

Report

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# Norwich Economic Analysis

## Part 2: The Norwich policy Area: A Dynamic Resilient Growth oriented Economy

*Research commissioned by Norwich city  
council into the functional economic  
geography of Norwich and its growth  
potential*

June 2017

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**For and on behalf of GVA Grimley Limited**

# 1. Introduction

- 1.1 This document has been prepared by GVA and Hatch on behalf of the Norwich City Council to provide a detailed economic assessment which demonstrates that Norwich and its wider urban area provides a core driver for accelerating the delivery of jobs and housing growth for the East of England. This supports the recent identification by Centre for Cities of Norwich as one of the “Fast Growth Cities” group.
- 1.2 To undertake this assessment the report has been divided into three parts:
- 1.3 **Part 2: The Norwich Policy Area: a dynamic, resilient growth oriented economy:** This is the second part of this series, providing a review of the competitiveness of the Norwich economy within the UK and a detailed socio-economic overview of the NPA and its contributions to the regional and national economy. This part refers to current and historic data in addition to forecasts for the future to provide a comprehensive analysis of the strengths and weaknesses of the NPA local economic area. This analysis is based upon eight success factors that are attributed to resilient, adaptable and fast growing cities;
- Scale and Quality of Assets
  - Population, Workforce and Skills Base
  - Dynamic Enterprise Culture
  - Strong Representation in High Value Growth Sectors
  - Growing Capabilities in Key Technologies for the Future
  - An Attractive and Vibrant Urban Core
  - Opportunity Areas, Well Connected Sites and Premises
  - Leadership
- 1.4 The other two parts of the series include:
- 1.5 **Part 1: Norwich Economic Geography:** Part 1 of this series provides an overview of the multiple economic geographies of Norwich which include the local authority area. This part of the series also assesses the commercial and housing property market, the role of infrastructure and growth locations as growth drivers, and how these come together as a cluster to form the engine of growth and development around the Norwich core.
- 1.6 **Part 3: Future Growth Sectors:** Part three of this series identifies *Priority sectors* within the NPA, based upon detailed quantitative analysis and stakeholder input, which are expected to deliver

employment and productivity growth over the next 25 years. Each section within part 3 pertains to a particular priority sector and includes three sub-sections;

- *Sectoral Composition*: A review of employment within sub-sectors that make up the current priority sector and the role of key businesses and organisations;
- *Sectoral Change*: An analysis of the change of employment within a priority sector over the 2010 – 2015 period with comparison to other city economies;
- *Prospects for Growth*: A bespoke forecast, utilising projections developed by HATCH based on the Cambridge Econometrics EEFM, of prospective employment growth within sub-sectors that will drive future growth in the NPA.

1.7 The priority sectors that have been identified within the NPA include:

- Financial Services
- Life Sciences
- Advanced Manufacturing
- Food & Drink
- Digital
- Creative Industries
- KIBS (Knowledge Intensive Business Services)

## 2. Overview

- 2.1 It is now widely recognised that cities and city-regions are the primary drivers of National productivity growth, accounting for almost two thirds of National productivity GVA despite only representing a small proportion of population and land. To maximise impact therefore it is clear that Government policy should focus on enabling growth in city regions which demonstrate the potential to drive productivity and employment growth- in other words creating and enabling the UK's 'productive places'.
- 2.2 A review of the evidence indicates that the Norwich Policy Area has a diverse and resilient economy which has significant potential to achieve strong economic growth and make an increasingly important contribution to the Regional and National economy in terms of both productivity and employment growth and furthermore this is supported by the latest Oxford Economics forecasts which project strong growth for the NPA economy over the period to 2045. In this report the socio-economic data and evidence which shows how the Norwich Policy Area is an economy predisposed to growth is presented, and by looking at the socio-economic characteristics of the economy in detail and at priority growth sectors in particular we identify key strengths and start to understand the full potential of the NPA economy. The key take-away messages are presented as blue headings at the start of each section.

### **There is an emerging consensus on Norwich as a fast growth knowledge city**

- 2.3 Norwich was recently identified by the Centre for Cities<sup>1</sup> as being part of the Fast Growth Cities group, also comprising Cambridge, Oxford, Milton Keynes, and Swindon. Analysis indicated that these cities perform strongly on a range of economic indicators, including productivity growth and share of knowledge-based employment. Importantly the capacity these cities have to attract knowledge-based businesses puts them in a strong position to continue to grow in the future. The 2016 PWC Competitive UK Cities Index defines competitiveness as 'the capability of an economy to attract and maintain firms with stable or rising market shares in an activity, while maintaining stable or increasing standards of living for those who participate in it'. Norwich was identified in the top 20 out of 379 localities for overall competitiveness on the PWC Index which is an impressive placing when considering the top 10 are all London Boroughs.

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<sup>1</sup> Centre for Cities Fast Growth Cities Report March 2016

## High performance competitive cities – 8 Success Factors

- 2.4 A review of the current evidence from the UK and internationally on competitive cities enables the identification of the common success factors present in those cities which demonstrate resilience and strong growth and adaptability. The indicators from over 20 City Indices and associated commentary were reviewed including Centre for Cities, Work Foundation, Core Cities Group, PWC, EY, Deloitte, AT Kearney, Universities of Cardiff, Newcastle upon Tyne. The many indicators reviewed were synthesised and grouped into 8 broad factors set out in the table below. In this section we focus primarily on factors [1-6], however the bulk of our quantitative analysis is around current, historic and future performance in high value growth sectors which have been identified as a priority for Norwich as drivers of employment and productivity growth.

### Cities: Future Competitiveness Success Factors

1. Scale and Quality of Assets
2. Population, workforce and skills base
3. Dynamic Enterprise culture
4. Strong representation in high value growth sectors
5. Growing capabilities in key technologies for the future
6. An attractive and vibrant urban core
7. Opportunity areas, well connected sites and premises
8. Leadership

### 3. FACTOR [1] Scale and Quality of Assets

#### **The Norwich Policy Area has high quality knowledge and sector assets aligned to LEP and National investment priorities**

- 3.1 With the University of East Anglia, Norwich University of the Arts, City College Norwich, Easton & Otley College (agriculture), and key drivers such as the Norwich Research Park, National Aviation Academy and the Hethel Engineering Centre (for sector assets see Factor [4] below) the city clearly has the knowledge assets to help drive strong economic growth over the next decades. These assets are aligned strongly to the priority sectors at city and LEP level.
- 3.2 In addition to ensuring the supply of skills, experience from other fast growth cities has shown that creating high quality long term linkages between academia and the indigenous business base is crucial in driving up innovation and productivity. Going forward supporting the growth of Norwich's knowledge assets and integrating this with the business base will be key to sustaining long-term growth across the economy.

