

Draft Norwich Economic Strategy 2019 -2024

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Foreword

Cllr Water's foreword

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Strategic context

The 2019-2024 Norwich Economic Strategy provides a five-year framework for the development of sustainable, inclusive growth of Norwich's economy.

Norwich City Council publishes its Local Economic Assessment (LEA) annually and this provides the primary evidence base for this strategy. The Norwich Economic Strategy sits within a suite of other key documents and strategies, including the Norwich 2040 Vision, the New Anglia Strategic Economic Plan and the Government's Industrial Strategy.

Just as this strategy supports economic growth at regional and national levels; key to achieving sustainable and inclusive economic growth in Norwich will be securing the investment that the city needs alongside our partners and key stakeholders.

By aligning our resources to support the 2040 Vision, our shared commitment will help to attract and leverage investment in our future from government and the private sector and will allow the city to grasp further emerging opportunities as they become available.

Norwich economic overview

The city of Norwich is home to an estimated 117,000 jobs and more than 8,000 businesses - almost one-half of jobs are based in large companies and the city is one of the largest centres of employment in greater south-east England. Norwich contributes more than £3 billion per annum to the national economy.

This strategy is based on an in-depth understanding of the Norwich economy, described in the 2018 Norwich Local Economic Assessment, supplemented by monthly Norwich Economic Barometers with additional in-depth research and analysis of the urban area, its key employment sectors and the challenges of low pay and re-skilling the labour force as technology drives change. A summary of key findings is included within this chapter.

Population change and housing

Norwich has a series of geographies that relate to its physical and economic footprint that do not neatly conform to its local authority area. Catchments for housing and labour often extend outside of cities and the Norwich local economic geography has long been recognised to expand beyond its institutional boundary. Further, these geographies change overtime as the local economy adapts, matures, and grows.

The built-up Norwich urban area extends beyond the Norwich City Council boundary, with extensive suburban areas on the western, northern and eastern sides. The population of the urban area is estimated to be 220,000; around 28 per cent of the urban population lives in Broadland and a further 7 per cent lives in South Norfolk.

Norwich is one of the fastest growing cities in the UK; since 2006 the population has increased at a stronger rate than for the UK as a whole. Norwich has a larger than average working age population and a lower than average older population. The median age of the population is seven years younger than at the national level. Note that Norwich bucks regional and national trends inasmuch as the percentage of older people has remained the same, rather than grown, since 2006. Added to this, smaller household sizes mean that the number of households (and therefore the number and types of homes required) is likely to continue to increase. The Times listed Norwich as one of the best places to live in the UK in 2018.

Population change and jobs

In 2000, the Norwich local authority area had the highest jobs density (1.24 jobs for every working age resident) of any local authority outside of five London boroughs; by 2016 it stood at 1.07. The reason for this is twofold; the working age population has increased by 12 per cent since 2000, while the number of jobs has grown by just 3 per cent.

An ongoing trend has been a movement of jobs away from the Norwich local authority area to the urban fringe which has led to some hollowing-out of the city centre. Much of this has been brought about by the provision of high-quality office space in out-of-town business parks in the adjoining local authorities while the city centre lacks available grade A office space to attract employers.

In addition the relaxation of planning regulations has forced the loss of employment land for residential use.

As always, young people and disadvantaged groups are being hit hardest in the labour market. Creating the conditions for sustainable growth and jobs must be the council's number one economic priority.

Earnings

Earnings in Norwich are comparatively low - probably as a result of the city's relatively isolated location and large rural hinterland which means that there is less wage competition than in many other areas in the UK. Whilst it may be argued that this is a positive for employers, it should be noted that more money in workers' pockets means more spending and more economic activity overall.

The low median wage in Norwich has provided the impetus for a local Living Wage campaign – a wage that meets the real costs of essential goods and services.

Workplace earnings are higher than resident earnings in Norwich, this is probably the result of the high levels of in-commuting from the rest of Norfolk and, many high earners employed in managerial and director level occupations are likely to live outside of the Norwich local authority boundary. The gender pay gap is evident - female earnings are lower than male earnings across each of the reported areas.

The stagnation in real wages and its effect is noted in the deprivation section of this strategy.

Worklessness

A strong relationship exists between worklessness and social housing, not unexpectedly, given that lack of work and low incomes mean that owner occupation is virtually impossible for those who are low paid or unemployed. The Norwich local authority area has the lowest proportion of owner-occupiers in England as a whole, outside of London and Manchester and the highest proportion of social housing of any district in the region.

