMEWORK FOR ACTION

### Delivering the Jobs

- 5.1 Exactly what actions are required (and when) in order to secure the employment forecasts depends on the number and type of jobs and, more generally, on the vision for the economy of the County that is collectively held by the County stakeholders.
- 5.2 As regards the former, the forecasts indicate that between 34,000 and 51,000 extra jobs will be created within Norfolk and Waveney by 2021 (although a forecast unconstrained by labour supply and housing supply would imply higher figures). We have suggested a target of 60,000 might be used to help Norfolk and Waveney realise its growth potential and address its regeneration priorities. However, whether 30,000 or 60,000 extra jobs are to be expected, the framework for action is likely to be same.
- 5.3 As regards the vision for the County, the current vision ('Shaping the Future'<sup>22</sup>) states that by 2010 Norfolk will,
- "...have a distinctive economy, characterised by innovative and dynamic businesses, where people are skilled and motivated with the opportunities to maximise their potential in a high quality environment".*
- 5.4 The vision statement continues by stating that Norfolk will:
- have a reputation for business excellence and innovation with strong clusters of related businesses;
  - have a skilled and flexible workforce;
  - have a high rate of new businesses being formed;
  - be outward looking with strong links to mainland Europe;
  - have a Research Park in Norwich, which is the premier location for plant-biotechnology and food-related activity in Europe;
  - have good communications with other areas in the UK and with Europe.
- 5.5 This vision is both broad and ambitious. Indeed, within five years Norfolk is to be recognised within the UK for business excellence and innovation, be outward looking (towards continental Europe), and be the location of the premier research park focusing on plant bio-technology and food related activity.
- 5.6 One is forced to posit the question as to whether this vision is achievable (by 2010). The economic profile presented in this report (and the SWOT analysis in particular) characterises Norfolk as a reasonably prosperous county. The analysis does not, however, lead one to dispassionately believe that Norfolk will become, within five years, a major centre of innovation driven by dynamic, European-focused businesses. It is fair to posit that the vision is over-ambitious for the target year of 2010.
- 5.7 The vision is over-ambitious in the absence of actions that need to be taken today. The vision may be realisable if a range of actions, over and above those already being implemented by the stakeholders of the County, are implemented. The role of the study was to provide priorities for action and these are summarised in the table at the end of this chapter. Given below are suggested key actions for the client body to consider and detail up and implement as they see fit.

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<sup>22</sup> Shaping the Future Strategy. The economic development strategy for Norfolk, 2001-10.

## Suggested Actions

- 5.8 In order to develop a full and coherent strategy, these interventions should be worked through with the client group in order to provide the necessary additional detail.
- 5.9 The suggested actions are set out under six themes:
- Building a high calibre workforce
  - Site and property development
  - Physical and social infrastructure interventions
  - Regeneration requirements
  - Marketing and promotion
  - Institutional strengthening

5.10 We shall now address each of these in turn.

### *Building a High Calibre Workforce*

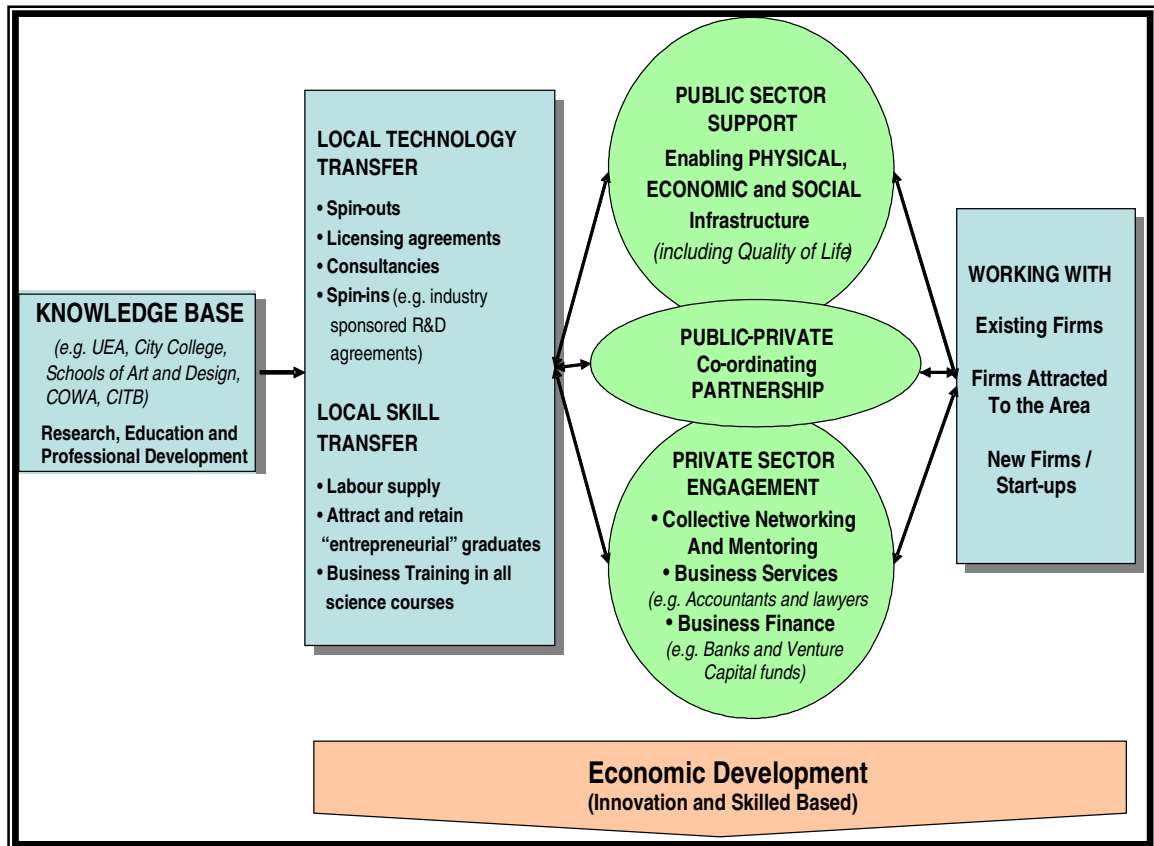
#### *Action 1: Focus on Innovation*

- 5.11 This is a key focus of the vision presented in 'Shaping the Future' and agreed by all County stakeholders to be an important element of any economic development programme for the County.
- 5.12 The suggestion is that the public sector with jurisdiction in Norfolk (which includes EEDA) works with those institutions responsible for producing the knowledge base of the County (namely, the HEI/FEI sector) to prioritise innovation in the economy. This is, of course, already a focus of action of both the public sector and the HEI/FEI sector of the County<sup>23</sup>. What is proposed is that these parties, together with key representatives of business in the County, formulate a distinctive and coherent innovation strategy for the County (benchmarked against best practice in Europe and the USA), and that resources additional to those allocated in existing budget lines are applied (and underpinned with contributions from the private sector).
- 5.13 If Norfolk is to be known for "business excellence and innovation" and become, by 2010, the "premier location for plant-bio and food related activity in Europe," then the current efforts to support innovation must be strengthened. The conceptual model that underpins the effort to improve innovation within the economy of Norfolk is illustrated in Figure 5.1.
- 5.14 There is some evidence that programmes are contributing towards this. Currently at Norwich Research Park there is the NRPE programme. This seeks to encourage graduate spin-outs and the commercialisation of the science agenda. It is vital that this programme is supported and that similar schemes are developed as part of a dedicated drive delivered by a single identified group (recommended to be related to the Shaping the Future Management Board).
- Recommendation: A single group is identified to administer existing and future planned innovation projects (such as NRPE).

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<sup>23</sup> And finds expression in, for example, *the Norfolk Centre of Vocational Excellence in Computing and Networking* and, more recently, in the new *Engineering Enterprise Hub Centre of Excellence*, which is a partnership between Norfolk County Council, Group Lotus plc, the East of England Development Agency, South Norfolk Council and Business Link.

Figure 5.1 Encouraging Innovation within the Norfolk Economy



5.15 The conceptual model focuses on technology transfer and skill upgrading. As regards the former, it has been recognised in other regions in Europe that technology transfer is most marked when ‘spin-ins’ and licensing agreements are the focus of action (with a corresponding reduction of attention on ‘spin-outs’<sup>24</sup>). It is perhaps advisable for stakeholders of the County to promote technology transfer within the target clusters, having had the private sector validate both the mechanism of technology transfer and the target cluster. It seems inconceivable that UEA, already part of the Cambridge Network, would not be in a position to benefit from, if not formally join, the Oxford to Cambridge Arc (O2C), which would greatly enhance the chances of the County developing an effective innovation strategy and profiting from effective technology transfer.

<sup>24</sup> ‘Spin outs’ are companies that have been set up by universities or larger companies to make commercial use of a new technology that has been developed in research. In order to develop new technology which a university or company can then use for its own needs,, the institution can become the partner of a company which already exists. This is called a ‘spin in.’

**EVIDENCE BOX: Metropolitan Austin, Texas, USA: Planning for and Achieving a “High-Tech” Takeoff. A model for Norwich?**

Many places have tried to replicate the high-technology economic vitality of California’s “Silicon Valley”, but few have succeeded. One place that definitely put all the pieces in place and achieved its goal is Austin, Texas, which has been transformed from a quiet state capital and college town during the 1970s to one of America’s and the world’s leading technology centres today.

Leadership for this effort came from the Greater Austin Chamber of Commerce, which began in the 1960s to promote economic diversification by focusing on attracting electronics manufacturing factories of major companies such as IBM, Motorola, and Texas Instruments. Metropolitan Austin’s economic strategy came together in 1983, however, when the business community and local elected officials joined hands with University of Texas administrators, Governor Mark White, and the state legislature to successfully attract the nation’s first public-private high-technology research consortium, the Microelectronics and Computer Technology Corporation (MCC).

In the process of winning the nationwide competition against three other technology-oriented metropolitan regions – North Carolina’s Research Triangle Park (Raleigh-Durham-Chapel Hill); Phoenix, Arizona; and San Diego, California – Governor White and the state legislature committed millions of dollars to endow 32 new professorships in engineering and science at the University of Texas at Austin. They also moved to attract top-quality faculty and graduate students in technology fields, build additional research laboratories and upgrade facilities on campus and at the university’s Balcones (now Jake Pickle) Research Park, and provide financial support for several other important initiatives. These substantial state budget commitments were renewed and expanded by subsequent Governors, including Governor George W. Bush. The presence of MCC served as a significant magnet for many technology companies, including Advance Micro Devices, Applied Materials, 3M, Apple, and Samsung, to locate manufacturing plants, research and development facilities and customer service centres in Austin. In 1984, one year after winning the competition to attract MCC, the University of Texas spun off its most important home-grown technology company, Dell Computer Corporation, which grew to become one of metropolitan Austin’s largest employers.

In 1988 Austin also attracted Sematech, another major national research consortium sponsored by the technology industry. While actively wooing Sematech, the university – with strong support from the state government – created the Austin Technology Incubator to promote the commercial applications of research and development projects and the transfer of technological inventions and innovations from laboratories to businesses. The partners also established the Texas Capital Network to expand venture capital investments and increase the availability of financing and management assistance to encourage the formation and growth of new companies. All told, the private and public sectors, including the state government, have invested billions of dollars to ensure the success of Austin’s metropolitan economic strategy.

- 5.16 The evidence box above shows how change can be driven by a coherent partnership of public, private and education sector, i.e. the Triple Helix Model (see Action 1 within ‘Institutional Strengthening’ for more detail). In the case of Austin, it has become a high-technology focus through the close working of the State, the universities and the private sector. It has been able to attract important anchor firms which have acted as magnets for others.
- 5.17 So can this be achieved in Norfolk? Whilst it is not possible for this scale of development to be achieved - the vast amount of funding required was provided by Austin winning a national competition - it demonstrates a relatively iterative process of

cooperation that could be replicated. As a first stage in the process, an innovation plan would be needed to be devised.

*Action 2: Audit Innovation Resources*

- 5.18 A useful “tool” that can be used by the regional (or county) leadership to understand and promote the innovation process (and align the investment priorities of the public sector with the needs of the changing economy) is an “innovative index”, namely, a list of the innovation resources of the County and an assessment as to how well those resources are being used by the private sector through the innovation process. One of the first regions to devise and use such an index was the State of Massachusetts in the US, as shown in Figure 5.2:

**Figure 5.2 Indexing Innovation, Massachusetts, USA**

Massachusetts Innovation Index		
	FRAMEWORK ELEMENT	INDICATOR (samples)
RESOURCES	Human Resources	Engineering & Computer Science Degrees
	Technology R&D Resources	R&D Expenditures
	Investment Capital Resources	Venture Capital Investment
	Infrastructure Resources	Information Infrastructure Use
PROCESS	Idea Generation	Patent Activity
	Commercialization	Technology Licensing Activity and Values
	Entrepreneurship	Initial Public Offerings (IPOs) Activity and Values
	Company Business Innovation	Proportion of Revenues from New Products
RESULTS	Individual Opportunity	Real Income Adjusted for Cost of Living
	Competitiveness	Industry Value Added
	Business and Cluster Performance	Job Cluster Growth

*The Massachusetts innovation index measures the strength of Massachusetts innovation resources and how well they are being turned into results.*

Source: “Innovative Regions” Collaborative Economics of the USA, 1999

- 5.19 One example of an innovation that should be recorded in Norfolk and Waveney is the renewable energy sector which is a key driver for the area. Much of this relates to off-shore energy but also there are other strengths such as biomass.
- 5.20 The offshore element of this innovation is mostly focused in the Great Yarmouth and Lowestoft Sub-Region. A specific resource project that is being undertaken is the development of a landmark Offshore Renewables Energy Centre (OREC) in Lowestoft. This will provide the region’s first dedicated physical portal-based hub and office centre for business and public bodies working wholly in the offshore wind and marine renewables environment. It will be designed to take forward best practice for entrepreneurial, R&D and innovation development that can promote the East of England as a leader in the development of offshore wind farm projects. The UK government’s stated objective to generate 10% of electricity from renewables by 201 should give particular impetus to this sector.
- 5.21 In order to properly understand the precise nature of the very wide range of innovation resources that this will create, it will be necessary to study and document this in an innovation index.

- Recommendation: Develop an Innovation Index for Norfolk and Waveney in order to identify what innovation resources there are and where these resources are being poorly/well used.