#### **Scaling up to the Norwich Policy Area brings critical mass, improved performance and influence**

- 3.3 The literature and evidence on City Regions tells us that the scale and quality of economic assets are important in maintaining competitiveness. Norwich is tightly bound and the standard Local Authority District definitions fail to capture the full spectrum of economic activity which is clustered around the city.
- 3.4 The importance of the city as an economic driver and as an attractor of: investment, skills and labour cannot be underestimated. Even in those circumstances where businesses are situated outside the immediate Norwich local authority boundary in adjacent local authority areas (S Norfolk and Broadland) it is clear that the economic dynamism of the city underpins the wider area as a business location. For this report therefore, where possible, data sets have been assembled for the Norwich Policy Area (NPA) by matching Super Output Areas to the parish boundaries listed in the brief. Where this is not possible, for example for historic trends, data is shown for the separate local authority areas. Bespoke employment and GVA projections for the NPA area have been developed by apportioning employment based on the SOA boundary sector by sector from each of the three local authority forecasts in the East of England Forecasting Model that make up the NPA. Similarly, the analysis of priority sectors has been done at the NPA level, however the contributions to growth of the three separate authority data sets is also shown to illustrate the differing contributions to growth of each local authority area. In this report we have used the Centres for Cities cohort as a comparator group to assess the potential

Norwich Policy Area economy alongside the standard National and regional comparators. The table below shows the core metrics for the NPA and Norwich Local Authority Area.

**Table 1: NPA Core Metrics**

Core Metrics	Norwich Policy Area	Norwich Local Authority Area
Population	299,000	141,000
Employment	154,600	87,200
Estimated GVA	£7.1-7.4 bn*	£3.7bn*
Self-employment	22,000	7,200
Unemployed	2,530 March 2017	1,045**
<b>GVA per job</b>	<b>£38,962</b>	<b>£37,239</b>
	*Source: East of England Forecasting Model using Norwich GVA per capita figure (£26,500) multiplied by NPA population (299,000)	*Source: East of England Forecasting Model **Norwich City Council Area, Dec 2016, Page 13 Norwich Economic Barometer

3.5

3.6 The table shows that the Norwich Policy area represents an economy of significant scale and influence. The population rises to just under 300k with employment of around 155K. By making this 'quantum leap' Norwich is entering a new category of economic entity and becoming a medium sized city with the critical mass and influence to attract high quality skills, talent, investment and institutions.



## 4. FACTOR [2] Population, workforce and skills base

- 4.1 The Norwich Policy Area has high rates of economic activity compared to the fast growth cities cohort
- 4.2 The Norwich Policy Area has the population and workforce dynamics to drive strong economic growth. Economic activity and employment rates for Norwich Policy Area are high. It has higher rates for both indicators than fast growth city average<sup>2</sup> (which are 69.9% and 61.7% respectively).

**Table 2 NPA: Economic Activity**

Norwich Policy Area Economic Activity							
Area		All residents aged 16 to 74	Economically active	In employment	Self-employed	Unemployed	Economically inactive
		number	%	%	%	%	%
Fast Growth	Swindon	154,080	76.0	68.9	7.8	4.2	24.0
	Cambridge	98,283	64.0	55.6	7.4	2.7	36.0
	Milton Keynes	181,385	75.9	68.0	8.7	4.8	24.1
	Oxford	118,437	63.3	53.6	6.9	3.2	36.7
	Norwich Policy Area	<b>210,017</b>	<b>70.2</b>	<b>62.5</b>	<b>8.9</b>	<b>3.7<sup>3</sup></b>	<b>29.8</b>

Source: ONS Economic Activity Census 2011.

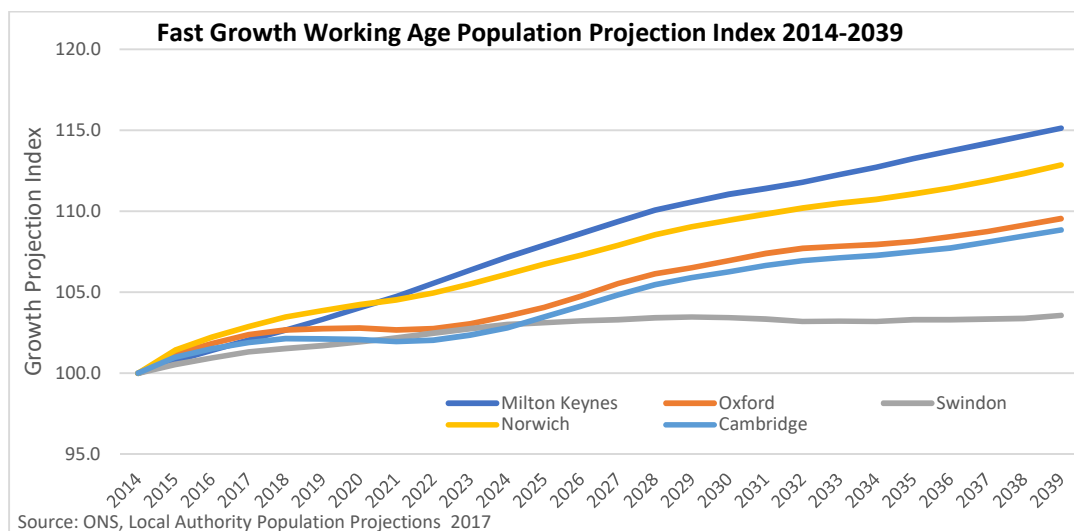
### Norwich is forecast to show strong growth in working age population

- 4.3 Strong growth in working age population is projected to 2039, outperforming fast growth cities apart from Milton Keynes. The population has grown by 8,000 over the past 5 years in Norwich - a rate of 6.1%. This has outstripped the National rate (3.8%) over the same period. The working age population is forecast for strong growth over the next 22 years, shown in the chart below, outperforming all comparator fast growth cities apart from Milton Keynes.