The local authority's relatively low level of home ownership is a cause for concern for a number of reasons. There is a large literature on the potential benefits of home ownership most of which focuses on external benefits to the wider community e.g. lower crime rates, social trust etc. A house is a valuable asset; high collateral values give better access to credit and so raise consumption. Studies¹ have shown that there is a strong positive correlation between self-

¹ http://www.twri.org.uk/sites/default/files/twri/twri_housing_wealth_small_business.pdf

employment and home ownership which can provide new business collateral. Levels of self-employment in the local authority area are indeed lower than in average and it is likely that this can, in part, be linked to low levels of home-ownership.

Worklessness in the local authority area, measured by the percentage of working age people claiming out-of-work benefits, has fallen markedly since 2010. This corresponds with the change regionally and nationally.

Most of the reduction is in the JSA claimant count group which is likely to be caused by higher levels of employment (the UK's flexible labour market mean that jobs can be found (and lost) relatively quickly) and because JSA claimants are being moved onto Universal Credit as it is rolled out. Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. A fall has also occurred in the lone parent group of claimants - at least in part due to a change in eligibility. Lone parents are now required to seek work and claim JSA when their children are younger than was previously the case. The percentage of ESA and Employment Support claimants has hardly changed over the same period

Worklessness of all types is particularly concentrated in a number of wards, with Mancroft and Mile Cross wards having the most intense concentrations on all measures.

Deprivation

The level of multiple deprivation in the Norwich local authority area creates a complex set of problems which result in large numbers of people being excluded from, or on the margins of, economic activity. Problems of poverty, poor health and low levels of skill sit alongside and contribute to mental health problems, substance abuse and teenage pregnancy. These problems result in poor prospects for children including low attainment and relatively high numbers of children leaving school and classed as Not in Employment, Education or Training (NEET), contributing to a cycle of deprivation which is difficult to break.

The extent of deprivation in relation to education, skills and training is particularly severe, affecting more than one-third of local residents in the Norwich local authority area; placing it as the fourth worst district in England on this measure.

It should be noted that despite the sustained period of economic growth that took place before the downturn, net wages and income have stagnated, or indeed fallen, for a large proportion of the population while income inequalities have actually increased. The OECD reports that underemployment and involuntary part-time employment are far more prevalent in the UK now than before the 2008 recession. Coupled with low and falling levels of unionisation, employment growth has been at the expense of growth in real wages.

Qualifications and skills

Norwich is home to a number of innovative businesses that are leaders in knowledge creation. However, the majority of businesses use technology and business ideas that originate somewhere else. Therefore, a broad and deep skills base is needed to increase the city's ability not only to create knowledge, but also to understand and spread knowledge. Consequently, the skills available in the labour market need to be the 'right' skills; if the supply of skills is not well matched to employer need there will be inefficiencies and lost opportunities for growth. From a social inclusion point of view the low or no skilled population may find it difficult to take advantage of both existing and future employment opportunities.

Norwich is home to two universities, the University of East Anglia, one of the UK's top universities ranked 12th by The Times Good University Guide 2017 and 14th by The Complete University Guide 2019 and the Norwich University of the Arts, awarded Gold under the Teaching Excellence Framework and ranked 10th in the UK for teaching quality by The Times and The Sunday Times Good University Guide 2018. The city is also home to City College Norwich, one of the largest Further Education/Higher Education (FE/HE) institutions in the country. It has been reported that Norwich's exceptional quality of life is a significant factor in the very high graduate retention rate (consistently around 40 per cent) and in staff retention – key employers report that investment in staff and their development in Norwich is retained; by comparison a large percentage of this type of investment is lost in other metropolitan areas.

However, despite the perceived quality of life and the richness of the local HE offer, more than one-third of Norwich residents are currently affected by a paucity of education, skills and training attainment. Although forecast data suggest that this will improve over the next decade, it is unlikely to catch up with Norwich's nearest university city, Cambridge, where almost three-quarters of the local population will be educated to degree level or above compared to just one-half of the Norwich population.

Industrial structure

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 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's economic competitiveness. Knowledge-intensive firms account for a higher share of the business base in Norwich than is the case in the LEP area and regionally; their share of the business base has increased over the period 2012 to 2017.