*Action 3: Utilise the Strength of the University/Higher Education Offer*

- 5.22 The strength in the Norfolk HEI sector is located principally around Norwich. UEA already has a well-established reputation and Norwich Business School and the Norwich School of Art and Design are both growing their individual reputations strongly through the development of a number of high quality courses. Both are looking to secure university status.
- 5.23 Where universities develop a strength in a particular niche, the relevant sector often develops a presence nearby. UEA has developed a strength in food and bio-technology and this has spawned the success of the Norwich Research Park, one of the key drivers of the knowledge-economy in the Norwich Sub-Region. This presence in turn has attracted independent, world-class research establishments including the John Innes Centre (plant science and micro-biology), the associated Sainsbury Laboratory and the Institute of Food Research (food science). This is underpinned by the still significant agriculture and food processing sectors.
- 5.24 This demonstrates the strength that universities have and how important it is to maximise their potential to attract major investment. The effects that it can have on the entire economy are considerable, as shown in the evidence box below for San Diego in the US.

**EVIDENCE BOX: The San Diego Story - Taking Advantage of its Universities**

Throughout much of the century, San Diego, California was known as a tourist-oriented Navy town with a defence technology base – not as a wellspring of innovation. But in the early 1960s visionary regional leaders worked diligently to build on an existing asset, the well respected Scripps Institute for Oceanography, an effort which culminated in the creation of the University of California at San Diego (UCSD) in 1965. Over the next three decades, UCSD grew to become the leading research university of the UC system and one of the top research universities in the country. The University became one of the nation's leading catalysts in helping create a regional technology economy. In particular, two university professors, Ivor Royston and Irwin Jacobs, helped to stimulate both the bioscience and the digital communications industries in San Diego and model a culture of academic entrepreneurship. From their original firms, Hybritech and Linkabit, have come strong "family trees" of dozens of related firms. In a relatively short period of time, San Diego has become one of the nation's innovation hot spots, generating excellence in defence (1970s), health (1980s), and telecommunications (1990s). Today, the region is home to a fast-growing software and internet sector, the latest manifestation of its culture of innovation.

Source: *"Innovative Regions"* Collaborative Economics of the USA, 1999.

- 5.25 Stronger linkages need to be made with the universities and between them and private business to ensure that opportunities are not missed. This particularly relates to the growing reputation of the Norwich Business School and the Norwich School of Art and Design which are still relatively young HEI institutions but still have considerable potential.
- 5.26 The University of Suffolk is well advanced with plans to have a satellite centre in Lowestoft. This will be extremely important to the Great Yarmouth and Waveney Sub-Region as it currently has no HE offer to attract the highest calibre students in. It is vital

that the University of Suffolk is therefore included, along with any other HE institutions potentially looking to locate satellite centres in the county. One example could be a university with strengths in the energy sector. This could be attracted by the proposed Offshore Renewables Energy Centre which would make Lowestoft the regional and possibly national centre for offshore wind technology.

5.27 The Shaping the Future Management Board, through its private sector representatives, should be engaging in dialogue with these institutions in order to secure opportunities for secondments and more sandwich courses with a year in local industry.

- **Recommendation: Set up networks between private sector representatives of the STFMB and key HEI institutions in order to underpin more vocational learning for undergraduates (thereby encouraging them to stay and work in Norfolk and Waveney when they graduate).**

*Action 4: Encourage Graduates In*

5.28 The key to a high calibre workforce is a strong graduate presence that will underpin the economy for years to come. As has been discussed earlier, Norfolk has low GVA (compared to the national average) which is partly reflected by low wages. These wage levels, in turn, are in line with the low skill levels. One of the principal reasons for this is that Norfolk has one of the lowest proportions of graduates among its employees of any UK county. Since, average wages are closely correlated with the proportion of graduates, Norfolk's low wages (and GVA) are predictable.

5.29 So, there is a need to increase the number of graduates working in the economy. This is not just about retaining graduates that have studied at universities in the County. Many graduates, particularly with degrees related to sectors not particularly well represented in Norfolk and Waveney will almost certainly leave irrespective of the offer.

5.30 Rather, it is important to know how to attract graduates to the area that do fit the profile. The combination of a strong sectoral profile and high profile companies, along with a good quality of life could put Norfolk and Waveney in a strong position to attract graduates. However, at present this is not the case.

5.31 The modern workplace no longer offers a job for life, nor are most people willing to work in a single job for life. In particular, graduates will change jobs often in their early years in order to gain the best experience. These changes at a young age are less restricted in terms of where people will go - the best graduates will go to where the best opportunities are. Put simply, there is flexibility but in order to reap the benefits there must be a good understanding of the patterns of movements of the people and particularly to provide the right jobs locally for people.

5.32 To do this, a mechanism needs to be put in place that will keep closer tabs on where graduates are going and what they are doing. This must be done on a sector by sector basis, as different industries will exhibit very different patterns of movement. Universities often undertake a scaled down version of this through alumni programmes but with greater investment and interaction with the private sector, a more definitive tracking service can be put in place.

5.33 One way that better profiling of graduates could be done is through the suggested private sector representatives on the Shaping the Future Management Board. They will have affiliations with their respective industries' representative bodies who will have better information in terms of:

- numbers of graduates joining a particular industry;
- where these graduates come from (both where they originate from and which university they graduated from);
- who they take a first job with;

- how long they stay in their first job;
- where they go when they leave their first job;
- why they choose to leave a graduate post.

5.34 As this shows, it is not just about picking up graduates as soon as they leave from university but understanding where they spend their first 2-3 years when working and why they move around. This is illustrated by the cases shown in the evidence box below.

**EVIDENCE BOX: The Media & Design Sectors: In Need of Innovation to Pick Up 'Second-Generation' Graduates?**

Soup is an internet firm/web page designer of some 30 people, located in high quality facilities in the centre of Norwich.

One of the problems of their location is that a large number of the graduates that they would be interested in recruiting from UEA and the School of Art & Design "head off to London soon after graduating". This has to be addressed by recruiting from the London labour market which is expensive.

The Norwich School of Art & Design supports this - 86% of its graphic design students get jobs within a year of graduating but most go to London. Only 15% stay in Norwich. The feeling is that you have to work with the 'big boys' (who are in London) at least for the first part of your career. The aim is to work for an internationally renowned graphic design company for 2-4 years and then "branch out".

But why can't this branching out be back to Norwich? There is a need to keep tabs on these graduates (who know Norwich and hopefully have fond memories of their time there) and poach them once they have served their time in the London market.

Also, Soup feels it is time for more innovative actions:

- Secondments from the local HEI institutions?
- Sandwich courses with Soup?
- Specific training modules of undergraduate courses with Soup?

Soup identify the need for the HEI institutions with courses relevant to their industry to create a database of students so that companies can always keep in touch with them and post opportunities in Norwich to them.

5.35 The success of this depends on the linkages with the relevant university networks. UEA is already a member of the Cambridge Network and should also seek to benefit, where possible, from the O2C Arc initiative. However, the other HEI institutions, many of which are developing a growing reputation for the quality of their courses - examples include the Norwich Business School and the Norwich School of Art & Design - should also be developing relevant networks with other similar institutions. The Norwich School of Art & Design is leading the way by setting up an accreditation with the London School of Art in partnership to offer M.Phil and PhD qualifications.

5.36 It is also important not to neglect the network of Further Education and training institutions in the county, including Norwich City, Paston, Great Yarmouth, Lowestoft, West Norfolk and Easton Colleges, the College of West Anglia (COWA, which is linked into Anglia Polytechnic University based at Cambridge and Chelmsford) and the Construction Industry Training Board (CITB), based in King's Lynn. These have many strengths and have the potential also to provide graduate-calibre workers into the employment market.

- **Recommendation: Set up better methods of graduate monitoring by HE institutions in order to assist businesses in targeting graduates for employment opportunities.**

- 5.37 The response to the low levels of graduates can be addressed at the other end of the scale, namely by attracting in more graduate-employing companies. This will have the effect of improving the sectoral structure and also the productivity of those sectors. It is important that all possible opportunities are maximised, such as the Lyons Review and the possible relocation of one or more Central Government departments to Norwich. It is recognized that there is already a campaign underway to do this, and this should be further supported where possible.
- 5.38 In practice, this will mean focusing principally on the higher value sectors that the large majority of graduates traditionally work in, i.e. the financial and business services sector as well as the other potential growth sectors that have a high skills requirement. In terms of space requirements, this will increase the need for high quality office developments, a point that is addressed in the suggested actions on Site and Property Development.
- 5.39 The need therefore would be to create the conditions to attract in these types of graduate-employing companies and then to focus inward investment on this sectors. In the short term - in order to maximise the potential to benefit from early opportunities such as the Lyons Review - the quality of the stock of available office space in the most favourable locations, particularly Norwich City Centre, must be improved. Again, this is addressed in the section on Site and Property Development.
- **Recommendation: Focus on the early development of high quality office space in Norwich City, which is most attractive to graduate-employing companies. Possible early wins to focus on include the Lyons Review.**

*Action 5: Refocus on Apprenticeship Programme*

- 5.40 A high calibre workforce cannot simply consist of high quality graduates and managers. Much of the core of the workforce will be, in occupational classification terms, lower skilled because of the continued presence of the manufacturing sector. However, in a strong, well established sector, it is this workforce (unlike graduates) that is more likely to comprise local people. Whilst there is likely to be a net reduction in the overall number of workers in this category, as set out in Table 4.2, there will nevertheless be significant replacement demand that needs to be met as existing skilled workers retire.
- 5.41 Evidence from private stakeholders interviewed and the data analysed suggests that, for many of the higher skilled manufacturing jobs, local people do not have the skills and companies are having to recruit from across the UK. This is possible because Norfolk offers an attractive package for skilled in-migrant workers. However, it is economically inefficient and companies are concerned that, as these workers age and move towards retirement, there will be no-one to fill their positions. With tightening margins in the manufacturing sector, companies will become increasingly less able to recruit nationally. This was raised particularly in respect of shopfloor positions in manufacturing companies, such as plastic moulding setters and metal workers.
- 5.42 Many of these companies stated that they would be prepared to take on apprentices as part of a coordinated programme. They do not do this currently because they do not have the time or money to invest to set up a programme from scratch. However, they would potentially be willing to invest in any apprenticeship programme organised by an outside source.
- 5.43 It is therefore suggested that the combined Business Link, LSC and Job Centre Plus (see Action 3 on 'Institutional Strengthening') identify the needs of business and work with the local colleges (such as Paston College which has stated a wish to better

coordinate courses to local employment needs) to develop an apprenticeship programme. This would be jointly funded by the public and private sector.

- **Recommendation: Set up an apprenticeship programme in conjunction with businesses that have particular identified skills shortages.**

#### *Action 6: Housing and Demographics*

- 5.44 We do not propose to set out detailed programmes for housing delivery but note the importance of delivering the right type of housing along with associated amenities if Norfolk and Waveney are going to attract and retain a highly skilled workforce. This relates strongly to the provision of infrastructure which is addressed in the 'Physical and Social Infrastructure Interventions' intervention later in the chapter.
- 5.45 Many of the problems of housing delivery are not unique to Norfolk and Waveney and as such the recommendations of the Barker Report should be seen to have fairly widespread applicability.
- 5.46 We have noted earlier the importance of rapidly recycling brownfield land from former industrial use. The districts should be actively preparing for this through employment land studies and the LDF process to ensure this land is brought forward in timely fashion.
- **Recommendation: The recommendations of the Barker Report should have widespread applicability across Norfolk & Waveney. This should be recognised in the East of England Plan within Policy H3 (phasing of housing development).**

#### *Site and Property Development*

##### *Action 1: Bring Forward Key Identified Sites*

- 5.47 On the basis of the work undertaken to date, we consider that existing allocations, when supplemented with windfall sites and existing employment land that is vacated by declining sectors, should be sufficient to meet the employment land requirements derived from our forecasts. However, the majority of existing allocations are constrained to the extent that development in the short-term is unlikely without some level of public sector intervention. Only a small number of strategic employment sites detailed in Chapter 4 are potentially available to meet any immediate need. In many cases the combination of a weak local property market and town planning constraints limit the viability of these sites.
- 5.48 Constraints vary on a site-by-site basis but include such things as abnormal development costs associated with site clearance and remediation, the provision of site access infrastructure, site servicing and in some cases, landowner aspirations. To identify those sites most needed in the short to medium term, it is important for the key stakeholders to develop a strategy that prioritises sites for employment development according to local and strategic demand-led indicators. The Strategic Employment Sites Study undertaken by GVA Grimley goes some way to doing this.
- 5.49 Where allocations that are identified as priority sites are not coming forward for development, it is important that stakeholders develop a detailed understanding of why this is the case, through necessary on-site investigations and feasibility testing. Where it is found that viability is the primary constraint, this work will allow parties to consider the role that the public and private sector stakeholders might play to facilitate development either through financial intervention or evolving a flexible planning framework to allow a mix of uses to enable the provision of the employment element. Clearly, in these instances each case should be considered on its merits and in the context of the relevant authorities and employment land supply analysis.
- 5.50 We have outlined below, a number of sites that we consider to be key employment locations for the future in the Great Yarmouth and Lowestoft, King's Lynn and Norwich sub-regions. Stakeholders should consider this small group and may want to supplement it with additional sites. Each of the sites is currently subject to constraints

that serve to prevent employment development and is an example of where further feasibility testing would help to define a framework for future action. For each site, we have provided a short commentary on why we consider it to be important to the economic growth of the County, an outline of the (known) constraints at the sites and potential delivery routes identified in the Strategic Employment Site Study.