<sup>2</sup> Fast Growth Cities: Centre for Cities 2016. Cohort includes Norwich, Milton Keynes, Oxford, Cambridge, Swindon.

<sup>3</sup> This is the 2011 figure from the Census of Economic Activity. Hatch have however estimated an ILO definition rate for 2017 for the NPA which is 3.6% and a rate based on the claimant count which is 1.2%.

Fig 1



- 4.4 The above chart shows the working age population for Norwich. The NPA projection would be lower due to the very low growth in working age population in Broadland.

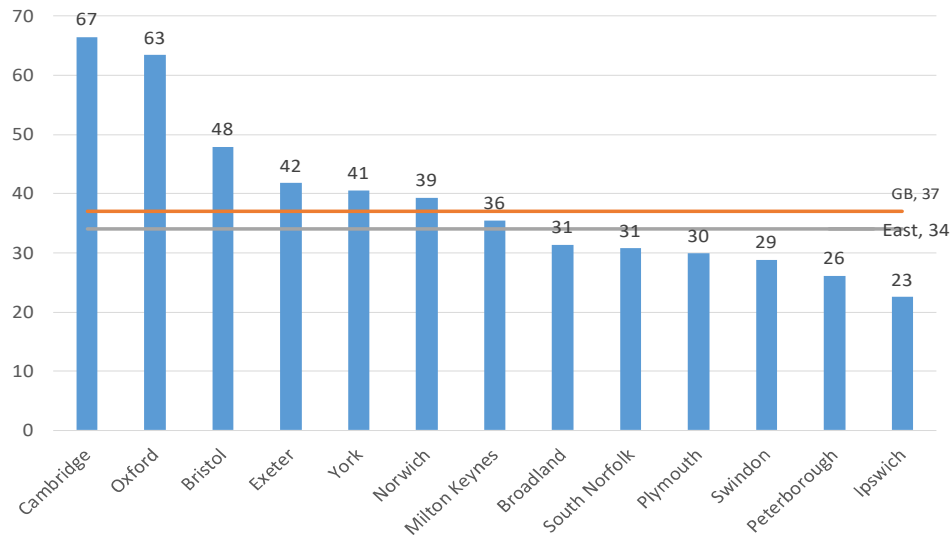
**Table 3 NPA Occupational Profile**

Area	All Occupations	1. Managers, directors and senior officials	2. Professional	3. Associate professional and technical	4. Administrative and secretarial	5. Skilled trades	6. Caring, leisure and other service	7. Sales and customer service	8. Process plant and machine operatives	9. Elementary
	Number	%	%	%	%	%	%	%	%	%
Cambridge	59,437	8.6	38.0	11.3	7.8	6.6	7.3	6.5	3.4	10.5
<b>Norwich Policy Area</b>	<b>137,834</b>	<b>9.5</b>	<b>17.8</b>	<b>12.3</b>	<b>11.3</b>	<b>11.7</b>	<b>9.5</b>	<b>10.1</b>	<b>6.5</b>	<b>11.5</b>
Milton Keynes	127,783	10.9	18.2	13.5	12.6	8.8	7.9	9.3	6.6	12.3
Oxford	69,807	8.3	33.6	11.6	8.3	7.0	8.2	6.7	4.6	11.6
Swindon	109,499	9.5	15.6	12.6	12.0	10.7	8.1	9.6	8.8	13.2

- 4.5 Table 3 shows that in terms of occupation profile the NPA is not dissimilar to the cohort of fast growth cities. The NPA has a relatively high proportion of managers & directors but a much lower than average proportion of Professional occupations. Norwich has a high quality skills base and an ability to attract talent nationally and internationally.
- 4.6 Norwich performs well compared to comparator cities in terms high level skills being outpaced unsurprisingly only by Cambridge and Oxford. Being able to attract the right skills is the single most important factor in the growth and competitiveness of knowledge firms. Again Norwich demonstrates strong performance and even greater potential in supplying the skills for the future economy, a fundamental challenge will be to ensure that key growth sector skills gaps can be

met in the future particularly in health, agri-tech, digital, financial services but also in the low carbon and energy sectors.

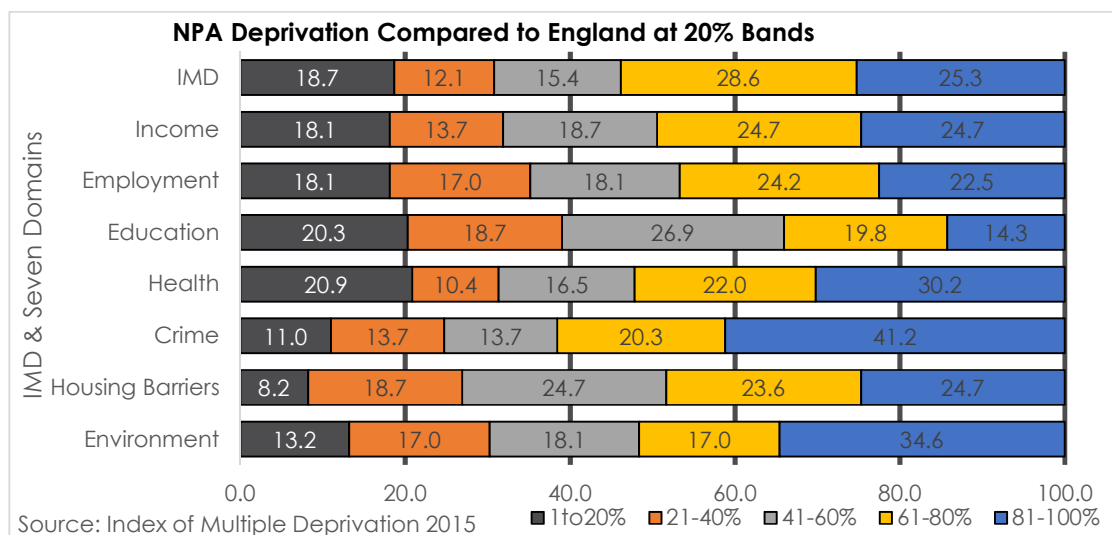
**Fig 2: Qualification Levels Jan 2015-Dec 2015 Percentage Qualified to NVQ L4+ (LFS)**



## Deprivation is relatively low in Norwich Policy Area

- 4.7 Each coloured band of the chart below represents the percentage of NPA households in each consecutive 20% England LSOAs against the seven domains. Income and employment domains are similar in scope and better than the national average. Crime is a particularly low deprivation indicator and health, housing and the environment are also good. Education however is the only domain which suggests the Policy Area is behind the national average.