Norwich's growth sectors are **Financial Services** (growing in terms of GVA rather than numbers employed); **Life Science**; **Advanced Manufacturing**; **Food & Drink**; **Digital** and **Creative Industries**. These have been identified² by GVA/Hatch research commissioned by Norwich City Council and based on statistical evidence. In addition, the **Retail** sector is important given the number of people employed in the sector.

One of the largest sectors locally in terms of employment and share of the business base is **business and financial services**. The sector comprises a wide range of activities, including accountancy, legal, financial services and telecommunications and has been a driver of growth for the UK economy. Norwich is currently home to blue chip companies (Aviva, Handelsbanken, Marsh, Virgin Money, KPMG and Swiss Re) and a growing number of national and local companies with international reach (Validus ivc, Williams Lea, Alan Boswell Insurance, Grant Thornton, Mills and Reeve). These companies have shared service centres, contact centres and business process outsourcing centres, across a range of specialisms including sales and customer services, pensions and life administration, accountancy and finance and IT development and service support. The city has a strong legal sector, with many local firms operating at an international level.

This is a sector experiencing significant change; looking at the reasons behind this they include regulation, a shift in technology and customer expectations alongside an ageing population driving demand for retirement products for instance. FinTech companies are breaking the dominance of financial services' largest players in novel ways in areas including online lending, money transfer, and credit ratings. Changing customer needs and demographics are impacting on delivery channels, servicing, and technology. New channels are altering the way customers access financial services. The EEFM predicts that, over the coming decades, employment in financial services will decline but employment in professional services and business services will grow.

Digital is a small, albeit, growing key sector and has some overlap with the business and financial services sector. The cluster is characterised by a number of high performing home-grown businesses many of which are global players as well as micro start-ups and freelancers. The TechNation Report identifies Norwich as a fast growing and vibrant digital cluster and attributes the growth of digital tech businesses such as Proxama, Rainbird AI, Validus-IVC and Epos Now to its two leading universities and a steady supply of graduates. The sector overlaps and interlinks with the financial and insurance services and business services sector. The sector has real growth potential in its own right, but is also a driver for innovation, creativity and productivity across the broader business base. The vibrancy of the digital sector is also crucial to Norwich's creativity and cultural diversity, which, in turn, has a positive impact on the city's image and supports

² Using the East of England Forecasting Model industrial sectors which do not directly map to local sectors and have been used as a proxy.

related industries in culture, leisure and tourism. The availability of digital infrastructure and access to superfast broadband is key to the growth and competitiveness of digital companies as is availability of a technically-specialised workforce.

Norwich has a concentration of **creative industries** and a thriving digital creative scene with a cluster of digital arts companies. A clear overlap exists with the digital sector and business services. The top subsectors contributing to growth in the sector were in the publishing of journals and periodicals and the publishing of newspapers. The EEFM forecasts that the arts and entertainment sector will continue to increase steadily over the coming decades while publishing and broadcasting will see a slight decline in employment.

Around 3 per cent of the workforce is employed in the **advanced manufacturing** sector in the local authority area; in Norwich the share has remained static over the period 2011 to 2016, as it has regionally and nationally. In the LEP area the sector employment share has seen a slight increase over the period. The advanced engineering and manufacturing sector's share of the business base in Norwich is relatively small. However, this masks its importance as a growing industry particularly the aviation related sub-sector centred on Norwich airport. **Food and drink** production also makes a notable contribution to employment in this sector; the EEFM predicts that employment in food production will remain fairly stable in the coming decades.

Industry 4.0 or the fourth industrial revolution is characterised by the increasing digitisation and interconnectivity of products, value chains and business models. In other words the real and virtual worlds are now beginning to merge in production. This current trend of automation and data exchange in manufacturing technologies includes cyber systems, the Internet of things and cloud computing. Digitalization will result in lower costs, improved production quality, flexibility and efficiency. Over the coming decades the EEFM expects employment in the manufacturing of transport equipment to remain stable but employment in the electronics subsector will decline. In other words whilst the sector will become more efficient and productive through the fourth industrial revolution it will continue to experience modest employment decline matched with an improvement in employee productivity.