#### Great Yarmouth and Lowestoft Sub-Region

- 5.51 Neither Great Yarmouth nor Waveney have significant quantities of suitable land for high-quality employment development. However, each area does currently have key employment land sufficient to meet its immediate needs.
- 5.52 The key site for higher order employment uses in the future in Great Yarmouth is to be the Beacon Business Park (described above). It benefits from having infrastructure and site servicing in place and is immediately available for development. The scale of the Beacon Business Park - including Phase 2 - is likely to provide an adequate supply of land for high quality office, R&D and light industrial development in the short to medium term future.
- 5.53 The key site presently suitable for high quality employment development in Waveney is the Riverside Business Park. As with the Beacon Business Park in Great Yarmouth, the Riverside benefits from having infrastructure and site serving in place and is immediately available for development. However, unlike the Beacon, the Riverside has a limited capacity for development and we are advised that many of the available plots are now subject to active proposals. It is therefore likely that alternative sites will be needed in the short-term in Waveney for employment development of the type shown in the forecasts. The URC masterplan is expected to consider this issue and make recommendations on future locations for this type of development.
- 5.54 Recent high-quality office developments targeted at small businesses and start-ups in the Great Yarmouth and Waveney sub-region have been successful in attracting and maintaining high-levels of occupancy, indicative of good demand for this type of space. The forecasts indicate that the requirement for high-quality office space in the future is likely to increase.
- **Recommendation:** In the long-term, it is important that the forthcoming URC masterplan takes account of the projections and translates their implications into any development framework. This should be recognised in Policy GYL4 of the East of England Plan (implementation of plans in Great Yarmouth and Lowestoft). In the short to medium-term, there is significant capacity for new office development in Great Yarmouth at the Beacon Business Park. In Waveney, there is little additional capacity for new office developments at the primary location - Riverside Business Park - and it is likely that there will be significant pressure in the short-term for additional space for development. More sites should therefore be identified for office development, ideally through the URC masterplanning process.

#### King's Lynn Sub-Region

- 5.55 The King's Lynn sub-region contains a number of strategic employment sites. Four of the sites are located in and around King's Lynn itself with the two remaining sites located in Downham Market and Tattersett. Much of the future economic growth in the sub-region is likely to be focussed around the main urban centre (King's Lynn) and much of the office-based requirement is likely to be concentrated in the Nar-Ouse Regeneration Area (NORA) development. However, there is one other site that we consider is key to promoting and delivering economic development of this sub-region that is both significantly constrained and unlikely to be delivered without public sector intervention; the Hardwick Industrial Estate Extension.

#### Hardwick Industrial Estate Extension

- 5.56 The Hardwick Industrial Estate Extension represents the last major section of undeveloped land at the Hardwick Industrial Estate. The estate is the main established

industrial estate in King's Lynn and is a key centre for the economy of the sub-region containing high densities of light industrial, general industrial and warehousing and distribution activities. Whilst we anticipate that much of the requirement for office based uses will be met by space provided as part of NORA, industrial activities are fundamental to the economy of the sub-region and will continue to be so into the future. In addition to this, we are advised that significant demand exists for sites for industrial use in the King's Lynn area from existing and potential new occupiers and that a lack of supply is currently inhibiting the growth of this sector.

- 5.57 The key constraint to development in this case concerns the capacity of the service infrastructure. Development of the extension would require infrastructure for the whole estate to be upgraded. This would represent a significant cost to potential developers. At present, the Borough Council and two private owners have a tri-partite agreement whereby a percentage of monies earned from the sale of plots would be put into a fund to contribute to the cost of infrastructure works.
- 5.58 In addition to the on-site infrastructure costs, a further constraint is that the County Council requires a new access to the site from the A149 Cromer Road if the extension is developed. This would also place an additional cost on potential developers and take a proportion of the site out of developable use.
- 5.59 Whilst the existing tri-partite agreement represents a positive step towards facilitating development, the point at which sufficient funds have been accumulated has not been reached and may remain some way off. The Council may want to utilise its key role as landowner to help overcome the continuing viability gap. This could take the form of setting up a joint venture arrangement with the remaining landowners in which the Council defers its return on any income to render the site developable.
- **Recommendation: Support the traditional industrial economy of the area by facilitating development at the Hardwick Industrial Estate Extension and an intensification of existing uses on the remainder of the existing estate. This approach should be supported by a strategy for the managed release and development of other suitable sites for industrial development.**

#### Norwich Sub-Region

- 5.60 The Norwich sub-region contains ten strategic employment sites, seven of which are focussed either in or around the urban area of Norwich. In addition, the sub-region contains a number of other sites that are either planned or under construction, capable of accommodating around 2 million sq.ft (185,000m<sup>2</sup>) of new office floorspace. Whilst a significant proportion of demand for employment space can be accommodated on unconstrained allocations at locations such as Broadland Business Park (in respect of the remainder of the first phase), none of these sites cater for the demand for potential city centre occupiers and have implications in terms of promoting sustainable live-work patterns.
- 5.61 Research showed that there are six proposed schemes that could provide important office space in Norwich City centre. Together, the sites could deliver up to 46,500m<sup>2</sup> (509,800 sq.ft) of office floorspace. These are:
- St James Place, Jarrold Site, Whitefriars
  - Victoria House, Queens Road
  - Mann Egerton Site, Prince of Wales Road
  - Busseys Site, Palace Street
  - 125/129 King Street
  - Livestock Market, Hall Road.
- 5.62 The viability of these schemes and the extent to which they can be delivered to the development market in the short-term is unknown.

5.63 There are four strategic employment sites that are considered to have a significant role to play in the future economic development of the City and its sub-region, all of which are currently held back for development by a series of constraints. Two of the sites are located close to the City centre, within the built up area of Norwich (the Deal Ground and Utilities Site) and could potentially provide much needed central space for employment activities. And two of the sites are located on the periphery of the built up area of Norwich at Colney and Cringleford (Norwich Research Park and Longwater Employment Area respectively). Each of the sites experiences some level of constraint to development analysed in detail in the Strategic Employment Study mentioned above.

#### *Deal Ground & Utilities Site*

5.64 Both the Deal Ground and Utilities Sites benefit from relative proximity to Norwich City centre and strategic road and rail links. In addition to this, they are the two most significant remaining undeveloped allocations within the Norwich City administrative boundary. If they could be made available for development, their siting and location should allow them to provide much needed space for occupiers that require accommodation close to the centre of the city and good access to transport infrastructure.

5.65 The primary constraints to development at the Utilities Site relate to issues of access, its historic and existing uses and flood risk. Access is severely limited at present. To facilitate development, at least one new access point would be required which would have to cross railway lines or the River Wensum. This would have significant cost implications.

5.66 The second significant constraint relates the level of clearance and remediation works required to make the site developable. Removal of the legacy of the power station and removal/upgrading of the gas storage equipment would both incur significant costs to a developer.

5.67 The primary constraint to developing the Deal Ground relates to accessing the site. To do this to an acceptable level to facilitate meaningful development on the site will require the bridging of the River Yare and the cooperation/support of third parties (May Gurney) and South Norfolk District Council. In addition, the site is constrained by potential contamination and issues relating to flooding.

5.68 If both of these sites are to be delivered according to their existing allocations, we consider it likely that significant public sector financial intervention will be required to overcome constraints currently serving to prevent development. We recommend that a comprehensive approach is taken to the planning of both the Deal Ground and Utilities Sites encompassing both areas and possibly other adjoining sites to achieve a comprehensively planned new town district. This exercise should be flexible in the uses it recommends are delivered at the site and encourage a balance that maximises development for employment activities and minimises the requirement for public sector investment through exploring the economic impact of other, value generating uses.

5.69 This is the key site if a significant city centre office component, which seems essential to the growth strategy, is to be delivered.

#### *Norwich Research Park*

5.70 To the south of the city, at Colney, the Norwich Research Park is the focus of the health and life sciences cluster. It is widely acknowledged that these sectors are an important part in the future economic development of the sub-region and represent a significant unique selling point (USP) of the area.

5.71 The Norwich Research Park's major infrastructural constraint is junction capacity on the B1108 and A47. In addition, there are a number of inter linked constraints affecting the successful growth of the Norwich Research Park. The nature of the activities taking place at the park are inherently very specialised. This means that the pool of potential

future occupiers is severely limited and likely to be global in nature. Successfully attracting such tenants is difficult. In addition to this, to attract potential tenants, it must be as easy as possible for them to locate/relocate to the park. To do this often requires sophisticated management techniques and ready-to-build/occupy units. Because part of the land remains in private ownership it is not possible to offer potential occupants plots and buildings “off plan”. In a highly competitive market, only those locations that can do this will succeed in attracting new tenants.

- 5.72 We would encourage the Council, existing managers of the Research Park and potentially EEDA, to persevere in their ongoing partnership working with the private landowners to facilitate conditions under which sites can be readily assembled and marketed to prospective tenants. In doing so, we would recommend that a detailed masterplan for future phases of development at the research park, including indicative building plots (and potentially building designs), be developed and used as a key marketing tool. To this end, it is recognised that a development brief is currently being prepared, so it is important that this brief is able to address these detailed points.

#### *Longwater Employment Area*

- 5.73 The Longwater Employment Area, on the western periphery of the built-up area of Norwich, could potentially serve as an equivalent to Broadland Business Park in the east. Whilst much of the existing development has been focussed around retail warehousing, it is hoped that the significant amount of remaining employment land could be developed for higher density employment activities. The site benefits from direct access to the A47 and is typical of many other “greenfield” business parks such as Broadland.
- 5.74 The primary constraint at this site is the requirement for any new development to contribute towards funding an improved junction to the A47. In addition to this, any developer looking to bring forward employment uses on the site would also have to fund the provision of infrastructure and, potentially, remediation works. These two constraints would place significant additional costs on prospective employment developments. There is also significant concern about the capacity of the existing electricity grid being able to accommodate additional development at this location, although it is understood measures are being taken by the landowners to rectify this.
- 5.75 While improvements to the electricity services are not in place, viability of development of this site is likely to remain uncertain. However, if this constraint can be overcome through the actions of the private sector, we would envisage that the possible values that could be generated by allocated employment uses should be sufficient to deliver viable development whilst contributing towards the funding for transport improvements. We would therefore recommend that key stakeholders maintain a watching brief on this site to assess whether proposed improvements to services are made and the effect this may have upon the marketing of the sites to the development market.
- 5.76 If the proposed works do not proceed or fail to effect the desired change in developer interest we would recommend that the key stakeholders consider whether support or assistance are required. This could take the form of grant assistance for the provision of infrastructure (where possible).
- 5.77 It is important that focus is given to maintaining high-quality and high-profile employers in the city centre. Norwich city centre is significantly constrained in its capacity to provide significant new, high-quality employment accommodation in terms of both available space, quality of stock and development viability.
- 5.78 There is therefore a need to understand the extent to which existing stock in central areas can be re-used or accommodation infilled into the existing urban fabric and the extent to which there are potential development opportunities in the pipeline.

### General Issues

- 5.79 Whilst there is presently sufficient employment land to meet future requirements, it is unlikely that many of the employment sites will be able to deliver this new development due to constraints and issues of viability. There are only a small number of strategic employment sites that are capable of being developed in the short-term to accommodate significant economic growth and an equally small number of other city centre sites that are planned or under construction. It is unlikely that this small selection of sites will be sufficient to meet the long-term growth requirements for Norfolk and Waveney.
- 5.80 There is a requirement for stakeholders to understand how constrained land can be brought forward to accommodate new employment development in a structured and demand-sensitive way. Where there is likely to be a requirement for public sector intervention there is a need to understand the extent of any viability gap, prevailing demand in that location from a range of uses, and the extent to which intervention can meet key partners corporate objectives.
- **Recommendation: Detailed feasibility studies are undertaken of the key constrained sites identified, particularly those in Norwich City Centre which must be brought forward at the earliest opportunity.**

### *Action 2: Adopt a Flexible Approach to Bring Sites Forward*

- 5.81 As is logical, all the best employment sites in Norfolk and particularly Norwich have already been developed. This is unsurprising as these sites suffer from few or no constraints, so returns will be higher. As identified in Action 1, some of the best remaining sites still have considerable constraints to be overcome. These sites have been available for a considerable period and, to date, there has been little to suggest that the problems can be alleviated. What is therefore needed, given the importance of these sites to growth being realised, is a more flexible approach to their delivery.
- 5.82 One particular example that is becoming more and more common, particularly in urban areas, is cross-subsidisation through other uses, mostly housing. Residential uses enable sufficient value to be created in sites that have high remediation or infrastructure costs, thereby making them viable to developers.
- 5.83 It is therefore the role of the planning system to seek greater flexibility, where applicable, in local plan documents. With the new planning system of Local Development Frameworks (LDFs), there is a requirement for employment land studies to identify future employment land and to recommend for de-allocation land that has no prospect of development for employment. It is these sites that could be brought forward as mixed use designations with the residential uses ensuring that the employment floorspace can be delivered. This would also ensure that any higher residential development targets have a greater prospect of being met.
- 5.84 However, there is also the potential to explore these ideas through other avenues. In particular, it is expected that the Great Yarmouth and Lowestoft URC will bring forward ideas for mixed use developments in both Great Yarmouth and Lowestoft.
- 5.85 Furthermore, these mixed use developments lend themselves more to the type of flexible, modern workspace that is increasingly being required. Typically, it is not just B1 office floorspace that is sought, particularly by small, more creative businesses such as those that are showing potential in Norwich. They require 'workspace' where floorspace is flexible and can be part-workshop and part-office. Also, it gives greater potential to attract a wider range of businesses, as it can be tailored to particular requirements relatively easily. This type of space is common in incubator centres where new start-ups of varying sizes and types need cheap floorspace that is sufficiently flexible to allow them to grow.

- 5.86 Whilst this is only relevant to smaller scale developments, there are many possibilities for this to be delivered in Norwich City. In combination, these sites could add up to the provision of a significant number of opportunities.
- **Recommendation: Examine the possibility through the LDF process, that increased flexibility is incorporated into plans in order to provide the maximum possible opportunity to deliver employment on feasible sites. This could include reallocation of smaller employment sites for mixed use, particularly residential, in order to ensure that cross-subsidisation secures delivery. This should be included in Policy E5 (supporting economic diversity and business development) of the East of England Plan.**

### *Physical and Social Infrastructure Interventions*

#### *Action 1: Focus on 'Getting Connected'*

- 5.87 Increased connectivity is also a hallmark of some of the successful regions of Europe. Getting connected within the county, to the rest of the region and the UK, and with Continental Europe is expected to underpin much of the future development of Norfolk (and in particular, the Norwich and Great Yarmouth and Lowestoft sub-regions). However whilst connectivity is about the location of the County it is also about:
- more effectively exploiting its current connectivity assets (Norwich Airport, its strategic road and rail links and its ports) for the future;
  - attracting industries and investments which will develop in the area because of these assets;
  - complementary actions and improvements to ensure that the connectivity assets continue to 'work' for the area;
  - better connecting the economic life of the area with a better quality of housing, services and quality of life; and
  - improving the connection between the people of the area - residents, workforce and students - and the economy by improving the availability and quality of skilled workers so that the firms in the County do grow and stay.