**Table 4 IMD Scores for the Norwich Policy Area**

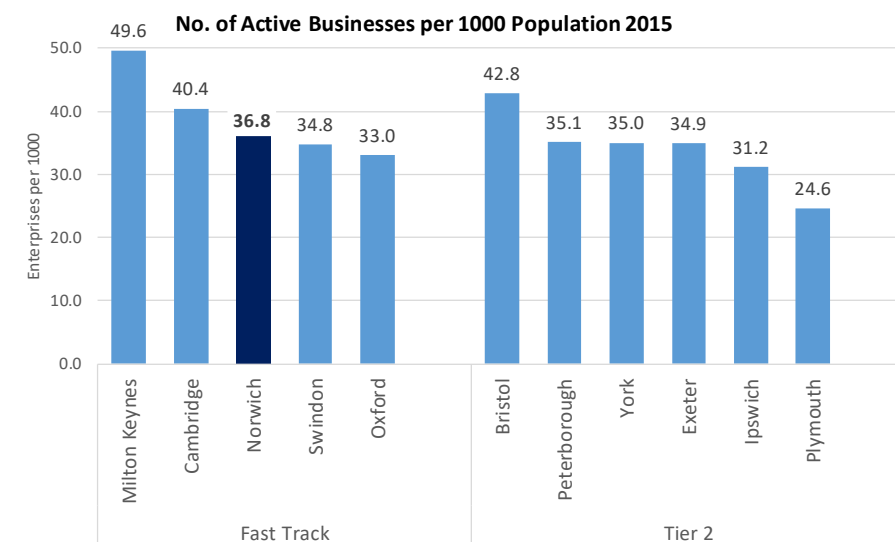


## 5. FACTOR [3] Dynamic Enterprise Culture

### Norwich has a high business density and strong 5 yr survival rates compared to comparator cities

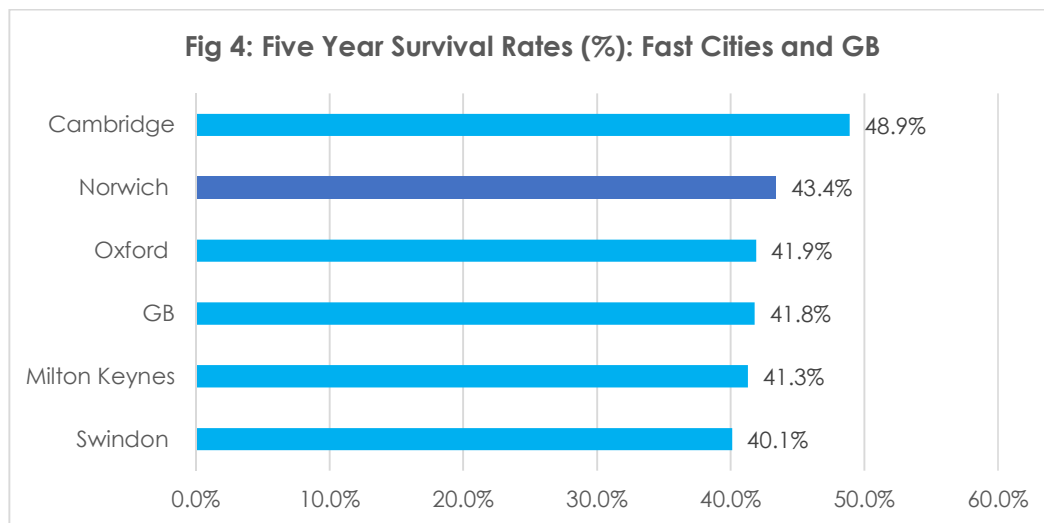
- 5.1 Business start-up and survival rates provide two key measures of entrepreneurial resilience. The birth of new enterprises is often perceived as one of the key determinants of job creation and economic growth. Business births are thought to increase the competitiveness of an area's enterprise population as they stimulate innovation and facilitate the adoption of new technologies, whilst helping to increase overall local productivity.
- 5.2 The chart below shows the number of businesses per 1000 of the population for Norwich (at 37 per 1000) is ahead of nearly all of its Fast Growth and Tier 2<sup>4</sup> comparators with the exception of Milton Keynes and Bristol. (this data relates to the Norwich local authority not the NPA)

**Fig 3**



- 5.3 BRES data also allows an assessment of the life cycle of newly born enterprises and their ability to survive up to five years after their creation. Looking at this most challenging enterprise milestone - survival after 5 years – Norwich performs very well against the Fast Cities and the GB figure with 43.4% of its businesses surviving more than five years. Only Cambridge performs better. The actual number of businesses started in the Norwich local authority area in 2010 was 415. Of these 180 were still operating 5 years on (2015).

<sup>4</sup> A second cohort of comparator cities introduced by Hatch on the grounds that they had similar industrial composition, were of similar size or had similar ambitions- Peterborough, York, Ipswich, Exeter, Plymouth



Source: Business Demography 2016

## 6. FACTOR [4] Strong representation in high value sectors

- 6.1 This section is a substantive part of the analysis of the Norwich Policy area and consists of a general look at the employment structure of the economy followed by a review of recent performance in priority sectors and knowledge intensive business services. Then we undertake a more detailed look at each priority sector to understand current performance and future prospects at the NPA level- in Report 3.

### The employment breakdown of the Norwich Policy Area Economy

- 6.2 The table below shows the employment breakdown by broad sector in the Norwich Policy Area. Wholesale and Retail is the largest employment sector accounting for 18% of employment, closely followed by Health & Social Work, and Education. This is a fairly typical employment breakdown for a medium sized city with key social, education and civic functions reflected in the numbers.