Health and Life Science is focussed, in the main, on Norwich Research Park, the location for world class research, educational and training institutions including the John Innes Centre, Institute of Food Research, The Genome Analysis Centre, the University of East Anglia, and Norfolk and Norwich University Hospital with their associated infrastructure and specialist facilities. Three of the Biotechnology and Biological Science Research Council's eight strategic research institutes are located on the Norwich Research Park. This is reflected in the composition of the sector locally. The EEFM predicts that research and development activities will have modest growth but the health and social care sector is predicted to grow considerably, more than twice the rate for all industries. Growth in life sciences will

realistically be much higher than is being implied here because as medtech and digital health activity increases much of this activity will be captured under digital or advanced manufacturing. That said to some degree this may be partially offset in the medium term as a consequence of the loss of EU funding for collaborative and other projects in the HE and research sectors.

Norwich's culture is a fundamental part of its identity and an essential element of the city's national and international reputation as a **tourist** destination. The city's cultural credentials are impressive – it has a vast array of unique heritage assets, five theatres, networks of artists and creative entrepreneurs and a wide-ranging programme of local, national and international events. Norwich is also the only city in England that has been awarded UNESCO City of Literature status. The tourism sector accounts for around one-tenth of all employees. More can be done to promote the city's creative and cultural assets to ensure that Norwich is able to compete with other major cities as a cultural and creative hub. The positioning of the city as a major cultural player requires investment which would generate far greater returns to the city in terms of increased employment, independent business growth and tourism development. The Norwich Business Improvement District (BID) has committed to promote Norwich as a key visitor destination for cultural and leisure (including retail) tourism.

The **retail** sector has a large share of Norwich's business base and employment – reflecting the significance of Norwich's position as a top 20 UK retail centre and is part of the city's visitor offer. Norwich city centre is the focus for the city's retail sector. The city's somewhat isolated location means that, unlike cities in close proximity and therefore in competition with each other, it has been relatively protected from much of the effects of the current turmoil but is obviously still affected by the increase in online shopping, a global trend that will drive significant change in the sector going forwards. According to the East of England Forecasting Model, despite expected changes in the operating environment generally local employment in the sector is expected to continue to grow.

Enterprise

Norwich is ranked 20/379 for overall competitiveness on the PWC Index. The economic dynamism of the city underpins the regional economy and as such its significance as an economic driver, attractor of investment and of skilled labour must not be underestimated. Enterprise plays a key role in creating a dynamic and flexible economy; however, labour productivity in Norwich is lower than at the national level. Economic growth in Norwich has been generated mainly by existing businesses and indigenous business formation rather than as a result of large inward investment. In the form of new entrants to the market place, enterprise enhances productivity by raising competitive pressures and maintaining a healthy level of business 'churn'.

The level of enterprise can be quantified by rates of business start-ups and closures and the overall stock of businesses. Important entrepreneurial activity also occurs within existing firms, for instance the launching of new products or

through entering new markets – however, this activity is not so easily measured. Nevertheless, a recent report by MasterCard names Norwich as one of the top three UK cities that have shown significant strides in using latest technology to drive growth and innovation. Norwich has a smaller percentage of micro firms than average and a correspondingly bigger proportion of small, medium and large firms.

Business start-ups, closures and survival rates

Although Norwich's business start-up³ rate has increased over the five-year period (2011-2016) growth has been considerably weaker than that seen regionally and nationally although it is comparable to growth in the New Anglia LEP area. The Norwich rate peaked in 2013 when it increased above the regional rate but it has gradually fallen since then.

In 2016 the rate of business "deaths" or closures in Norwich was also higher than average. Indeed, the number of business closures was greater than the number of start-ups, meaning that the number of businesses operating in Norwich has fallen. The business closure rate has increased markedly since 2014, more so than has taken place across the LEP area, regionally and nationally.

Business five-year survival rates in Norwich are roughly in line with the national average. It can be suggested that these turnover rates show the speed with which outdated business ideas are replaced by new ideas; they may also reflect a response to current economic conditions such as how the credit market is changing and how the demand for goods and services is changing i.e. the growth and decline of specific sectors.

Businesses in particular industries have a higher propensity to survive than others; businesses in the hotel & catering and in the retail sectors are much more likely to have ceased trading at the 5-year point than businesses in the health sector or the financial services sector, for example.

Turnover

Norwich has a much higher percentage of companies with a turnover greater than £10 million than is seen across the LEP, regionally and nationally. This corroborates the earlier findings which show that Norwich has higher levels of larger firms and a correspondingly lower level of smaller firms.