Figure 5.3 Lyon - A European Metropolis



- 5.88 Lyon, as shown above in Figure 5.3, is an example of a city that has developed its connections to such an extent that it is able to market itself largely on this fact. It has established partnerships with 17 cities worldwide to exchange experience and know-how in a broad range of domains such as culture, tourism and technology. The aim is to work for the promotion of Lyon's know-how and confirm its position as a major European metropolis.
- 5.89 This is partly about improving infrastructure (see Action 2) and partly about better marketing. However, mostly it is about working in partnership to raise the profile of an area and its assets - networking.
- 5.90 Networking is often a recommended part of any strategy that seeks to bring together disparate groups. To an extent, Norfolk has already made significant strides towards this. Certainly it has been as proactive as most counties across the UK. However, increasingly, it is Europe that is leading the way in thinking about the importance of linkages (where once they looked to the UK as best practice).
- 5.91 In order to provide the opportunity to network within the sub-region and also with other EU regions that have successfully grown their economies through innovation and cooperation, there is a need to map the county's (or sub-region's) current strengths, schemes, opportunities and vision. This must then be distributed as promotional literature to businesses and other stakeholders in the county/sub-region and also to

other targeted regions across Europe. This will keep stakeholders involved and invested in the process and will better facilitate the exchange of ideas.

- **Recommendation: STFMB should regularly produce promotional material in order to keep private sector stakeholders abreast of the issues and how they are being actioned.**

5.92 More generally on a pan-European scale, it will help the county/sub-region through the learning process of developing a successful region. Perhaps the most effective way to do this is through a programme of trans-national networks with other successful and developing sub-regions that have a similar make-up. Through a series of coordinated programmes, key stakeholders can visit other regions and gain valuable knowledge concerning the lessons to be learnt from the development history of other areas.

- **Recommendation: STFMB should set up a trans-national network with successful European regions in order to understand how they have overcome or are overcoming problems within their economies.**

*Action 2: Identify Achievable Interventions*

5.93 It is well documented that many of Norfolk's weaknesses revolve around its infrastructure deficit. Numerous issues have been identified, the principal ones of which are:

- the need for a Northern Distributor Route (NDR);
- the A11 corridor;
- the A47 corridor;
- congestion in Norwich City Centre; and
- the capacity of major junctions on the Norwich Southern Bypass.

5.94 In December 2004, consultation on Regional Funding Allocations was announced by the Government - *Devolving decision making: a consultation on regional funding allocations* (December 2004). This set out proposals to establish regional transport funding allocations for the first time and to supplement the regional transport, economic development and housing funding allocations set over the 2004 Spending Review period with guidance on long term planning assumptions for the regions beyond the spending review period. These regional funding allocations and longer term planning assumptions will give regions a far stronger base on which to plan, and by submitting proposals consistent with these assumptions regions will have an even stronger voice in the next Spending Review, leading to decisions that better reflect regional priorities.

5.95 Amongst other things, the consultation proposed that the strategic road network be divided between routes of strategic national importance and those of regional importance. For the routes of regional importance, advice on priorities for schemes across the network, and that of local authorities, will be sought from a regional board. As a result of this schemes remitted to the regions are unlikely to start before 2008/09.

5.96 Therefore, whilst none of the requirements listed above for Norfolk and Waveney are currently on the Highways Agency's list of national priorities, they could soon come under regional jurisdiction. However, this is likely to result in a delay in delivery. The need therefore is twofold:

- in the short term, to focus on addressing the most important issues that it is possible to deliver in any event; and
- in the longer term, and depending on the impact of the earlier delivered schemes, to secure the delivery of the remaining major schemes through the Regional Funding Allocation.

- 5.97 Norfolk has had little adequate investment in its roads system over a period of several decades and this must change. However, it will be difficult to deliver the full complement of programmes desired - specifically the NDR and the dualling of the entire A11 and A47 - within the short to medium term. A thorough and robust evidenced based assessment will need to be undertaken of the economic and transport benefits of these projects if their priority is to be enhanced.

#### Northern Distributor Route

- 5.98 Policy and economic/demographic trends and projections suggest that Norfolk and the Norwich Urban area are likely to experience significant growth in future. This translates into strong traffic growth, expected to be an additional 50% in the number of trips in the morning and evening peak periods. Given the likely growth of the urban area, there is clear evidence that additional transport investment should be considered.
- 5.99 In respect of the NDR, the following are only initial findings at this stage, pending the results of the Economic Impact Study of the NDR, currently being undertaken by RTP. This is due to be published shortly.
- 5.100 In terms of transport impacts, the NDR generates positive benefits. These are captured in the cost/benefit analysis carried out separately from the work being undertaken by RTP on the economic impact of the NDR. These value-of-time savings show a clear positive result in favour of the NDR.
- 5.101 Through this transport modeling, our stakeholder consultations undertaken as part of this study and the NDR Study, we consider there may be a transport case for developing the route, but do not consider that there would be significant economic benefits to Norwich City Centre. As presented in the NDR Study, the transport modeling undertaken by Mott Macdonald shows that the NDR would provide little in the way of substantial time savings for journeys into the City Centre. Rather, we recommend access to the City Centre be through the development and encouragement of better use of public transport systems (see the heading in this Action on Rail and Bus Improvements).
- 5.102 What the NDR Study has found extremely difficult to do is understand the level of impact that the Draft East of England Plan housing targets will have on the transport system in Norfolk and Waveney. The work recently undertaken by RTP on the costs of infrastructure in the South East and East of England identified the difficulty in making the link between future population growth and the requirements for transport infrastructure. This work also shows there is no clear 'tipping point' which triggers the need for a new piece of road infrastructure. Therefore, making the economic case on top of the cost-benefit analysis underpinned by the transport modeling is never likely to be conclusive.
- 5.103 However, the NDR Study is not a technical transport output based on in-depth transport modeling. Most of the primary data has come from private sector business interviews of existing businesses in the area, which clearly does not provide an accurate picture of the view of new businesses that will come into the area as it grows.
- 5.104 The study picked up from the business consultations that companies considered recruitment and retention of staff to be a major issue - as has been identified in this study. So the question is, how will a new road help this? It may widen the labour pool from which a company can recruit but if these people do not have the skills required, then it provides no benefit. Also, significant numbers of staff are not likely to leave a company simply because of the road infrastructure and particularly if a new road is not built.
- 5.105 The NDR Study looked at the same issue. It found that patterns of movement may alter, in that employment sites and residential areas to the north of Norwich will therefore become quicker to travel between, possibly bringing efficiency gains. The road may open up opportunities for people to commute to employment sites around the

NDR from further south, and equally, may allow residents from near the NDR to commute to areas south of Norwich to which they may not have chosen to commute to previously. This further supports the view that the NDR will do little to relieve City Centre congestion.

- 5.106 As this evidence shows, the case for the NDR can be made around the areas that the proposed route will follow. There appears to be strong support for the NDR from the perspective of Norwich Airport and its potential to grow. The transport element of the Airport study undertaken by Arup<sup>25</sup> in 2003 showed that routes to the Airport were already congested during peak hours. In order for the Airport to grow as a passenger and employment location - a requirement identified in this study - then these routes must be relieved. The NDR will do this.
- 5.107 Therefore the NDR will improve access to the Airport - which has been identified for growth - and to existing strengths such as Broadland Business Park. If there is a desire for a strong growth strategy and this is considered to be most achievable in out-of-town locations, then there is strong weight in favour of the NDR. The major case for the NDR by stakeholders is that it will enhance the prospect of securing inward investment - companies will not be attracted to the area if the roads are not improved. Whilst this general argument cannot be refuted, what the NDR will do for Norfolk and Waveney is push an employment growth strategy towards a concentration of out-of-town business parks, similar to Broadland Business Park. This would undoubtedly be successful, giving companies more flexibility in terms of the development they can occupy and expand with and sufficient parking to fulfil their needs. Indeed, the success of Broadland Business Park should not be diluted and further growth at that site is recommended.
- 5.108 However, a continued programme of this type of employment location is not a sustainable approach, is contrary to the Government's approach of prioritising the reuse of brownfield land and will compromise the ability of Norwich City to act as the major attractor of growth for Norfolk and Waveney. The focus should be on delivering office space on the opportunity sites in the City Centre.
- 5.109 Indeed, the NDR Study noted the findings of the key report on the impacts of transport by SACTRA<sup>26</sup>. This found that there are cases in which transport schemes 'unlock' additional land for development, but these needed analysis of local property markets. GVA Grimley's analysis of the property market in the Norwich Sub-Region and Norfolk and Waveney generally has a number of implications:
- On the one hand, their analysis suggests that the NDR would have positive effects. The business community believes that there is short supply of office accommodation in central Norwich (although as we have described above the transport effects of the NDR on access to the city centre are relatively limited). There is improving demand for B2 and B8, and the NDR will unlock suitable land for these uses at the airport. There is already speculative development taking place at Broadland Business Park, and analyses of viability suggest that the most positive effects of the NDR will be felt at premium locations such as Broadland Business Park, which are already financially viable and will be made even more attractive due to the increased labour catchments the NDR opens up.
  - On the other hand, GVA Grimley's analysis suggests that the NDR might have fewer positive effects. Much of supply on key sites in Norwich and in Norfolk generally is constrained by factors unrelated to the NDR. Building the NDR would have no effect on whether these sites came forward. This situation also pertains in

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<sup>25</sup> Arup (2003) Norwich Airport: Economic and Environmental Impact Study, Norfolk County and Norwich City Councils

<sup>26</sup> Standing Advisory Committee on Trunk Road Assessment (SACTRA) (1999) *Transport and the Economy*

rural areas to the north of Norwich is weaker, where sites have a package of difficulties which are unlikely to be resolved by the NDR.

- 5.110 This work suggests that the main development effects will be felt at sites such as Broadland Business Park and future development at the Airport and the associated employment land envisaged in the Draft East of England Plan.
- 5.111 The NDR is identified within the draft East of England Plan as being a third priority for the sub-region, the lowest level of priority. If the Project Group considers that the growth that the NDR could provide is desirable, then we do consider this level of prioritisation to be too low. Indeed, when considering the levels of growth identified for the Norwich Sub-Region in the Draft East of England Plan, and the possibility of Norwich securing Growth Point status under the Government's new agenda for areas beyond the Sustainable Communities growth areas, the case for the NDR becomes stronger.
- 5.112 However, whilst work to date is showing that there are some economic benefits of the NDR, it will be necessary to await the outcomes of the NDR study before firm recommendations to the Examination in Public, with respect to the status of the NDR, can be made.
- **Recommendation: It will be necessary to await the outcomes of the NDR study before firm recommendations to the Examination in Public, with respect to the status of the NDR, can be made.**

#### Norwich City Centre

- 5.113 Also of importance is the reduction of congestion in Norwich City Centre. Clearly in sustainability terms, limiting the amount of parking in city centre employment locations is a desirable policy, provided it does not result in companies being able to locate on car-friendly sites on the edge of the city, which appears to have been the case in Norwich.
- 5.114 However, this is not a situation being experienced in Norwich alone. Many cities of an equivalent size across the UK have had similar experiences. As such, the response should not in any way be a 'knee-jerk' reaction to this. Rather, the need is to not only improve the stock of available employment floorspace but to improve the public transport offer in Norwich City. Clearly this involves further expanding the existing Park & Ride facility but also expanding the bus offer with particular focus on commuter flows during peak periods. This means linking key employment destinations with the main transport hubs, i.e. the railway station, and residential areas with considerably increased services during the peak periods. Moreover, as identified in respect of employment site interventions, there are key employment sites within walking distance of the railway station. This further underpins the need to increase its role as a transport hub.
- 5.115 Norwich City Centre becoming a regional interchange is identified within the draft East of England Plan as being a first priority for the sub-region. This is endorsed and is felt to be the first priority for transport infrastructure. Indeed, whilst there is concern about businesses moving out of the City Centre, it is improvements to public transport and the environment in the city that, in conjunction with quality employment space, will attract investment back in.
- **Recommendation: Expand the Park & Ride and local bus network in Norwich City during peak periods in order to link key employment destinations with the main transport hub (the railway station).**

#### A11/A47/Other Strategic Routes

- 5.116 In the interviews undertaken by Roger Tym & Partners for this study, many people felt the A11 to be a strong need. However, there were an equal number who felt that this was more an issue of image; that a major city such as Norwich should not have a

partially single-carriageway road leading to it. Moreover, most businesses felt that this did not actually affect the way they work. Indeed, to many, the dualling of the A47 was just as important. Within the limited number of consultations that the study permitted, we still believe the dualling of the A11 to be a priority over the A47.

- 5.117 The A11 and A47 are the two key strategic routes in Norfolk and Waveney, linking all the major centres with the rest of the region and the UK. Whilst we do not have evidence that the achievement of the growth targets in the short term will fundamentally hinge on whether these routes are entirely dualled, it is clear that their improvement will help to better connect Norfolk and Waveney and therefore assist in bringing inward investment in and putting the area 'on the map'. This will therefore help to contribute towards achieving other identified priorities.
- 5.118 The transport infrastructure improvements identified in the draft East of England Plan consider a bypass for the A11 at Attleborough and the dualling of the A47 between Blofield and North Burlingham as being the highest priority for the Norwich and Great Yarmouth and Waveney Sub-Regions respectively. The Attleborough bypass is now due to be commenced in 2006.
- 5.119 The East of England Plan also consider that entire dualling of both routes needs to be investigated. In the absence of evidence from inward investors (and graduates/workers) that chose to locate elsewhere, it is difficult to substantiate this. To this end, we therefore consider the status of these schemes as 'needing further investigation' as reasonable.
- 5.120 Indeed, many of the issues on both routes - and particularly the A47 - are related to particular pinch-points, so we believe it would be more prudent to focus resources on these first before committing large amounts of funding to complete dualling, and therefore taking money away from addressing many of the other identified needs. Moreover, the Norwich to Peterborough Multi-Modal Study recommended improvements to particular parts of the A47 corridor and stated that,
- "this will expand market, supply chains and labour market catchments for businesses within the area, providing greater opportunity for workers and businesses alike"*(Executive Summary, para. 3.8).
- 5.121 To this end, the recommendation in the draft East of England Plan of top priority being given to the identified parts of the A11 and A47, we believe to be reasonable. Complete dualling of both roads - with priority given to the A11 - will be necessary in the long term, and this is supported by the Highways Agency who, through highways work commissioned, consider that the dualling of the Thetford to Barton Mills section will ease peak hour congestion<sup>27</sup>. It is apparent that delivery of this particular scheme at the earliest possible opportunity will improve connectivity. Currently, the Highways Agency Targeted Programme of Improvements (TPI) lists the scheme as being ready for construction - subject to funding by the region - in 2008/9. It is therefore important that this date is achieved and funding should be made available by the region accordingly.
- 5.122 If it is the opinion of key stakeholders in Norfolk and Waveney that complete dualling of either or both routes is necessary in the short to medium term, then this case should be made through more detailed transport modeling and analysis, as this study is unable to provide sufficient evidence to support early dualling and the studies undertaken to date (principally the Norwich to Peterborough Multi-Modal Study) did not recommend complete dualling over this time period either.
- 5.123 We would therefore strongly urge that all evidence in support of the A11 is brought forward in order to get this scheme onto the list of regional priorities at least in the medium term, i.e. after 2011. Without this evidence, then it will be extremely difficult for justification to be given for its inclusion in the East of England Plan.

