



# Norwich economic strategy 2019-2024 (revised version 2022)



**NORWICH**  
City Council

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## Foreword

Three key drivers have influenced the need to refresh the Norwich Economic Development Strategy 2019-2024: the Covid-19 pandemic, the UK's withdrawal from the European Union and the greater salience of the challenge of climate change.

The format of the document highlights just how much has changed. Emerging developments show what the city council and its network of partners need to do to bend those trends in a positive direction to deliver a 'Good economy' that works for everyone. Those values animate the purpose of the Norwich 2040 Vision partnership. The successful £25 million Towns Deal in 2020, delivering eight projects built around skills, business space, employment, housing and investment is a product of strong collaboration. We also work with a network of cities across the UK to advocate for the importance of investment in urban economies.

The report is a candid assessment of the state of the Norwich economy – its urban core, the wider travel to work area it serves and its place within the Eastern region.

The final section sets out 'opportunities and priorities', built around five strategic objectives that will be regularly updated and monitored through the annual Norwich Local Economy Assessment.

I recall the observation of the Sociologist, Mike O'Donnell, when writing about 'communities': that 'communities are made and remade in the fulcrum of economic activity'. Today, there are dystopian economic trends that need to be tackled both at national and local levels, if communities are not to fail.

This economic strategy is framed around sustainable and inclusive economic growth based upon the principles of a circular economy as is the key to the future of Norwich and the wellbeing of all those who live and work in the city.

Cllr Alan Waters  
Leader  
Norwich City Council





## Summary

**Throughout this document the blue text boxes indicate where conditions have changed since the 2019-24 Strategy was written.**

The Norwich Economic Strategy 2022 refresh sits within Norwich City Council's suite of key policy and strategy documents, these include the new Corporate Plan and the C19 recovery plan.

### Diverse economy

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 ranges from high value knowledge based enterprises, research and education, financial and professional services, healthcare, retail, creative and cultural industries and digital through to public sector services.

The impact of COVID-19 pandemic has not been felt equally across business sectors – in particular the retail, leisure and hospitality sectors have been badly affected by loss of customer base (short term – lockdowns and long term – online shopping, remote/hybrid working), increased costs and staff shortages.

Every sector has been affected by Brexit because of the potential economic impacts (reduced investment and recession) and labour market issues (migrated workforces and skilled worker shortages). Norwich businesses that responded to our survey reported that, almost a year after Brexit, they were continuing to wrestle with new red tape ushered in by the UK-EU trade and co-operation agreement. Although the Brexit deal confirmed zero tariff and zero quota trading between the UK and the EU, the new arrangements require companies to comply with costly checks, customs controls and bureaucracy.

### Low productivity

Although this diversity provides a solid foundation for growth, a number of significant and ongoing challenges exist 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 be tackled – low productivity translates into low wages and deprivation. Norwich is already trailing behind several of its statistical comparators on a number of economic indicators. It is imperative to reposition the city and remain competitive.

Covid-19 has had extremely uneven and unequal effects. The employment situation of those in low-skilled/low pay jobs has been amplified – they are less likely to be able to work from home during the pandemic and the sectors they work in are the most affected.

The Resolution Foundation report that low paid workers have been more adversely affected by the Covid-19 crisis than higher paid workers.



Low paid workers have been three times as likely as higher paid workers to experience a negative impact on their work: in March 2021, more than 21 per cent of workers in the bottom weekly pay quintile had either lost their job or lost hours and pay due to the crisis, or were furloughed, compared to just 7 per cent of those in the top earnings quintile. A decomposition of the impacts suggests that sector of work is by far the most important factor in explaining employment effects.

The impacts of the pandemic are highly gendered. It should be noted that women make up the majority of workers in the care sector, including in elder care, childcare and cleaning. Most of these jobs in the care sector cannot be undertaken remotely.

Interim local research findings commissioned by the Good Economy Commission demonstrate that women's economic participation has been particularly impacted. Women are more likely to be in low pay jobs and whereas full-time earnings for Norwich's resident males have risen by 23 per cent over the year, their female counterparts have seen a fall of almost 4 per cent in their earnings.