Premises/employment land

Norwich has been referred to by government as an example of "best practice" for planning for town centres and has the highest percentage of retailing in its centre of any major city in the country. This is the result of the long term policy approach of promoting a vibrant city centre, investment in pedestrianisation and public realm and restricting out-of-town development.

³ Business registrations or "births" are a proxy measure for business start-ups. The full definition of the measure is new businesses registering for VAT and PAYE and some smaller businesses reaching the VAT threshold (£85,000) or running a PAYE scheme for the first time.

However, there are a significant number of offices in the Norwich local authority area and in particular, the city centre, that are out-of-date and of poor quality – many of these are currently being converted to residential, predominantly to student housing. Improving the quality of existing office stock would also counter less sustainable patterns of extensive office development on the urban fringe and would ensure that the city centre commercial offer matches the exemplary public realm in the area. Much of the outdated office stock requires substantial refurbishment to bring it up to A grade standard.

The loss of employment land to other uses such as housing is an important consideration. Some small and medium sized firms, particularly those experiencing rapid growth in the digital sector, report difficulties in finding the right workspace. Small businesses, in particular, may be squeezed out of an area by housing due to the higher values it attracts. The Joint Core strategy (JCS) therefore sets a target of 100,000 square metres of additional high quality office space in the city centre, to mainly be provided in mixed use developments with housing and other uses to make best use of valuable and accessible city centre sites. The city centre remains the most sustainable employment centre in the county and this has been supported by improvements to the public realm as part of an overall package of public transport, walking and cycling improvements

The finite amount of employment land in the urban area (especially in the local authority area) needs to be protected – the mix of employment and residents has to be balanced if Norwich is to function as a modern urban centre. Recent monitoring has shown that there has been very little office development in the city centre whilst there has been an increase in general B1 office use on the urban fringe, mainly in Broadland. In view of the large stock of unimplemented B1 office consents at Broadland Business Park it is important that the market for further office development in the city, particularly in the city centre, is not further undermined by yet further supply of unconstrained B1 office floorspace in outer areas, such as north of the airport and at Rackheath.

The threat to the vibrancy of the city centre is further exacerbated by national policy - recent amendments to the General Permitted Development Order further complicate the situation - the permitted development to change the use of an office to residential uses. The stated aim in the JCS of increasing office development in the city centre is further threatened due to this amendment as there is little control over the loss of offices.

The growth of Norwich Research Park, which provides only for research-related uses, does not constitute a threat to the city centre as it provides for specialist office accommodation for research which will support the local economy

Land and premises are also required for other service related uses, such as leisure and tourism. Employment land is protected through planning policies covering industrial estates and that there is a strategy in place in the JCS to ensure that there is an effective mix of uses in the city centre.

Infrastructure and environment

The city's infrastructure and environment is an integral part of the conditions for sustainable economic growth in Norwich - this includes transport, housing, communications and digital infrastructure, energy supply and resilience to issues arising as a result of climate change.

Capacity issues on the **road networks** in and around Norwich are well known. Commuting plays a highly significant role in the economy; more than half of Norwich's workforce commutes in from outside the city boundary every day. The majority of these in-commuters come from other parts of the Norfolk. Balancing public and private transport and peak commuting flows into the city requires an increasingly sophisticated approach to deliver the best outcome for workers and residents; car parking policy alongside **Park & Ride** services have been successful in managing the significant inflow of workers and visitors and keeping the city "open" as a visitor destination.

Greater Norwich has an integrated transportation strategy and ambitious funded plans for investment in transport infrastructure and services. The Transport for Norwich (TfN) strategy comprises of a package of multi modal policies and projects that seek to facilitate everyday travel for a growing city.

The overall aim is to support economic growth and development with targeted measures that enable travel by car whilst encouraging travel by bus, walking and cycling.

Building on the success of the Broadland Northway (formerly known as the Norwich Distributor Road NDR) the completion of the missing Western Norwich link across the Wensum river valley is being actively pursued. These new roads will help ensure faster and more reliable journey times by car to all parts of Greater Norwich, in particular Norwich Airport and key growth locations on the urban fringe at the University of East Anglia, Norwich Research Park, the Food Enterprise Zone, Norwich Airport and Broadland Business Park. Combined with the completion of the A11 dualling and the Norwich to London rail services taking 90mins will help to establish better national travel connections to Norwich.