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<sup>27</sup> Highways Agency - Response to East of England Plan Public Consultation, 16/03/05

- **Recommendation: The Thetford to Barton Mills stretch of the A11 is dualled at the earliest possible opportunity.**
- 5.124 We see the A47 as a *slightly* lower priority, given the likely direction of flows of investment and people coming largely from the South East and London. This is supported by work undertaken by the Highways Agency and presented in their response to the East of England Plan Public Consultation. This stated that entire dualling of the A47 will lead to increased traffic being attracted and therefore severe congestion on parts of the Norwich Southern Bypass.
- 5.125 However, we still consider dualling in the medium to long term (after 2011) will be necessary in order to definitely secure the desired growth targets and to underpin growth beyond the period. Furthermore, the logical approach would be to extend this to the west of King's Lynn along the A17 in order to improve access to the west.
- **Recommendation: The A47 (and A17) is dualled in the medium to long term (after 2011), provided sufficient evidence can be brought to support the case.**
- 5.126 We have found little evidence through our work to suggest the need for upgrading of other strategic routes. However, this is not to say that these routes do not justify upgrading and each case would need to be proven through traffic modeling and more detailed economic assessment. One example may be the A10 south of King's Lynn which does have capacity issues at particular junctions.

#### Southern Bypass Junctions

- 5.127 Junction improvements around the Norwich Southern Bypass are needed to release land locally for housing and possibly employment development (one example is at Longwater, although this area also an issue related to the cost of securing the electricity supply). There could possibly be significant contributions towards this through planning obligations. This will particularly be the case if housebuilders are more attracted to developing in Norfolk as it grows.
- 5.128 These smaller scale projects we consider to be almost as important as the major projects such as the dualling of the strategic road network. This is because, if these junction improvements are not made, then many of the key strategic areas for employment and housing will not come forward quickly, thereby creating a considerable blockage the potential to reach the challenging targets. These sites are particularly important as they provide the Norwich Sub-Region with the capacity to deliver early growth that will go a long way to securing the desired total growth over the period.
- 5.129 The draft East of England Plan identifies these improvements but does not then prioritise them. We consider that they should be prioritised within the draft Plan and that they should be *at least* tier 2 priorities.
- **Recommendation: Bring forward Southern Bypass junction improvements as at least tier 2 regional priorities for the Norwich Sub-Region.**

#### Norwich Airport

- 5.130 Norwich International Airport is potentially a major driver for growth, therefore opportunities to accommodate employment growth around it should be maximised. There is still some potential around the Airport for the employment offer to be expanded and the Draft East of England Plan identifies further land for employment development, which we endorse. Without this new land coming forward, the limited amount of existing land will soon be taken up.
- 5.131 This will halt the drive to make the Airport a key employment hub which we consider vital. We consider the airport to be such as asset, and of likely to provide at least as much benefit as development along a corridor such as the A11. Norwich International Airport is a growing regional airport - a fact that was recognised in the Aviation White

Paper - and there is much evidence to suggest that the benefits provided to a sub-region by aviation are considerable.

5.132 It is therefore important to maximise all the potential land around the airport. Assuming the airport stays in its existing location (and despite relocation being raised as a possibility by some stakeholders in the Visioning Workshop, we do not consider that the values created by the land on its own would make this viable), we consider that many of the uses around it are not limiting its potential. Much of the most land-intensive existing employment is in heavy distribution and storage uses that are related to the Airport but are not dependent on being immediately proximate to it. If suitable sites could be found for these businesses - many of which are on the existing Airport Industrial Estate - then the sites could be reallocated for businesses in the higher growth sectors.

- **Recommendation: Support the growth of Norwich Airport, in recognition of its major role as a key economic driver for both Norwich and the wider region. Maximise the amount of land around Norwich Airport for high value employment uses, mostly office. Seek to relocate non-essential heavy distribution and storage uses away from the Airport.**

5.133 The excellent location adjacent to a major international transport hub would underpin any possible cluster development of businesses that will use the air services from the airport to link into other European hubs in related industries. Examples could include the environmental sector in Scandinavia. This would also give the opportunity to develop world-class conferencing facilities, attached to the Airport, that are lacking at present in Norwich.

- **Recommendation: Develop space to attract high value clusters to the Airport that can link in to other European hubs in related industries.**

5.134 It is also important for the need case for the NDR that the Airport experiences continued growth. Without the passenger and business traffic that the Airport brings, the case for the NDR which is proposed to run adjacent to the Airport, is significantly reduced.

#### Rail and Bus Improvements

5.135 Whilst the rail and bus network is not strong in Norfolk and Waveney, its existing structure nevertheless provides potential to support improved movement, particularly if this is carefully targeted. The most important movements for employment are peak time flows, and if increased commuting by public transport can be facilitated, then this will also achieve sustainability targets.

5.136 In particular, movements between the Great Yarmouth and Waveney Sub-Region and Norwich City Centre need to be improved. This will help residents of Great Yarmouth and Waveney to access higher skilled jobs in Norwich (e.g. in financial and business services) as their skills profile is improved through the improved FE and HE offer (see Action 3 on 'Building a High Calibre Workforce'). This will help to underpin the office market in Norwich City Centre. Currently there is one train an hour between Great Yarmouth and Norwich and between Lowestoft and Norwich. This needs to be increased (ideally trebled) during peak hours in order to make it a reasonable commuter service. Currently this is a second tier priority in the draft East of England Plan and we consider this to be reasonable.

5.137 Similarly, fast, high-frequency commuter coach services in on A47 and from other key centres, including Great Yarmouth and Lowestoft (in conjunction with rail improvements), are needed. This is particularly the case from market towns not on the rail network, such as Dereham (which itself also underpins the need to relieve pinch points on the A47 corridor). Currently this is a second tier priority in the draft East of England Plan and again we consider this to be reasonable.

- **Recommendation: Specifically identify increased coach and rail services to serve the links between the Great Yarmouth and Lowestoft Sub-Region and Norwich City Centre, and also along the A47 corridor to the west (Dereham).**
- 5.138 The value of coach services should also not be dismissed for other areas. In particular in the King's Lynn Sub-Region, expansion of capacity on the King's Lynn to Cambridge route would improve access and reduce over-reliance on the private car for making this journey. This is currently not identified in the Draft East of England Plan as a priority action, so it would be necessary to lobby for its inclusion.
- **Recommendation: Lobby for inclusion in Draft East of England Plan of increased capacity on the King's Lynn to Cambridge coach service.**
- 5.139 The major proposed strategic rail scheme - the East-West Rail Corridor which would connect Great Yarmouth and Norwich to Bedford, Oxford, Swindon and beyond - would assist in improving movement into and out of Norfolk and Waveney from places other than the South East and London. Whilst we give support to this form of sustainable movement, this scheme is still under investigation and its feasibility will need to be proven.
- **Recommendation: Support development of the East-West Rail Corridor, provided its feasibility can be proven.**

#### Other Infrastructure Projects

- 5.140 There are other major infrastructure projects that should be completed. The most obvious one is the Outer Harbour (EastPort) project at Great Yarmouth, for which EEDA was - subject to other approvals - given DTI approval to provide funding in March 2005. It is considered that Eastport will create 1,000 jobs, so is critical not only as a piece of transport infrastructure but as a job creator in the Great Yarmouth and Lowestoft Sub-Region.
- 5.141 The success of EastPort will be impacted on by the related infrastructure. We consulted several manufacturing businesses that export their goods by sea. However, very few of these considered to use the ports in Norfolk and Waveney, preferring instead to use the larger ports to the south, or to take things by road through the Channel Tunnel. EastPort is seen as an opportunity to change that, provided it can offer a competitive advantage to these types of companies that they don't currently have. Whilst heavy manufacturing is declining, it is still a significant employer in Norfolk and Waveney, so any advantage that the port can bring them will help to consolidate their business.
- 5.142 Also though, the port (along with Lowestoft) will be seeking to attract more roll-on roll off (RO-RO) traffic which will bring more traffic to the road network of Great Yarmouth and Waveney. This will most likely affect the A47 with HGV traffic coming from the main routes to the west. Earlier in Action 2, we stated that the dualling of the A47 should only occur in the long term when sufficient evidence of need can be presented. If EastPort were to develop substantially, then there could be the potential to demonstrate that the additional HGV traffic on the A47 would create the need for dualling. This is therefore one example of how a case could be made through the development of an existing piece of infrastructure.
- **Recommendation: Give full support to the EastPort development in order to maximise the scheme objectives. Also monitor the increase in traffic this creates along key routes (i.e. the A47) in order to strengthen the case for dualling in the medium rather than long term.**
- 5.143 King's Lynn also has a significant port proposal in respect of its proposed new marina. This went forward in 2004 as an infrastructure bid to the region and had support from both the County Council and EERA. It is vital to help underpin the growth of King's Lynn as a tourist destination. As such, it should be ensured that this bid is successful.

- **Recommendation: Work to ensure that infrastructure bid for the King's Lynn Marina is successful.**
- 5.144 Other infrastructure should also consider the requirements of the health and education sector. At present, UEA is looking to expand but there is very little space left on its campus for this. It is obviously vital that the needs of such an important driver of the Norfolk and Waveney economy (particularly given the actions identified that relate to the HEI sector) are met where possible.
- 5.145 As such, an additional site or sites must be found to accommodate UEA's needs. Whether this takes the form of the satellite centres that are being undertaken by Suffolk University would depend on the types of study and research that were being undertaken there. Indeed, this would provide an opportunity to physically locate departments at UEA close to sectors that are strong in the Norfolk and Waveney economy (as occurs at present with food science at the Norwich Research Park, adjacent to the existing campus). This should also be rolled out for all the HE/FE institutions across Norfolk and Waveney.
- **Recommendation: Seek suitable locations for new campus sites for UEA (and other HE/FE institutions with requirements), ideally that can be located close to strong companies in the same or complementary fields.**
- 5.146 There is also an issue over the needs of the health sector. In terms of intermediate health care, a site has been identified for this in Norwich City but the Primary Care Trust does not have sufficient funding to deliver it. Given the importance of providing sufficient healthcare facilities for a growing population across Norfolk and Waveney, it is vital that funding is identified to deliver this type of facility.
- 5.147 It is not the role of this study to identify specific funding sources for recommended actions. However, links with the HE sector are common for medical institutions. UEA has a strong portfolio of nursing courses that may provide potential to be better linked to the medical facilities, in exchange for funding. This could better be explored through dialogue between key stakeholders in the medical and HE fields, both of whom should be represented on the STFMB (see Action 2 under 'Institutional Strengthening').
- **Recommendation: Seek alternative funding sources to deliver required health infrastructure. Potentially this could be in conjunction with medical schools at HE providers, particularly UEA.**
- 5.148 On a general point in respect of transport infrastructure, the Draft East of England Plan appears to show inconsistencies in terms of priorities identified in the sub-regional sections and those identified in the regional transport strategy chapter.
- **Recommendation: Greater clarity and consistency is provided in the Draft East of England Plan in respect of the list of transport infrastructure projects and their comparative prioritisation.**

### *Regeneration Requirements*

#### *Action 1: Drive Forward Current Regeneration Proposals*

- 5.149 There are two major regeneration areas identified for change at present, namely the Urban Regeneration Company (URC) area of Great Yarmouth and Lowestoft and King's Lynn through the 'Vision for King's Lynn' process.
- 5.150 The Norfolk Local Strategic Partnership (LSP) is currently in the process of developing a regeneration strategy for the County. It is important that this is assisted by the associated regeneration schemes being developed at Great Yarmouth and Lowestoft and at King's Lynn. In each case, a full set of projects must be identified along with those that are required as 'quick wins'. In both the Great Yarmouth and Lowestoft and King's Lynn Sub-Regions, early high-profile developments are required to bring attention to the areas and their plans. This will then have a snowball effect of starting to attract investment into the area which will bring growth.

- **Recommendation: Come forward early with quick wins in regeneration areas in order to show that change is occurring. This should be recognised in the respective sub-regional regeneration policies in the East of England Plan (GYL1 for Great Yarmouth and Lowestoft and KL3 for King's Lynn).**

5.151 Each area is developing its own set of programmes and actions to deliver growth. These priority projects were set out earlier and are not repeated here. These are not however just local matters as failure to deliver on these regeneration programmes will impact on Norfolk and Waveney as a whole. As stated above, these schemes must be developed in tandem with the outputs coming from the County Regeneration Strategy.

### *Marketing and Promotion*

#### *Action 1: Be Proactive*

- 5.152 A part of the strength of successful regions comes from their ability to promote themselves in a proactive way. Often the product is not necessarily better than anywhere else but a confident, well branded marketing campaign can lead investors to believe that it is better.
- 5.153 This is required by Norfolk as a whole. The county does not appear to be overly effective at marketing itself aggressively and to be flexible in the approach. The example of flexibility is provided by Syfer Technology (see evidence box below).

**EVIDENCE BOX: Syfer Technology: An Example of a Flexible Approach in a Fast-Disappearing Market**

Syfer Technology Ltd is a manufacturer of high-tech products such as micro-chip components. It employs nearly 300 people on a manufacturing site in Norwich.