**Table 5 NPA (BRES 2015) Employment Breakdown**

Industry (BRES 2015)	Norwich Policy Area	%
Agriculture, forestry & fishing	200	0.1
Mining and quarrying	300	0.2
Manufacturing	8,900	5.8
Electricity, gas, utilities	200	0.1
Water sewerage, waste	600	0.4
Construction	7,000	4.5
Wholesale & retail trade; repair	28,000	18.1
Transportation and storage	5,100	3.3
Accommodation & food services	9,300	6.0
Information & communication	4,800	3.1
Financial & insurance	8,800	5.7
Real estate activities	2,500	1.6
Professional/scientific & technical	8,900	5.8
Admin & support services	13,400	8.7
Public admin/defence; social security	8,400	5.4
Education	14,800	9.6
Human health & social work	25,400	16.4
Arts, entertainment & recreation	4,000	2.6
Other service activities	3,900	2.5
Totals	154,500	100.0

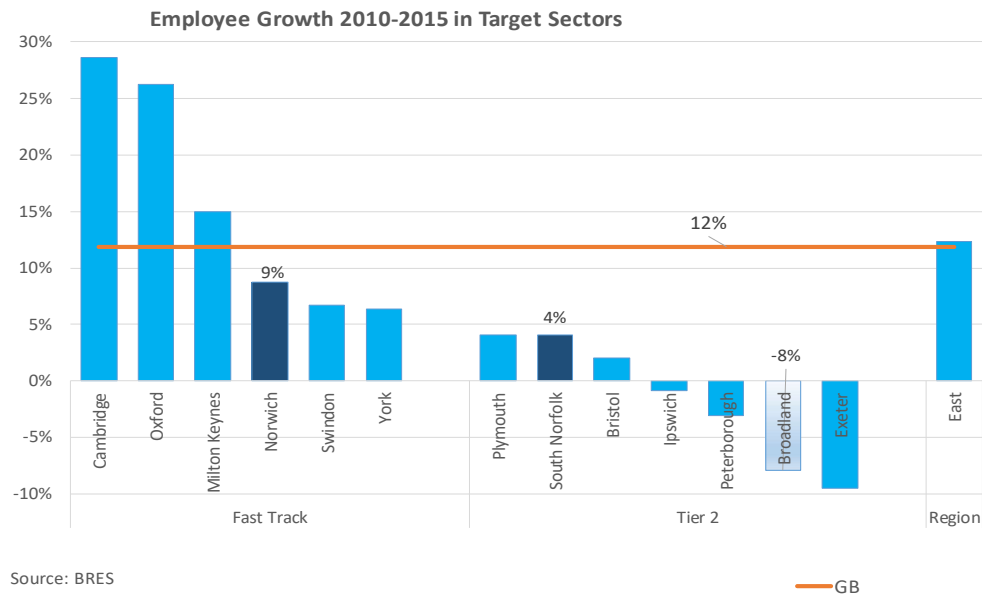
## Employment and Business growth over the past 6 years has been concentrated in Knowledge Intensive Sectors

**Table 6 Top ten business sectors by absolute change 2010-2016 (Sic 2)**

Industry	2010	2016	Change	%
70 : Activities of head offices; management consultancy activities	185	260	75	41%
62 : Computer programming, consultancy and related activities	185	240	55	30%
86 : Human health activities	110	165	55	50%
74 : Other professional, scientific and technical activities	105	150	45	43%
56 : Food and beverage service activities	340	380	40	12%
43 : Specialised construction activities	195	230	35	18%
71 : Architectural and engineering activities; technical testing & analysis	130	165	35	27%
82 : Office administrative, office support & other business support	130	165	35	27%
45 : Wholesale and retail trade & repair of motor vehicles and motorcycles	160	185	25	16%
85 : Education	75	100	25	33%

- 6.3 Table 4 above highlights that the biggest positive change in business numbers by industry over the past 6 years has been in the most knowledge intensive sectors- which is an extremely positive direction of travel for the economy and explains, in part, the recent consensus on Norwich being a "Fast Growth City" and having a knowledge based growth oriented economy. Of particular note, 6 of the top 10 are knowledge intensive industries.
- 6.4 The chart below shows that Norwich has had particularly strong growth compared to comparator cities in terms of employment growth in the target sectors of Financial Services, Digital, Advanced Manufacturing, Food and Drink and Creative. Milton Keynes, Oxford and Cambridge have experienced exceptional growth and bring up the National Average but apart from these Norwich outperforms all the comparators. ( in this section data relating to employment and business growth is for the Norwich local authority area not NPA)

Fig 5



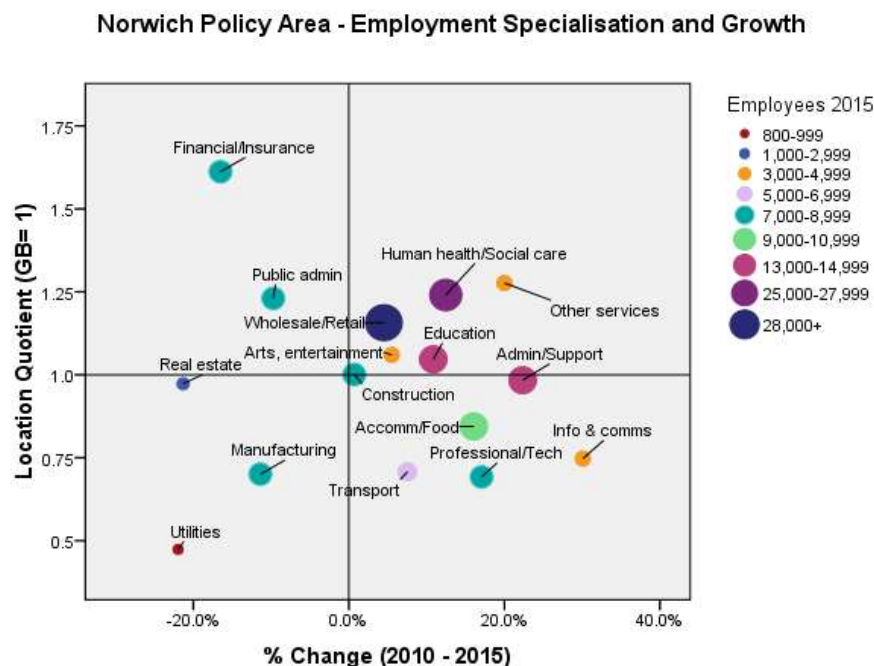
## Employment growth and specialisation analysis shows important opportunities in emerging high value sectors

6.5 The chart below is based on the latest available BRES data 2015. It shows the relative size of the Norwich Policy Area's industrial sectors (size of circles). Those sectors to the right of the Y axis have grown by more than the National average over the past 5 years those to the left have grown by less than the national average. Those sectors above the X axis account for a higher proportion of employment than the national average and are regarded as strong specialisms in the Norwich Policy Area. The following observations can be made on this chart.