Norwich's winning entry to the government's 2018 Transforming Cities fund seeks to give the city the transport network it needs for the 21st Century. The bid seeks to enhance the established Park and Ride bus services with a network of express buses extending across the Greater Norwich area connecting the city centre with the city growth locations. This will be implemented by 2023, using high quality buses that use clean energy to support cleaner air and encourage commuters to switch from the car and open up employment locations to all citizens.

An increasingly important feature of transport in the city is its accessibility for pedestrians and cyclists. This is critical to the functioning of the city centre and the quality of attraction for businesses and tourists. Since the Department for Transport awarded Norwich cycle ambition status in 2013 there has been significant investment in walking and cycling alongside major improvements to the

public realm. Building on the success of the Pedalway cycle network that has seen levels of cycling double on most sections of the improved cycle routes implemented so far; as part of the Transforming Cities project a Walking and Cycling network for Greater Norwich will enable travel on foot and cycle along key urban growth corridors improving the liveability of Norwich's city neighbourhoods.

The funded plan for investment in transport will see a better connected Norwich, unlocking key development sites for investment and ensuring future growth is sustainable.

In autumn 2016, a new £1.4billion franchise was awarded to Abellio to run **train services** which operate out of Norwich. The Department for Transport has awarded the company a nine-year contract to deliver transformational change for the region's train users, including:

- More than 1,040 state of the art carriages by 2020
- Journey times cut by 10 per cent
- At least four 90-minute services between London and Norwich each weekday
- 32,000 more seats by 2021 and free Wi-Fi for all passengers
- £1 billion contract for UK train manufacturer Bombardier to supply new trains

Ensuring that infrastructure enables growth whilst protecting quality of place and keeping pace with changes to the way we live and work driven by technology work enable growth is a real challenge, especially in an environment of very limited public sector funding.

Continuing to deliver the infrastructure necessary for sustainable economic growth will require new financial models and partnerships a wide range of stakeholders and private sector investors.

Summary of Challenges and Opportunities

The diversity of Norwich's economy is one of its greatest strengths, helping the city to remain stable during the worst of the recession. This diversity includes high value knowledge-based enterprises, research and education, financial and professional services, healthcare, retail, creative and cultural industries, digital and public sector services.

Diversity provides a solid foundation for growth however there are still a number of significant and on-going challenges around managing sustainable, inclusive economic growth. In particular poorly-paid and insecure employment in relatively low-skilled jobs in sectors which are likely to see significant contraction as technology replaces many roles. The productivity gap between Norwich and the UK as a whole must also be tackled - low productivity translates into low wages and deprivation.

Realising the city's economic potential in a sustainable, fair way will require concerted efforts from a wide partnership of public and private sector stakeholders. Specifically there is a need to:

- support the continued growth of the knowledge economy; improve productivity and to ensure that new and existing companies are able to establish, develop and expand in Norwich;
- to improve educational attainment, raise workforce skills and address in-work poverty and insecure employment;
- to connect people in local communities to economic opportunity;
- to respond to the challenge of improving infrastructure and development of modern, high quality workspace within a much loved historic city;
- raising the profile of the city nationally and internationally and challenging local stereotypes that are holding back growth.
- to improve the quality of life and opportunities for all sections of the community, to reduce inequalities, and ensure that talented, ambitious people can stay in Norwich to achieve their aspirations.

The labour market will see a significant shift as Artificial Intelligence (AI) and other technologies replace many traditional roles. New requirements, particularly those driven by a need for creative, technology-savvy employees will emerge. Re-skilling will be particularly important as a significant proportion of those already in the labour market will still be working in 2034. The future workforce will need broad-based knowledge and a combination of interpersonal and cognitive skills in addition to the more specialised skills needed for specific occupations.

Unsurprisingly, many of the jobs likely to experience a fall in employment are low or medium-skilled in nature. However, it is unlikely that all low/medium-skilled jobs will suffer. It is possible that some jobs will be redesigned, and employee skills upgraded to emphasise further product variety - a development indicated by the

return of artisan employment⁴ in occupations like barbering, brewing and textiles. In some occupations, technology may augment human performance. It will also generate occupations and industries which currently do not exist. If Norwich is to seize these new opportunities it must train and upskill its current and potential workforce.