Despite increasingly dominant competition from China, they have stayed in Norwich due to the determination of their MD who wants to prove that manufacturing can remain in UK and vows to remain in the area as long as they can function.

So how can Syfer survive? Their answer has been to take a different marketing strategy relative to the big manufacturers whom Syfer cannot compete with due to economies of scale. They look for unique opportunities related to non-standard products. It therefore chooses to compete in a niche market, manufacturing products with different functions. The view is that Syfer try to skim off elements at the top end of that market and are attractive to buyers through the service flexibility that they can offer.

However, this would not be possible without effective marketing to those buyers. As a result, Syfer has grown at 17% per year and consider themselves to be reasonably profitable. They continually look for new opportunities, all which are outside the UK. However, in the global marketplace, operating in the niche that they are, this can still be successful from a single plant in Norwich.

- 5.154 Encouragement needs to be given to companies to market themselves aggressively and flexibly but this needs to be supported by an effective public sector marketing of Norfolk. The way a company operates is one thing but the environment that they operate in is just as important.
- 5.155 In this respect, the example of China provided by Syfer Technology Ltd is very instructive. When the regional Chinese government was seeking to encourage Syfer to locate in Fujan province, the company was met by the regional mayor and entertained with a big lunch, as well as being provided with lots of incentives. Whilst the provision of incentives may not be a tool at the region's or county's disposal, the ability to entertain investors surely is. Yet this same treatment would never be expected in Norwich or Norfolk, or indeed in too many places elsewhere in the UK. This is a further example of being proactive - identify possible investors and then really pull out the stops to convince them to locate in Norfolk.
- 5.156 A proper marketing plan needs to be devised by the stakeholders dealing with inward investment. Ideally this should be in conjunction with private sector members of the Shaping the Future Management Board who will be able to give particular input into the requirements of businesses within particular sectors, along with the latest movements within each market. This marketing plan should be on a sector-by-sector basis, recognising that each sector will require a different approach in order to successfully attract inward investment.

- **Recommendation: Put together a sectorally-based marketing plan in consultation with private sector representatives on the STFMB.**

*Action 2: Focus on Quality of Life*

- 5.157 The one resource that Norfolk and Waveney is largely unrivalled in is quality of life. Much evidence already supports the view that relocation packages into the county are made sufficiently attractive by the high quality environment, low crime rate, relatively cheap housing (for those coming from highly priced cities) and low congestion. Also, many people are moving into the county to set up lifestyle businesses, buoyed by the same offer.

- 5.158 This competitive advantage should be sold more widely. Every opportunity to 'sell' the quality of life product to possible inward investors - be they either companies or more likely people that could potentially move into the county to work - should be taken. Whilst we have identified that lifestyle businesses, by choice, do not seek to grow, it would certainly be imprudent to discourage their development. They take up minimal space yet they bring money and knowledge into the economy. And it is this knowledge that others may be able to learn from and exploit.
- 5.159 However, it is recognised that, for an inward investing company (as opposed to a one-man band), the quality of life is not one of principal locational factors. We therefore consider that the quality of life provided by Norfolk and Waveney should be used to develop the tourism sector and the help attract skilled workers into the area - principally by way of a cultural strategy.
- 5.160 This should be led by the tourism and cultural strategy groups - principally Norfolk Tourism and Visit Norwich - but should be undertaken in consultation with Visit Britain in order to better promote the product. There is a need to develop an identifiable cultural strategy that can be used as a tool to attract in economic growth.
- 5.161 One of the main accusations leveled at cultural strategies is that they often do not stand up to the 'Tippex test', i.e. replace the name of the area and it could be anywhere. For the cultural strategy to have value, it needs to highlight the unique elements of the Norfolk environment, as well as being imaginative and distinctive in terms of content and implementation.
- 5.162 One example of a potential theme for the way forward of a Norfolk cultural strategy is a marriage of work and play. Not only is Norfolk and Waveney a great place to work - with high quality workspace - but it has a unique 'tourist' offer that is capable of being enjoyed by its residents. This offer would centre around the 'Golden Loop,' namely:
- the beaches of the North Norfolk coast;
  - the heritage and cultural offer of Norwich City;
  - the unique offer of the Norfolk Broads; and
  - the seaside resort of Great Yarmouth.
- 5.163 The development of a signature project has in other regions underpinned the development of a successful cultural strategy (see the Evidence Box below).

**EVIDENCE BOX: The Value of a Signature Project - the Eden Experience**

"...Its is of major significance to the county repositioning itself, getting its confidence back, having something which is a tremendous success we are all proud of. It has got six hundred full-time jobs. It is a tremendous economic regenerator for the whole county".

*Source:* Evidence presented by Mr Peter Stethridge of Cornwall County Council to House of Commons Housing, Planning, Local Government and the regions Committee report - Reducing Regional Disparities. Ninth Report of Session 2002-03

- 5.164 The potential to develop a signature project will of course depend on whether funding is available to deliver it. To this end, £16 million has been secured through the *inte*GREAT project to deliver tourism projects in Great Yarmouth. This scheme is a programme of improvements including new lighting schemes, restoration of historic buildings, highway improvements, more CCTV, new signage, re-shaping sand level on the beach, hi-tech tourist information, landscaping and marketing initiatives. The aim is to modernise the offer to attract new business and investment.

- 5.165 Whilst these detailed plans do not relate to anything on an equivalent scale to the Eden Centre, they are the first step to revitalising the tourist offer of Great Yarmouth, which is still the third largest resort in the country. From this will come a snowball effect, showing an area that investors can bring funding and ideas to with confidence.
- **Recommendation: Develop a cultural/tourism strategy that takes maximum advantage of the unique tourism assets in Norfolk and Waveney - the 'Golden Loop'. This should be used for tourism and to encourage higher skilled workers to jobs in the area.**

### *Institutional Strengthening*

#### *Action 1: Focus on an Effective Institutional Framework - The 'Triple Helix' Approach*

- 5.166 One of the key lessons to be learnt from the history of successful regions is that the effective coordination of key public sector institutions is vital, as is the coordination of the public sector with other key stakeholders representing the region (namely private sector and civil society organisations). The evidence box below shows how this has been done successfully in Helsinki.

#### **EVIDENCE BOX: Leadership and Strategy in Europe's "Core Cities"- Recent Experience**

"A key question is the extent to which cities can improve their relative performance in relation to their European competitors....***clear political leadership and a sophisticated planning strategy have achieved a great deal***.....Helsinki is an example of a city which has dramatically changed its fortunes during the past decade. Ten years ago.....Helsinki was in deep economic recession. But leaders in the city used that period to devise a new economic strategy built upon the communications industry and depending upon close links between the city, Nokia, and the universities, which has made it a global player. Helsinki has risen quickly in the perception of the private sector and scores highly in the ***innovation stakes***..... in all the cities we looked at there is a view that the core city is not large enough to serve as the basis for economic development. All are attempting to create informal strategic alliances, often led by powerful Mayors as in Lyon, Barcelona and Helsinki.....***(core cities) in Europe are convinced that to be competitive in the global market place in future they have to organise and act at a wider metropolitan or sub-regional level***.....the most common view is that informal strategic alliances between willing partners which can be mobilised around agreed territories and powers and resources are better than the alternatives of acting only on a local basis." (italics added)

*Source: Parkinson, M. Hutchins, M. Simmie, J. Clark, G. (2004) "Urban Renaissance Characteristics of EU Non-Capital Cities".*

- 5.167 Norwich is smaller than Helsinki and is not one of the Core Cities being promoted by the Government. Rather it is seeking to develop synergies with other local cities, evidenced by the Regional Cities East agenda, put forward by EEDA, to bring together the urban centres of Colchester, Ipswich, Luton, Norwich and Peterborough under the belief that a network of 'regional cities' has as much to offer as the individual core cities. However, the process that was undertaken does provide lessons.
- 5.168 It is apparent that there is a level of suspicion between some of the public sector authorities - related to their respective roles - that is hindering co-operation. This may not lead to any form of sclerosis collectively besetting the public sector in the County, but it is reasonable to assume that effective and enthusiastic coordination would lead to a more effective (and perhaps innovative) policy regime and project interventions. This is particularly pertinent in relation to efforts designed to improve the innovation process in the County. Experience indicates that an effective policy regime and

collaborative regional leadership are vital if the innovation process is to be enhanced and accelerated:

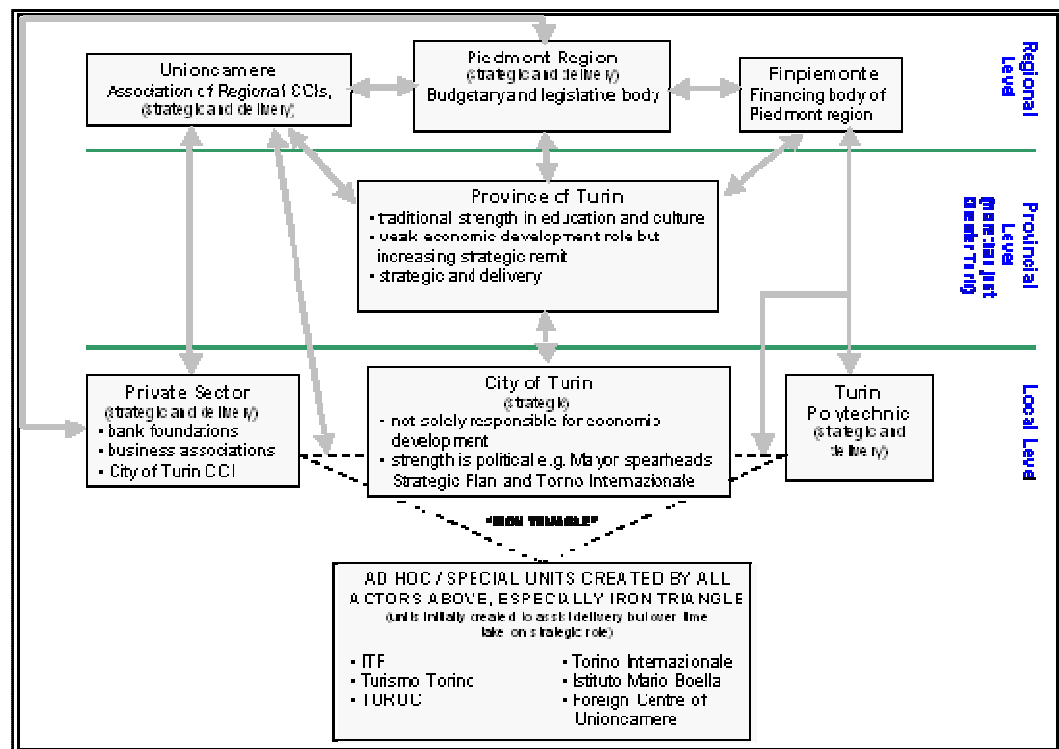
*“In short, regional leaders make the difference. Innovative regions do not just happen because of outside forces; they are shaped by the actions of their regional leaders to connect their assets through collaborative initiatives. Many examples exist of regions that have successfully promoted innovation – and transformed their economies and communities rapidly. Other places are falling behind either because they do not understand the imperative to innovate or cannot work together to make the changes necessary to create a more innovative region.”*

Source: “Innovative Regions” Collaborative Economics of the USA, 1999

5.169 Most of this focus is on Norwich but this is not to say that the institutional framework cannot be realigned to provide benefit to the rest of the county. It is instructive at this point to make reference to Turin and Piedmont as an example of a city and its surrounding region working together to achieve results that neither individually could achieve.

5.170 Figure 5.4 shows the process that was gone through and the main stakeholders at each level. At the local level, all the key stakeholders - the City authorities, the private sector and the HEI sector - linked together to form an ‘iron triangle’. In other words, they were seen as a coherent entity to link into from the higher levels. This has made the development of a city-region far more straightforward as the number of linkages that must be made are fewer.

Figure 5.4 Turin-Piedmont - Creating a Vibrant “City-Region”



5.171 This tri-lateral network of organisations encompassing academia, the public sector and industry is known as the ‘Triple Helix Model’.

- 5.172 Also though, Turin-Piedmont has been able to 'think big'. There has been an internationalisation of the area that has fed through to its new image and confidence both at home and abroad. In general, there is a need to get Norfolk (and particularly the Norwich urban area, i.e. Norwich City and the urban areas in Broadland and South Norfolk) to think big. It must coordinate an approach that firstly seeks to get rid of all vestiges of parochialism in its outlook, particularly in the public sector where this is traditionally most entrenched.
- 5.173 It must also be willing to benchmark itself against best practice in Europe and North America, which is one reason why overseas examples have been used to illustrate the points made. Benchmarking against UK examples is useful when looking at the smaller picture in terms of particular projects and opportunities. However, a high growth aspiration in the UK will always benchmark against the powerhouse regional economies of London and the South East. From the point of view of Norfolk, there is little of relevance that can be learned from their experience.
- 5.174 So what would the Norfolk Triple Helix Model look like? Ideally, there would be an attitude change whereby the mutual interdependence of the stakeholders is recognised. The example of Turin and Piedmont demonstrated what the institutional framework could look like. However, the case of Chicago and its environs perhaps provides a template for how the framework could operate.

**EVIDENCE BOX: Chicago and its Environs - A Parallel for Norwich and Norfolk?**

What is common to each of the organisations with jurisdiction in Chicago is that they recognise and understand the relationship between the city of Chicago and a much broader Chicago region. They understand that there is a relationship of mutual dependency between Chicago and the towns and counties that could be described as being spatially on the periphery. For example, Evanston, which is located north of Chicago, is home to Northwestern University one of Illinois State's, and US's major universities. In promoting the Chicago region, the various organisations will 'claim' Northwestern.

In addition, many of the peripheral towns act as 'bedroom' communities, with workers commuting (often as long as 1½ - 2 hours each way) into the city. Income earned in the city is then spent in these communities. While the towns at the periphery of the Chicago region benefit from Chicago's economic success and are in many ways dependent on it, the city also benefits as labour markets are regional rather than local/urban. The Mayor of Chicago also recognises this mutual dependency as he actively embraces the broader Chicago region where in the past he subscribed to a rhetoric of the City versus the suburbs. The organisations and 'champions' taking a regional as opposed to a narrow urban perspective has enhanced Chicago's image.