- Wholesale and retail is still the biggest sector in terms of employment
- Very strong specialism in financial services and insurance. Although the sector declined as a whole, key elements within it are growing locally (see next section). The sector is a big contributor to GVA and is a local specialism to build on as part of a wider business services cluster targeting the urban core.
- Health and social care very well represented and is growing and other private sector services is strong in the policy area and growing.
- The big encouraging factor is strong growth in professional and technical services and Info & comms. These have grown rapidly and Norwich needs to secure a bigger share of these high value services which are currently underrepresented. e.g. there is room to grow these sectors but it will require a shift in office floorspace supply.

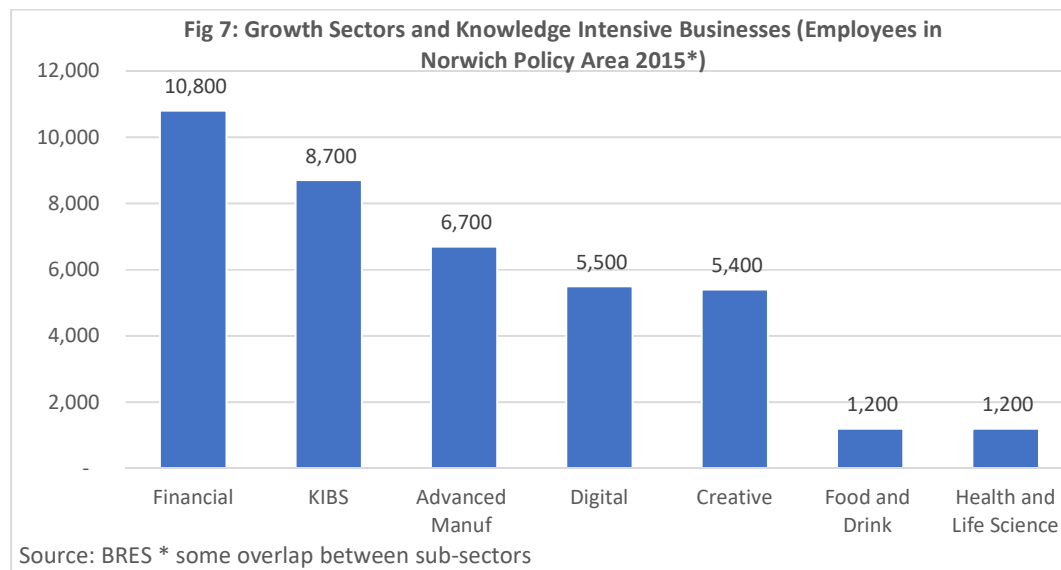


Fig 6



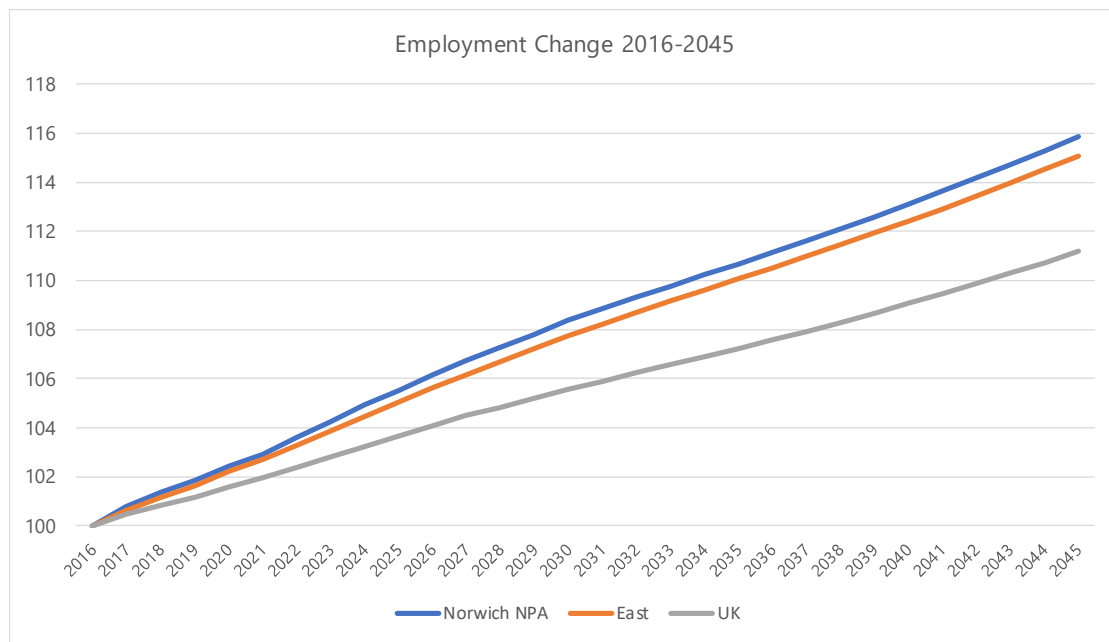
## One in 5 employees in the Norwich Policy Area is employed in priority high value sectors

- 6.6 To conclude the sector overview, it is clear from the evidence that within the Norwich policy area there are concentrations of high value employment in sectors which are forecast to drive growth nationally including financial services, health, advanced manufacturing, digital and creative. There is clearly overlap and convergence between these sectors which is driving further innovation and growth.
- 6.7 Clusters of interacting sectors are well recognized as drivers for city competitiveness. Clusters foster innovation, promote knowledge diffusion and have the capacity to stimulate new start-ups and spin-outs. Norwich boasts six key growth sectors employing an estimated 30,000 people and a sub-substantial presence of knowledge intensive businesses (KIBS). KIBS are often innovation active and graduate intensive, and typically invest more in business research and development. In short the KIBS and growth sectors create high value, high productivity employment and the potential to accelerate the city economic competitiveness. The employment by sector is shown in the chart below.