Norwich's future labour market should provide many opportunities for our young people - to enable them to do so the need to improve educational attainment in Norwich's state-funded high schools is paramount. Currently the city has one of the weakest GCSE performances in the country. Norwich is ranked in the worse 10 per cent of local authorities in the country for social mobility. Lancaster University research has shown that schools with 20 per cent or more of pupils from poor backgrounds see lower attainment for all children. Poverty and low educational attainment go hand in hand. Improving poor performance in Norwich schools will enable the young people affected to benefit from economic opportunity via participation in the labour market – it will also ensure that the benefits of economic growth are shared across the city, with local people seeing the benefits in more jobs and improved incomes.

Technology is driving significant change in our labour market and our built environment; one of the sectors currently most visibly impacted by this retail. As digital shopping accelerates to transform the retail sector, cities worldwide will potentially see a contraction in the retail footprint with a corresponding expansion of mixed use in the city centre. Norwich, with its historic, cultural and visitor offer should be able to prosper in this changed environment, though this will require further investment and active management to find the balance between employment, housing, retail and leisure. Strong partnerships can drive footfall with events and a wider cultural and experiential offer, providing an environment where the city's specialist and independent retailers can flourish.

Current trends and the likely context of local government funding to the end of the decade suggest that the relationship between councils and arts/cultural institutions is changing; new ways of working are needed to support local arts and culture.

Shrinking car ownership, especially in urban areas is likely to increase demand for walking and cycling routes, public transport, car clubs and sharing schemes. This may also reduce the attractiveness of out-of-town shopping destinations, returning the emphasis to city centres.

Employment density fell dramatically during the recession and by 2010 it stood at 1:01 (resident working age population to job ratio). Since then, the ratio has increased to 1:07. However, in 2007, before the recession impacted, the jobs ratio was 1:24. This loss of density has been partly driven by the economic downturn but has also been significantly affected by growth in the working age population and by key employee relocations to new, modern premises outside the city centre. The city centre has a shortage of small to medium modern, flexible office

⁴ NESTA The future of Skills: employment in 2030

accommodation suitable for growing businesses; this is a key challenge to overall city centre vitality.

Ongoing austerity cuts have dramatically changed the landscape in terms of the availability of the level of public funding available. New solutions and partnerships are required to deliver quality new development opportunities for jobs, homes and skills. Investing in infrastructure, unlocking growth; developing new homes, amenities and modern business accommodation will play a significant role in stimulating local labour markets and tackling worklessness.

Continuing uncertainty around the UK's exit from the European Union will undoubtedly deliver its own economic challenges not least that EU funding will shortly be replaced by the government's Shared Prosperity Fund. Alongside this, a decade of recession and low growth has created significant pressures on government and correspondingly, local government budgets. At a local level, there are reduced resources available to support growth and fund infrastructure; delivering sustainable economic growth demands new financial models and effective working across the public sector and between the public and private sectors.

The responsibilities for promoting and managing economic growth are shared across a wide range of partnerships and organisations and this places an emphasis on leadership, a shared vision and effective joint working.

Strategic objectives and priorities for Norwich

Sustainable, inclusive economic growth is key to the future of Norwich and the wellbeing of all those who live and work in the city. Through strong leadership and using its role in procurement, as an employer and landholder economic growth sits at the heart of Norwich City Council's vision, its policy, its interventions and partnership activities.

Objective 1: Productivity and competitiveness

To lead, invest resources and leverage partnerships and external funding to drive the competitiveness of the city's economy and create the environment to increase productivity and growth.

Priorities:

1. Stimulate jobs growth by increasing the pipeline of new businesses.
2. Generate and sustain jobs by retaining and growing the existing business base.
3. Support initiatives to generate growth in knowledge intensive sectors and commercialisation of research and innovation.
4. Collaborate with public sector partners to ensure that policies support economic development and employment growth.
5. Engage in place-shaping and use property and land assets to proactively support a dynamic business environment for incubation, growth and cluster development.

Example Activities:

- Norwich City Council commissioned research in 2018 to map the incidence, size and location of digital companies in the city; to understand their growth ambitions and assess their current and future accommodation requirements with a view to developing space for the digital sector.

Objective 2: Skills and employment

To ensure that local people have the skills and ambition to capture the opportunities of growth and to participate fully in the economic and cultural life of the city

Priorities:

1. Lobby for affordable and accessible skills provision that will match the existing and future skills needs of the local economy.
2. Support lifelong learning and skills provision that enables people to progress in the labour market and access new opportunities.
3. Build strong relationships with and between education and businesses to stimulate aspiration and performance.
4. Work with partners to ensure that highly skilled people are retained in the local economy.
5. Promote the adoption, by all local employers, of a real living wage to provide people with sufficient resources to manage financially whilst training or developing new skills.