What has been key to the success of the Chicagoland story is a focus on doing business in a global market place, proactive political leadership, and public-private partnerships. None of these stand out as being of singular importance. Instead, they have all been an important component of Chicago's approach to raising the profile of the region. That said, *the thread that ties this together and has driven Chicago's success is a combination of leadership and co-operation*. The leadership has occurred at all levels, from the Mayor down through the various organisations which promote the Chicago region. But it is leadership in a co-operative way, as each recognises and respects the role of the other organisations, and co-operation occurs at various points along the way. Looking in from the outside, it appears that the various organisations are at cross-purposes, but internally, roles are recognised and respected.

*Source:* Advantage West Midlands. "Successful Regions Around the World". 2002

5.175 The most effective forum to drive forward a Norfolk Triple Helix Model is the Shaping the Future Management Board. The Board should include representatives from the universities on it and a special working group should be set up to explore how best to identify the required linkages and then cement them. This working group should consist of representatives of each of the three parts of the Triple Helix.

- **Recommendation: Develop the Triple Helix Approach by creating an identifiable and accountable (to the STFMB) network between private businesses (in each of the identified sectors), the HE and FE institutions and the public sector.**

*Action 2: Change Composition of Shaping the Future*

5.176 Private sector involvement in the development process is vital. But current private sector perception is that a number of the public-private partnership organisations in Norfolk need greater private sector involvement. In particular it is suggested that the constitution of Shaping the Future is changed to ensure increased private sector involvement.

5.177 The evidence box below considers how San Diego in the US has become a successful city-region. This has been done by the private sector being given the opportunity to lead the economic development partnership.

**San Diego – One of America’s Successful City Regions:**

- **Many firms expect universities to be at core of what they are doing.**
- **Networking is important; in the UK we’re not use to getting positive benefits from networking (true?)**
- **Less distinction between ideas and products in the US.**
- **Business is involved in the local economy in the US.**
- **Focus on developing high level of skills (post graduates / PhDs) in San Diego**
- **Private sector, not the public sector, leads the economic development partnerships in San Diego**
- **Partnership focuses on investment, and growing business - university / HEI links**
- **Private sector contribute to partnership funding**

Source : Robert Huggins Associates (2003)

5.178 It is proposed therefore that the Shaping the Future Management Board is reconfigured to have a greater role for the private sector. The Board has recently appointed its first private sector chair which is a positive step. However, this needs to be reinforced by more private sector representation.

5.179 Ideally, this would entail representation of each of the STF Sector Groups by one or more leading companies in that sector. These representatives - dynamic and well-

respected leaders in their industries - would be able to more effectively feed in the views of their sectors as a whole and ensure that agreed actions and strategies are realistic and address the issues that businesses want to be addressed. Their presence will also ensure greater support from businesses who will feel better engaged through dialogue with their industry peers.

- **Recommendation: Get private sector representatives for each of the Sector groups on the STFMB.**

*Action 3: Co-Locate Business Link, LSC and Job Centre Plus*

- 5.180 Earlier in the report, the myriad of public sector agencies providing support to delivery agencies was highlighted. It is necessary, where possible, to simplify this process. This is because the main beneficiaries need to be private business, as they are the drivers of growth in any economy and businesses, above all, require two things - simplicity and consistency.
- 5.181 Three complementary organisations that have an intrinsically linked remit are Business Link, the Learning and Skills Council (LSC) and Job Centre Plus. Private sector stakeholders have consistently commented about the need for particular initiatives which are actually already provided by these organisations. This raises the point that there is confusion over the available offer and who provides it - this is neither simple nor consistent.
- 5.182 More effective would be to amalgamate the three organisations into a single unit operating under a single banner. They would still be, to all intents and purposes, individual organisations, but would have a single public identity. There would be a need to co-locate and to have a 'One Stop Shop' for businesses. They would have one phone number that businesses could call, irrespective of their requirement, which could then be filtered to the correct department. Whilst this may be a controversial recommendation, it was considered by the relevant stakeholders and seen as a possibility.
- 5.183 Business Link Norfolk has indeed been successfully operating a One Stop Shop approach, with a single number acting as a directory inquiries service to find the right deliverer if they are unable to help. This has helped businesses but the complaint by many is that initiatives still change on a regular basis and they are required to speak to different people over time despite their requirements being the same. Whilst many of these problems are caused by the myriad of changing initiatives at a national level, there is the opportunity to improve the situation with more carefully tailored local initiatives. In addition, if this joint agency can retain as much power at a regional rather than national level, then this will help consistency even more. Since April 2005, Business Link Norfolk has been funded by EEDA rather than the DTI and this is seen as a positive step that would need to be replicated, where possible, in the other agencies.
- **Recommendation: Co-locate Business Link, LSC and Job Centre Plus**

## Summary of Key Interventions

- 5.184 Table 5.1 provides a summary of the suggested key interventions. In terms of priorities, a number 1 represents the most important interventions that should be actioned immediately and a number 3 represents a comparatively less important intervention that should be addressed over the long term.
- 5.185 We have sought to cross-reference each intervention with related policies in the Draft East of England Plan. Most policies that are applicable have direct relevance. It is in the area of infrastructure that the most confusion arises, particularly around policy wording. The Draft East of England Plan lists priorities in both the sub-regional sections and in the chapter on the Regional Transport Strategy. However, there appears to be some inconsistency between the two. On this basis, we have sought to

identify whether a recommended action is in the Plan and what priority should be given to it. In particular instances, we have identified where we consider a change to the current wording of the policy in the Draft East of England Plan to be of merit. However, it will be the role of the Panel at the Examination in Public to clearly identify the prioritisation of the identified schemes.

- 5.186 This is not an exhaustive list of interventions - to produce this would require a study of considerably greater scope. Rather, this chapter highlights the interventions that we consider are the most important and need to be actioned as a priority through the relevant framework structures identified. Without these interventions being put into place, a wider set of supporting interventions will be rendered impotent in terms of their ability to support the identified levels of growth.

**Table 5.1 Summary of Suggested Interventions**

Theme	Specific Action	Recommendation	Sub-Region	Priority	Cross-Reference with Draft East of England Plan?
Building a High Calibre Workforce	1. Formulate an Innovation Strategy for the County	A single group is identified to administer existing and future planned innovation projects (such as NRPE).	All	2	Yes, to link in with the objective of building on local research strengths
	2. Audit innovation resources	Develop an Innovation Index for Norfolk and Waveney in order to understand what innovation resources there are and whether these resources are being poorly/well used.	All	3	Relates to support for cluster development (Policy E7).
	3. Utilise the strength of the university/higher education offer	Set up networks between private sector representatives of the STFMB and key HEI institutions in order to underpin more vocational learning for undergraduates	All	2	Relates to support for cluster development (Policy E7).
	4. Encourage graduates in	Set up better methods of graduate monitoring by HE institutions in order to assist businesses in targeting graduates for employment opportunities.	NSR GYLSR KLSR	2	No
		Focus on the early development of high quality office space in Norwich City, which is most attractive to graduate-employing companies. Early possible wins to focus on include the Lyons Review.	NSR	1	No
	5. Refocus on apprenticeship programme	Set up an apprenticeship programme in conjunction with businesses that have particular identified skills shortages.	All	2	No
6. Housing and Demographics	The recommendations of the Barker Report should have widespread applicability across Norfolk & Waveney. This should be recognised in the East of England Plan within Policy H3 (phasing of housing development).	All	2	Yes, Policy H3	
Site and Property Development	1. Bring forward key identified sites	GYLSR: The forthcoming URC masterplan must take full account of the projections and translate their implications into any development framework. This should be recognised in Policy GYL4 of the East of England Plan (implementation of plans in Great Yarmouth and Lowestoft).	GYLSR	1	Yes, Policy GYL4 on implementation.
		GYLSR: There is little additional capacity for new office		1	Yes, Policy GYL1 on the economy

Theme	Specific Action	Recommendation	Sub-Region	Priority	Cross-Reference with Draft East of England Plan?
		developments at the primary location - Riverside Business Park - and it is likely that there will be significant pressure in the short-term for additional space for development. More sites should be identified for office development, ideally through the URC masterplanning process.			and regeneration.
		KLSR: Support the traditional industrial economy of the area by facilitating development at the Hardwick Industrial Estate Extension and an intensification of existing uses on the remainder of the existing estate. This approach should be supported by a strategy for the managed release and development of other suitable sites for industrial development.	KLSR	1	Yes, Policy KL1
		NSR: Detailed feasibility studies are undertaken of the key constrained sites identified, particularly those in Norwich City Centre which must be brought forward at the earliest opportunity.	All	1	Yes, linking into Policy NSR1 through the LDD process.
	2. Adopt a flexible approach in order to bring sites forward	Examine the possibility through the LDF process, that increased flexibility is incorporated into plans in order to provide the maximum possible opportunity to deliver employment on feasible sites. This could include reallocation of smaller employment sites for mixed use, particularly residential, in order to ensure that cross-subsidisation secures delivery. This should be included in Policy E8 (simplified planning zones) of the East of England Plan.	All	2	Potentially relates to proposal for Simplified Planning Zones (Policy E8).
Physical & Social Infrastructure Interventions (increasing "connectivity")	1. Focus on Getting Connected	STFMB should regularly produce promotional material in order to keep private sector stakeholders abreast of the issues and how they are being actioned.	All	3	No
		STFMB should set up a trans-national network with successful European regions in order to understand how they have overcome or are overcoming problems within their economies.	All	3	No
	2. Identify achievable interventions	It will be necessary to await the outcomes of the NDR study before firm recommendations to the Examination in Public, with respect to the status of the NDR, can be made.	NSR N N'folk	2	Yes, Policy NSR5 and Table 8.3
		Expand the Park & Ride and local bus network in Norwich City during peak periods in order to link key employment destinations with the main transport hub (the railway station).	NSR	1	Yes, Policy NSR5, but specific routes need to be explicitly identified - change to EEP policy

Theme	Specific Action	Recommendation	Sub-Region	Priority	Cross-Reference with Draft East of England Plan?
		The Thetford to Barton Mills stretch of the A11 is dualled at the earliest possible opportunity.	NSR Breck	1/2	recommended. Yes (Policy NSR5) and pinch-points on A11 given higher priority, including Thetford to Barton Mills - change to EEP policy recommended.
		The A47 (and A17) is dualled in the medium to long term (after 2011), provided sufficient evidence can be brought forward to support the case. However, the A11 should take priority.	NSR GYLSR KLSR Breck	2/3	Yes (Policy NSR5), but pinch-points on A47 given high priority
		Bring forward Southern Bypass junction improvements as tier 2 regional priorities for the Norwich Sub-Region.	NSR GYLSR	1	Yes (Table 8.3) but needs to be given higher priority - change to EEP policy recommended.
		Support the growth of Norwich Airport, in recognition of its major role as a key economic driver for both Norwich and the wider region. Maximise the amount of land around Norwich Airport for high value employment uses, these being mostly office uses. Seek to relocate non-essential heavy distribution and storage uses away from the Airport.	NSR	3	Yes, space allocated around Airport for employment (Policy E14/NSR1).
		Develop space to attract high value clusters at the Airport that can link in to other European hubs in related industries.	NSR	3	Yes, space allocated around Airport for employment (Policy E14/NSR1).
		Specifically identify increased coach and rail services to serve the links between the Great Yarmouth and Lowestoft Sub-Region and Norwich City Centre, and also along the A47 corridor to the west (Dereham).	NSR GYLSR Breck	2/3	Yes, Policy NSR5, but specific routes need to be explicitly identified.
		Lobby for inclusion in Draft East of England Plan of increased capacity on the King's Lynn to Cambridge coach service.	KLSR	3	No
		Support development of the East-West Rail Corridor, provided its feasibility can be proven.	All	3	Yes, Policy NSR5
		Give full support to the EastPort development in order to maximise the scheme objectives. Also monitor the increase in traffic this creates on key routes (i.e. the A47) in order to make the case for	GYLSR	2/3	Yes, Policy GYL1

Theme	Specific Action	Recommendation	Sub-Region	Priority	Cross-Reference with Draft East of England Plan?
		dualling in the medium rather than long term.			
		Work to ensure that infrastructure bid for the King's Lynn Marina is successful.	KLSR	2	No
		Seek suitable locations for new campus sites for UEA (and other HE/FE institutions that have additional requirements), ideally that can be located close to strong companies in the same or complementary fields.	All	3	No
		Seek alternative funding sources to deliver health infrastructure. Potentially this could be in conjunction with medical schools at HE institutions, particularly UEA.	All	3	Yes, Policy SS12.
		Greater clarity and consistency is provided in the East of England Plan in respect of the list of transport infrastructure projects and their comparative prioritisation.	All	1	Sub-regional sections of chapter 5 and priorities identified in Table 8.3.
Regeneration	1. Drive forward current regeneration proposals	Come forward early with quick wins in regeneration areas in order to show that change is occurring. This should be recognised in the respective sub-regional regeneration policies in the East of England Plan (GYL1 for Great Yarmouth and Lowestoft and KL3 for King's Lynn).	GYLSR KLSR NSR	1	Yes, Policies GYL1 and KL3.
Marketing and Promotion	2. Be Proactive	Put together a sectorally-based marketing plan in consultation with private sector representatives on the STFMB.	All	3	No
	3. Focus on Quality of Life	Develop a cultural/tourism strategy that takes maximum advantage of the unique tourism assets in Norfolk and Waveney - the 'Golden Loop'. This should be used for tourism and to encourage higher skilled workers to jobs in the area.	All	3	Yes, to link in with aim of making tourism a key economic driver (Policy NSR2), developing a diverse tourism cluster (Policy GYL1) and becoming a short-break visitor destination (Policy KL1).
Institutional Strengthening	1. Establish 'Triple Helix' working group within <i>Shaping the Future</i>	Develop the Triple Helix Approach by creating an identifiable and accountable (to the STFMB) network between private businesses (in each of the identified sectors), the HE and FE institutions and the public sector.	All	2	No
	2. Change	Get private sector representatives for each of the Sector groups on	All	1	No

Theme	Specific Action	Recommendation	Sub-Region	Priority	Cross-Reference with Draft East of England Plan?
	composition of <i>Shaping the Future</i>	the STFMB.			
	3. Co-locate Business Link, LSC and Job Centre Plus	Co-locate Business Link, LSC and Job Centre Plus	All	1	No

Key: NSR = Norwich Sub-Region  
Breck = Breckland district

GYLSR = Great Yarmouth and Lowestoft Sub-Region  
N. N'folk = North Norfolk district