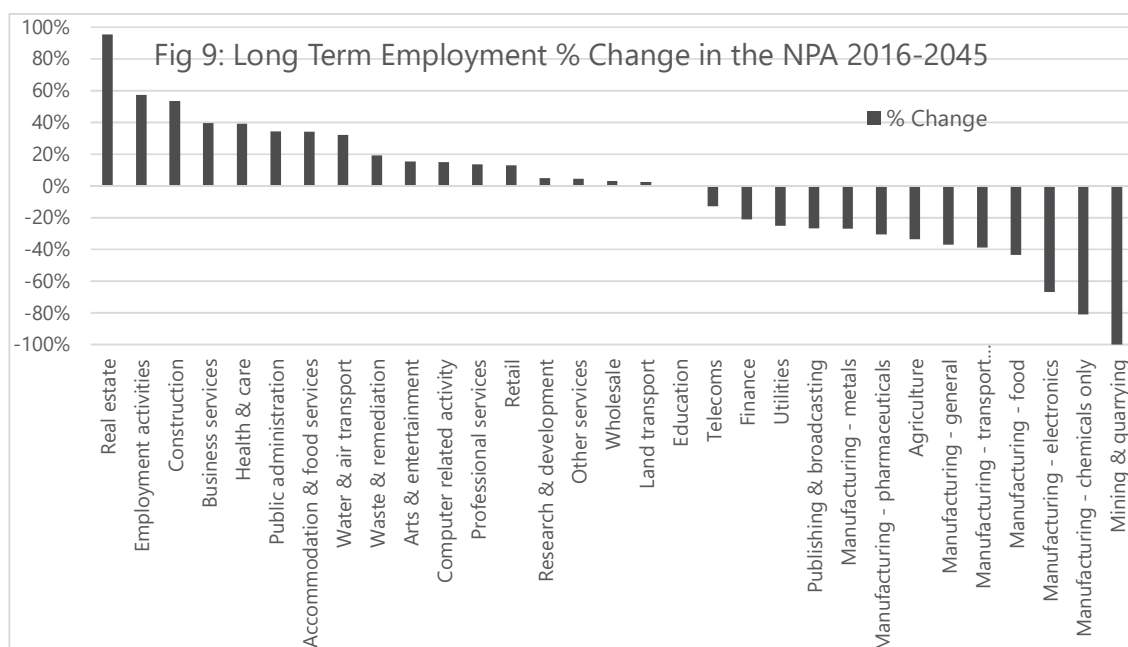


## Constructing Norwich Policy Area forecasts from the EEFM shows a high growth economy

- 6.8 For the analysis in this section Hatch constructed a bespoke NPA employment and GVA forecast based the East of England Forecasting Model (EEFM) which is based on the latest Cambridge Econometrics Forecasts. Data was apportioned from the three LAD forecasts in the EEFM by sector according to our original best-fit SOA boundary definition.
- 6.9 The NPA forecast show expectations of strong employment growth for the Norwich Policy area up to 2045, the area is expected to outperform the regional and national rates of growth over this period at 16% growth compared to 15% and 11% for the East and UK respectively. Total employment by 2045 is expected to be near 182,000 in Norwich Policy Area and increase of 25,000 over the forecast period.

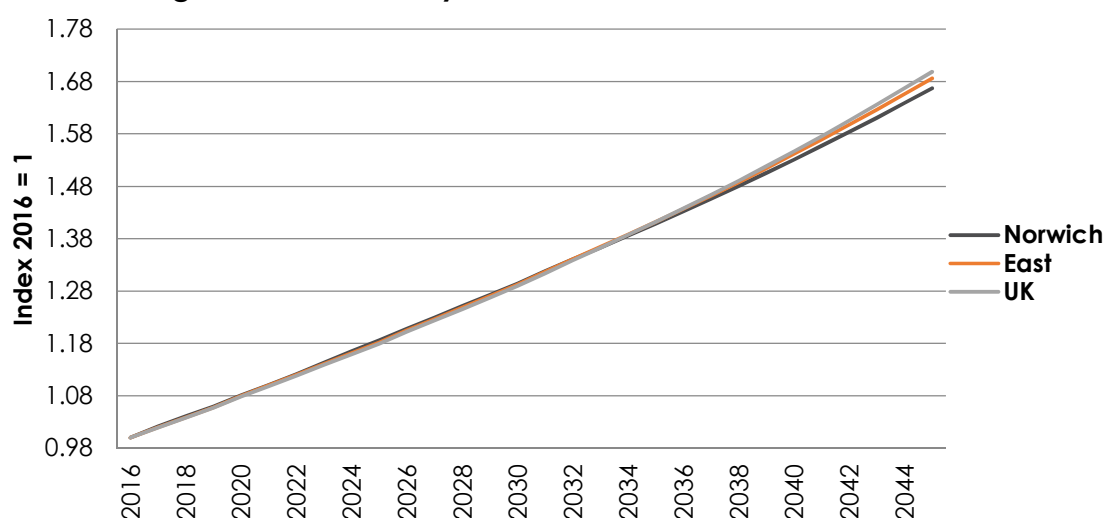
**Fig 8**

6.10 The composition of this change by sector is shown in the chart below. The sectors showing the strongest growth include real estate, construction and employment services. Computer related activity, professional services and R&D are also amongst the growth sectors. The biggest declining sectors are mining and manufacturing which reflects current trends and the national forecasts, the evidence 'in the round' however suggests that some sub-sectors within manufacturing will grow in the NPA over the forecasts period despite the overall sector decline. Similarly, for Financial Services in the NPA there is an overall decline forecasts but research here shows growth prospects within the sectors. These finer grained sectoral issues are presented in the next section of this report.



- 6.11 The NPA GVA forecasts to 2045 indicates that the area is expected to generally match both the regional and UK average growth rates up to 2037, however thereafter there is a slight divergence between the local and regional / national picture as the NPA GVA growth tends to weaken slightly. Combined with strong employment forecast over the whole period then this implies weakening productivity for the NPA over the long term.

**Fig 10: Norwch Policy Area GVA Growth Forecast 2016 - 2045**



## The Norwich Policy Area has an employment structure which is predisposed to growth

- 6.12 There are 8 key sub-sectors (highlighted red) which combine regional specialisation (LQ > 1) and forecast employment growth. They expect to make up over 51% of total employment in 2045.