Example Activities:

- Norwich City Council and CTS Ltd developed Building Futures in Norwich to engage those furthest from employment or education by providing employment opportunities on the council's building contracts. Every participant receives skills training and a qualification to foster sustainable employment for the future.
- New Anglia Enterprise Adviser Network is a national programme being delivered at a local level recruiting senior business leaders to work voluntarily with secondary schools and colleges as 'Enterprise Advisers'. Enterprise Advisers work strategically with senior leaders in schools and colleges, to improve the quality and consistency of careers, work related & enterprise education delivered to students and to broker activities with businesses and enterprise providers.
- Norwich City Council commissioned research covering individuals and employers to consider the impact of employment practices, such as zero-hour contracts and minimum wages. This research is being used to inform evidence-based policy to support sustainable employment practices and workforce investment.
- New Anglia Careers Hub, one of 20 around England, is currently under development and will comprise 32 schools and colleges in Ipswich, Norwich and along the A140 corridor, working with universities, training providers and employers to improve careers education for young people.

Objective 3: Infrastructure for business

To develop the necessary physical infrastructure to unlock economic growth whilst maintaining and improving quality of life.

Priorities:

1. Pursue improvements in next-generation digital and communications infrastructure for businesses.
2. Contribute towards the development of an effective and sustainable transport infrastructure which supports planned growth.
3. Provide timely and proportionate advice on planning to encourage businesses to locate and expand in Norwich.
4. Work with developers to bring forward and maintain an attractive portfolio of employment sites and improve the supply of appropriate business premises, particularly in the city centre; ensuring that the urban core of the city continues to be a nationally significant cultural, retail, commercial and leisure destination.
5. Ensure an adequate supply of affordable housing and that the overall housing mix is appropriate to the needs of the local population. Maximise the impact of housing and property development on economic growth, skills and apprenticeships.

Example Activities:

- Development of key sites in City Council ownership for employment and housing. Norwich City Council established Norwich Regeneration Limited as a private limited company (wholly owned by Norwich City Council). This will allow the council to seek ways to become more financially self-sufficient, developing commercial opportunities and making it less reliant upon shrinking government funding.
- HIF funding secured to stimulate viability of re-development for key city centre sites
- Supporting the growth and development of key infrastructure such as Norwich Airport
- Monitoring the impact of permitted development rights and the change of use from office and retail to residential
- Norwich City Council is a partner in the East West Rail Consortium which has developed the East West Rail project to establish a railway connecting East Anglia with central, southern and western England.

Objective 4: Profile and investment

To raise the profile of Norwich as a high quality city to invest and do business in, and to work, live and visit.

Priorities:

1. Promote a strong and coherent image of Norwich to a national and international audience.
2. Work closely with partners to attract new business investments to create employment opportunities in targeted growth sectors
3. Work with city centre partners to maintain and enhance the vibrancy of the city centre that is unique in its heritage and cultural tourism offer.
4. Use policy tools to optimise mixed use of the city centre with a focus on high quality office, retail and leisure development and with residential and education development playing a complementary role.

Example Activities:

- Norwich marketing activities, including marketing material and attendance at London MIPIM exhibition to promote the city as an inward investment destination.
- Norwich City Council, local digital sector businesses and UK Tech Nation have produced a tech-focussed marketing brochure aimed at promoting Norwich to a national audience of potential tech investors and businesses.
- Norwich Business Improvement District has secured a second five-year term and expanded the area it covers enabling further city centre improvements developed by the local business community.

Implementation and Monitoring Progress

The four strategic objectives each represent a coherent area of activity, but in practice are populated by multiple partners and stakeholders; many concurrent interventions and initiatives at different geographical scales. Some of the drivers of these areas of activity are well advanced with fairly sophisticated management and delivery mechanisms, while others are still developing capacity.

Every year we will produce an action plan which details new and additional activity taking place in the city to deliver jobs, homes, workspace, and infrastructure to improve economic performance. Action plans will be reviewed annually and a performance report will be published that assesses performance against targets. The Norwich Local Economic Assessment is updated on an annual basis and will enable analysis of the success of the economic strategy against the full spectrum of economic indicators.

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