KLSR = King's Lynn Sub-Region  
All = Norfolk and Waveney



## 6 NEXT STEPS - TOWARDS A VISION & STRATEGY FOR NORFOLK & WAVENEY

### Introduction

- 6.1 Employment forecasts to 2021 are the primary focus of much of this report. Between 34,000 and 56,000 extra jobs have been forecast for Norfolk in 2020. The majority of these jobs are most likely to be located in the Norwich sub-region.
- 6.2 But, as stated in the preceding chapters, it is not a certainty that these extra jobs will be created. The employment forecasts for Norfolk indicate what is most likely to happen, given current trends and conditions. Furthermore, it was argued that the pre-conditions necessary for these extra jobs to be created must be maintained and secured (if they already exist) or created and secured (if they don't).
- 6.3 From the analysis of the Norfolk and Waveney economy (Chapter Two) and from the SWOT analysis in particular, it can be argued that a number of the pre-conditions for an increase in employment, indeed, do need to be created. Although the economy of Norfolk and Waveney is currently reasonably sound and robust, there are a number of structural weaknesses which if left unattended may compromise the ability of the economy to generate the forecast increase in employment (particularly at the higher end of the forecasts):
- skills shortages and associated training requirements;
  - the ageing population;
  - the low numbers of graduates in the economy;
  - poor infrastructure; and
  - the involvement of the private sector in strategy formulation.
- 6.4 Under these circumstances, as stated in the preceding chapter, it would be inadvisable (if not dangerous) for Norfolk and Waveney to “rest on its laurels”, maintain a business as usual posture, and expect that the employment forecasts will materialise. Norfolk and Waveney need to take action to secure the employment forecasts (and, we would suggest, Norfolk and Norwich need go further than merely securing extra jobs by establishing and securing the basis for a knowledge-driven economy characterised by a high calibre workforce).
- 6.5 How can this be done? One of the most important instrument that can be used by the Norfolk Local Government Association to achieve the employment forecasts (and go further!) is the vision and associated strategy expressed in the current version of Shaping the Future (the economic vision and development strategy for the County). But, as also stated in the preceding chapter, “the vision expressed in Shaping the Future is both broad and ambitious”; perhaps too broad and too ambitious!
- 6.6 The vision is most likely to be over-ambitious in the absence of actions that need to be taken, over and above those already being implemented by the stakeholders of Norfolk and Waveney. The specific and detailed nature of the required actions is beyond the scope of this study (though a number of the required actions have been outlined in the preceding chapter). What is given in this chapter is, firstly, an outline of three scenarios which indicate what might happen in Norfolk and Waveney over the coming 10 to 15 years and, secondly, a brief assessment as to how a preferred vision can be formulated and an associated development strategy and action plan formulated.

## Norfolk Futures

- 6.7 Three scenarios have been created for Norfolk and Waveney<sup>28</sup> which we shall call 'Futures' (see the Evidence Box below for a brief description of the nature of scenario planning). Each scenario is based on a differing evolution of key drivers of the Norfolk and Waveney economy. These drivers were described in Chapter Two.

### Scenario Building - Planning for the Future

Scenarios (or 'Futures' as we shall call them) are powerful tools for developing alternative pictures or visions of potential futures. Scenario development involves producing stories about a future which have been shaped by exploring the present and analysing the impact of the past. Scenarios must be firmly and objectively rooted in an understanding of past events, with multiple sources of input (e.g., review of previous research and available data, interviews and discussions with key local stakeholders) being rigorously tested to develop a shared understanding of their meaning. The value of scenarios lies in the use to which they are put - in the context of this study by providing a valuable guide to action within which both opportunity and risk are assessed and contribute to the realisation of an agreed long term goal (embedded in the National Development Plan). A number of 'rules' surround the scenario building process, importantly:

- Scenarios are NOT forecasts - rather they are possible futures
- They are best presented as concise commentary
- They are used to help formulate a coherent vision of the Future
- They should involve the active participation of key stakeholders (and a range of experts, often called in the jargon of scenario planning "remarkable people")

The best scenarios are stories about how a city, country or business sees itself in the future, and how it is going to achieve this future. They present a range of future states to which the city, country or business may have to respond. They encourage and guide debate about how that respond can be fashioned. At best they enable stakeholders to build into their economic policy regime or business strategy flexibilities which will allow them to pro-actively respond and manage change in the future.

Who uses scenarios? Governments - The *European Union* has recently commissioned scenarios for 2021 to inform debate about future policies for the enlarged community. *Surrey County Council* undertook a major scenario planning exercise in 2004. Even *Lapland* has produced "Lapland 2020 Vision"! Businesses - Here is a short list of major global companies, and how they have used the scenario building technique:

- *Pacific Gas & Electric* - to prepare for Californian earthquakes.
- *Shell Oil Company* - to anticipate and plan for the oil price shock of 1973-74, and later the fall of Communism in Russia and its effects on natural gas prices.
- *Unilever* - to develop new channels to market in Russia.
- *United Distillers* - to analyse the impact of the spread of Islam in Turkey.
- *BAA* - to identify and plan investment sites in the global air business.
- *Krone* (wire and cable) - to design 200 new product ideas.

<sup>28</sup> It is standard for the wider stakeholders, particularly private businesses, to be directly involved in the scenario building process, but budget and time constraints did not allow such a course of action to be adopted in Norfolk and Waveney. Hence the futures must be viewed as an outsider's view and a first attempt as a serious scenario planning exercise for the area.

- 6.8 Whilst based on a number of drivers of the Norfolk and Waveney economy, they revolved around two key drivers, namely the rise of the knowledge based economy and an associated high calibre workforce.
- 6.9 The scenarios are (necessarily) simple; a best case, a worst case and a middling way. The language used was, in the context of a Visioning Workshop, deliberately used to elicit a response from stakeholders. It was certainly never intended that these would be taken at face value or that one of the three should be selected as *the* chosen future. Rather a hybrid of these future visions was to be considered. The three futures were broadly as follows:
- Leading Edge - In terms of building a knowledge-based economy all goes very well. The innovation process and the role of the HEI/FEI sector is prioritised. UEA becomes part of the Oxford2Cambridge Arc. The Research Park expands. Business Parks and Innovation Hubs expand. The Norwich City Sub-region is the recognised growth driver. Stakeholder alignment behind the vision “works”; there is County leadership, co-ordination among streamlined public sector agencies, and co-operation among all key public and private sector stakeholders. The higher 2021 employment forecast is reached (and exceeded just before 2021). A potential downside is that growth is increasingly (though possibly not unacceptably) concentrated - spatially and socially.
  - Gentle Prosperity - Reasonable growth is achieved. The lower 2020 employment forecast is reached (and exceeded just before 2018). Considerable (and costly) public intervention ensures that growth is evenly spread; many of the market towns become vibrant settlements and the URC succeeds in Greater Yarmouth. However, predominance of Norwich is maintained. In general economy is mature (and offers a reasonable standard of living to most people in the County), but increasingly “flatlines”; more of a focus on renewing the old than making ready for tomorrow. Few national class firms characterised Norfolk (let alone world class!).
  - Glorious Backwater - possibly a less desirable scenario (for some stakeholders). Growth is constrained and the lower 2021 employment forecasts are not reached. Norfolk becomes known as “retirement land”, and silver surfers dominate the housing market. Tourism declines (gently); few attractions for the “young” can be found in the County. The financial sector eventually contracts (and leaves in 2016). Leadership falters and political in-fighting arises. The lack of growth, agreement among stakeholders and infrastructure development means that not all of the scheduled houses starts can be built - they go to Milton Keynes and Peterborough; the former becomes the UK’s 5th biggest city and a major success in 2012. In 2016 the EU Federation Task Force is called to Norfolk to formulate a RRR (Regional Rescue and Renaissance) package of assistance.
- 6.10 The nature of the futures is illustrated below in Figure 6.1, which shows the key drivers and the general direction of “change” for each driver<sup>29</sup>.

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<sup>29</sup> It should be remembered that the futures are in outline only and were not constructed in a standard manner (namely through workshops with a wide range of stakeholders [and experts] covering “key issues”, “alternative futures”, the “preferred futures” and a “future scenario to strategy” workshop. This was due to time and budgetary constraints.

Figure 6.1 Key Drivers and Direction of Change

Future Scenario Drivers	Leading Edge	Gentle Prosperity	Glorious Backwater
<b>THE ECONOMY</b> Renewed and Connected Service Sector Growth Ready for Tomorrow Innovative (Knowledge Based)	↑	↗	↘
<b>INFRASTRUCTURE</b> Roads Rail	↗	↗	→
<b>PEOPLE AND SKILLS</b> Educational (HEI) Education (Skills) Entrepreneurship Creative Industries	↗	↗	→
<b>INFRASTRUCTURE</b> Transportation and Communications Quality of Life / Environment	↑	↗	→
<b>RESIDENTIAL GROWTH</b> New Houses Affordable Houses	↑	↑ ↻	↗ ↻
<b>REGIONAL LEADERSHIP AND INSTITUTIONAL COMPETENCE</b>	↑	↗	↗ ↻

6.11 Signposts to each possible future can be seen in today's Norfolk and Waveney economy. Which future does evolve (either one of the above or a hybrid) depends on the vision of the area collectively held by the area's stakeholders and, more specifically, on actions (policy, programme and project) that can be taken TODAY in order to increase the likelihood of a preferred TOMORROW becoming reality.

### From Vision to Strategy

6.12 The futures presented in this report are (necessarily) broad and simple - but hopefully not simplistic. They serve a purpose, namely to illustrate how divergent the possible futures for Norfolk and Waveney could be. If everything does go wrong it is highly unlikely that even the lower 2021 employment forecasts will materialise. Conversely if everything does go right (which probably means a hybrid of "Leading Edge" and "Gentle Prosperity") then the higher 2021 employment forecasts are likely to be exceeded (as may be the housing start forecasts!).

6.13 The next steps that need to be addressed are to (a) undertake a more comprehensive visioning and scenario building exercise for Norfolk and Waveney, involving all key public and private sector stakeholders, (b) chose the preferred future, (c) detail up that future, (d) devise a strategy for the implementation of that future, and (e) ensure that the process fully informs a revision of "Shaping the Future".

- 6.14 It is important to inform the suggested process with a realistic assessment of the economic opportunities and development blockages in Norfolk and Waveney (this reports, and others in a similar vein, are useful resource documents<sup>30</sup>). Laudable aims, such as encouraging the development of nationally important (if not “world class”) economic clusters should be dispassionately interrogated.
- 6.15 It is also important to devise specific policy, programme and project interventions. These interventions will be the constituent parts of the strategy devised to implement “the preferred future”. The more detailed the preferred scenario and the more comprehensive the process undertaken to arrive at a preferred strategy the greater the likelihood that the interventions can be specific and focused.

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<sup>30</sup> For example, the Bone Wells 2002 report (RES Sub-Regional Studies) for EEDA.



## 7 CONCLUSIONS

### Summary

- 7.1 Norfolk and Waveney's economy is growing. There has been strong growth in the last few years as the economy has adapted to global influences and has shown strength in the financial and business services sector. It has several world-class companies, with many focused in and around Norwich. Great Yarmouth and Lowestoft has recently been granted Urban Regeneration Company (URC) status which will underpin substantial physical regeneration of the area and job growth.
- 7.2 But Norfolk and Waveney's economy shows elements of considerable weaknesses - these are weaknesses both geographically and sectorally. The more remote areas along the North Norfolk coast and in King's Lynn & West Norfolk district suffer from a lack of economic opportunity combined with an ageing population and the Norwich urban area has capacity constraints (particularly junction capacity). Also, many people in these areas and others are employed in a small number of large manufacturing companies, which are increasingly struggling to survive or looking to cut costs by moving operations overseas.
- 7.3 So Norfolk and Waveney needs to strengthen its economic potential - it needs to consolidate its existing strengths whilst providing the conditions for its sectors of potential to grow. This means substantial improvements in infrastructure in order to improve movement of people within the county and also to open up strategically important sites. The Norwich urban area must be the driver of growth but this cannot be to the detriment of the King's Lynn sub-region to the west and the Great Yarmouth and Lowestoft sub-region to the east.
- 7.4 The Draft East of England Plan policy E2 sets out a jobs target of 42,600 for Norfolk and 47,300 if we add the Suffolk part of the Great Yarmouth and Lowestoft sub-region. Policy H1 sets a dwellings target of 72,600 for Norfolk and 78,400 for Norfolk plus Waveney.
- 7.5 We recommend that a higher employment target be considered of 55,000 for Norfolk and 60,000 for Norfolk and Waveney. The reasons are:
- To take account of recent growth that has already occurred that would suggest Norfolk and Waveney met one quarter of its target in the first two years of the twenty year period.
  - To realise the higher growth potential that exists in the Norfolk and Waveney economy as suggested by recent employment forecasts.
  - To target higher growth in the economically disadvantaged coastal districts of Norfolk and Waveney where employment rates are currently below the county average.
- 7.6 But, more important than the total numbers is the structural shift implied by the forecasts. If Norfolk and Waveney are to achieve significant growth in employment then the area will need to plan for a big shift in terms of type of employment. The total office stock will need to increase by 70% and an additional 40,000 graduate workers will be required.

### Recommendations

- 7.7 We have identified six themes where priority actions are required to address current weaknesses and realise the growth strategy. These are:
- Building a high calibre workforce
  - Site and property development

- Physical and social infrastructure interventions
- Regeneration requirements
- Marketing and promotion
- Institutional strengthening

7.8 Under each of the six themes we have set out a series of recommended priority actions. These are summarized in Table 5.1. These actions will need to be worked up in detail by the local partners and a champion identified to take them forward. In many cases these will be actions that are already under-way or identified. But bringing them together in the context of the Regional Spatial Strategy should help provide additional momentum and weight.

7.9 Above these detailed actions there are two key strategic recommendations we would make:

- Develop a strategy for Norfolk and Waveney that identifies and explicitly sets out the roles and relationships of the different centres, towns and the City of Norwich. This is needed to clearly direct investment priorities.
- Plan for Change. A successful economy in Norfolk and Waveney will look very different in twenty years time to what it does today. Not all this change can be anticipated but we know that the property and human capital assets will have to be significantly upgraded if Norfolk and Waveney are to compete as a 21<sup>st</sup> Century European economy.