NPA Key Employment Sector	LQ 2045	% Change 2016-2045
Manufacturing- food	1.126	-41.2
Manufacturing- pharma	1.121	-32.0
Utilities	1.086	-31.2
Retail	1.191	15.6
Water & Air Transport	1.082	19.1
Publishing and broadcasting	1.794	-27.1
Finance	1.528	-25.0
Real estate	1.614	115
Business Services	1.146	24.1
Employment Activities	1.590	58.2
Pubic Administration	1.692	31.2
Education	1.196	3.5
Arts and entertainment	1.278	12.2

- 6.13 Not all the top growing sub-sectors are regionally specialised. There are 4 key growth sub-sectors in Norwich which are not regionally specialised (**highlighted in green**). These top growing sub-sectors are expected to make up 2/3rds of all employment in the Norwich Policy Area by 2045. **Education** is not expected to post high growth but could be added to this group of 'important' sub-sectors – taking the share of key sub-sectors to 75% of total employment in 2045. These are sectors where there is room to capture a bigger share of growth in the NPA and achieve even stronger growth.

NPA Key Employment Sector	LQ 2045	% Change 2016-45
Construction		
Retail	1.191	15.6
Water & Air Transport	1.082	19.1
Accommodation and food services	1.012	35.4
Computer related activity	0.606	14.8
Real estate	1.614	115
Business Services	1.146	24.1
Employment Activities	1.590	58.2
Public Administration	1.692	31.2
Health & Care	0.691	29.1
Arts & Entertainment	1.278	12.2

## 7. FACTOR [5] Growing capabilities in key technologies for the future

- 7.1 In addition to short term job creation, low carbon investment and development will unleash a longer term wave of innovation as firms reposition themselves and seek to exploit carbon opportunities<sup>5</sup>. Norwich Policy Area is located in a major centre for energy development and production including:

- The world's largest market for **offshore wind energy** and the UK's most dense offshore development. Norwich is the closest city to the 1200-1800 turbine East Anglia Array wind farm, 25km off the coast. Norwich the Policy Area provides an ideal location for companies in the supply chain including offshore, marine, and subsea engineering, drilling technology and offshore decommissioning. The local supply chain has over 40 years expertise of oil and gas, nuclear, bio-energy and wind power. It is exploring prospects within 'new or early stage' subsectors such as CCS, gas storage, biomass energy, fuel cell technology and biofuels.
- The decommissioning of **offshore gas platforms** is a major growing business opportunity too. The companies that installed, operated and maintained gas platforms and pipelines are

<sup>5</sup> Low carbon jobs: The evidence for net job creation from policy support for energy efficiency and renewable energy, November 2014.

now turning to the fast new markets of off shore wind and wave and nuclear clean-up and new build (see below).

- The building of **Sizewell C Nuclear Power Station** is estimated to cost up to £18bn and is expected to take nine years creating up to 25,000 employment opportunities. This will result in significant employment prospects in construction, engineering and maintenance across the East of England and beyond.

- 7.2 The NPA is well positioned to capitalise on this growth whilst ensuring a sustainable, prosperous future based on secure and balanced energy supplies, transmission and distribution. This includes the engineering disciplines mentioned earlier, companies producing energy related products and services and air, land and sea logistics operations.
- 7.3 The Norwich Policy area offers a competitive international business location for low carbon technologies with global energy players, world-leading R&D hubs, top tier universities and high-value engineering capabilities.
- 7.4 **Embracing smart technologies:** In a recent report by MasterCard, Norwich has been named as one of the top three UK cities along with Nottingham and Plymouth that has shown significant strides in utilising latest technology to drive growth and innovation.
- 7.5 Norwich is well placed to exploit FinTech or Financial Technologies. These are quite simply technologies used and applied in the financial services sector. These technologies are used by many financial institutions in the city typically within the back end of their businesses. FinTech is increasingly utilising technologies that are disrupting traditional financial services, including mobile payments, money transfers, loans, fundraising, and asset management.
- 7.6 In the insurance sector the efficiency and transparency of transactions is changing with an increase in self-directed solutions. Insurance firms are also enhancing their capacity to access and capture remote risk data gaining a more granular view of the risk, thus enabling personalization. New approaches are also emerging in the life insurance market where the use of wearables to monitor the healthiness of lifestyles can bring rewards and/or premium discounts among other benefits. Making the most of these new data sources is key opportunity for the city where insurance and financial services are so well represented.

## 8. FACTOR [6] An attractive and vibrant urban core

- 8.1 Successful cities around the world have demonstrated that being able to attract talent is also dependent on offering a good quality of life, a distinctive cultural offer and high quality neighbourhoods with good levels of amenity. Crucially however in the knowledge economy proximity and critical mass are important. Those cities which are able to drive higher densities of knowledge firms in a vibrant city centre core underpinned by a distinctive food & drink and leisure offer are able to generate higher levels of talent and investment over the long-term. Knowledge business demand proximity to other knowledge businesses and knowledge workers want to work in high quality urban environment. Placemaking and the quality of the public realm therefore have a direct and positive link to the economic performance of the modern knowledge economy.

## 9. Summary of Findings

### The Norwich Policy Area: a dynamic, resilient growth oriented economy

1. There is an emerging consensus that Norwich is a fast growth knowledge city
2. The Norwich Policy Area boasts high quality knowledge and sector assets aligned to LEP and National investment priorities
3. Scaling up to the Norwich Policy Area brings critical mass, improved performance and influence
4. The Norwich Policy area represents an economy of significant scale and influence. The population rises to just under 300k with employment of around 155K. By making this 'quantum leap' Norwich Policy Area is entering a new category of economic entity and becoming a medium sized city with the critical mass and influence to attract high quality skills, talent, investment and institutions.
5. The Norwich Policy Area has high rates of economic activity compared to the fast growth cities cohort
6. Norwich is forecast to show strong growth in working age population
7. Norwich has a high quality skills base and an ability to attract talent nationally and internationally
8. Norwich has a high business density and strong 5 yr business survival rates compared to comparator cities
9. Employment and Business growth over the past 6 years has been concentrated in Knowledge Intensive Sectors
10. Employment growth and specialisation analysis shows important opportunities in emerging high value sectors
11. One in 5 employees in the Norwich Policy Area is employed in priority high value sectors
12. Constructing Norwich Policy Area forecasts from the EEFM show a high growth economy
13. Growth in the knowledge intensive economy will require a property response, providing new forms of high quality office space within the City Centre to accommodate new businesses