### Shifts in the labour market

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 expected technological advancement, 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 broader technical 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 of these jobs will suffer. It is possible that some jobs will be redesigned and employees upskilled to create further product variety – already indicated by the return of artisan employment<sup>1</sup> in occupations like barbering, brewing and textiles. In some occupations, technology may augment human performance. Technology and the need to mitigate against climate change will also generate occupations and industries which currently do not exist.

If Norwich is to seize these new opportunities, it must adequately train and develop its current and potential workforce.

<sup>1</sup>NESTA: The future of Skills: employment in 2030

The skills-based immigration system introduced in January 2021 means that employers in sectors such as adult social care, hospitality and construction are trying to recruit from the resident labour force, creating further impetus to increase skills and boost employment.

Training and workforce development are key to addressing current and future skills shortages and skills gaps. However, adult participation in learning is falling and is not distributed evenly across society. The poorest adults with the lowest qualifications are the least likely to access training (UK Parliament: Upskilling and retraining the adult workforce).

Recent government reports have emphasised the extent of skills shortages, particularly in technical areas, and the lack of responsiveness of the current system to labour market demand. This problem could be exacerbated by any increase in the pace of technological change, such as automation of particular jobs, or negative trade shocks to particular industries. Economic change following on from the pandemic could also lead to a shift in the demand for different types of skills.

### **School attainment**

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, and Norwich is ranked in the worst 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 having access to more jobs and improved incomes.

The city's latest state high school performance is mixed with three of the schools achieving GCSE attainment above the national average and three well below average. However, it is more important to track trend data as the 2020 data is likely to be a glitch because of the unusual circumstances re lockdowns etc.

### **Vibrant city centre**

Technology is driving significant change in our labour market and our built environment; one of the sectors currently most visibly impacted by this is 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.

Compared with 2019, Norwich's everyday environs – the shops and hospitality venues, leisure facilities and schools, public and private transport, the city centre and the urban fringe – are adapting to the changed circumstances and remain transformed.

Employment numbers in the city centre wards have fallen by 4,000 jobs since 2015. Over the same period, employment numbers have increased outside of the urban area, in the rural parts of the neighbouring local authority districts.

Perhaps the biggest impact of the pandemic has been to accelerate the trends that have long been on the horizon. Instead of a gradual evolution towards greater flexibility in workplaces and “experience-centric” high streets, these changes are happening now.

According to retail research company, Springboard, home working is the biggest factor affecting city centre vibrancy as people stay away from city centres and shop locally or at out-of-town locations.

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 and supporting Norwich's low carbon ambitions.

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

## Innovation

Innovation is not just about technology. It is also about adopting new approaches which form the best way to build on the city's strengths, harness new ways to create growth, and inform new ways of meeting social challenges.

In practice, this means harnessing the innovative talents of the city through the creation of new partnerships, approaches, spaces and ways of doing business to support new behaviours in the city – an example is the Sharing City initiative.

Ongoing austerity cuts have dramatically changed the landscape in terms of the level of available public funding. 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.

Social enterprises and community organisations can play key roles in addressing social and environmental challenges. This could involve helping to address factors such as financial exclusion; food and fuel poverty; unmet housing need; providing social care and childcare; developing community transport: enhancing health and well-being and improving employability.

Research by the OECD has shown that the pandemic has, to an extent, been a driver of innovation and that cities themselves have had to become sites of innovation over the past two years – in ways that were unthinkable prior to 2020.

The Covid-19 pandemic has accelerated several key developments in the workplace, which would have taken much longer without the unexpected disruption.



## Climate change

As a city located in a low-lying area, Norwich is particularly vulnerable to the effects of climate change. However, with globally acknowledged expertise in environmental science at UEA and Norwich Research Park, Norwich has substantial scope to grow the low-carbon sector, developing and facilitating investment in environmental industries.

A low-carbon economy can deliver opportunities across a wide range of business sectors, and not just to those seen as being in the ‘traditionally’ environmental technologies sector. Businesses can benefit from the low-carbon economy in two ways: by diversifying into new products, and by becoming more efficient in their current processes.

To develop a truly circular sustainable economy, we need to identify future demand and create relevant high value skilled jobs that preserve or restore environmental quality, eg those that reduce fossil fuel consumption. This may include jobs within the renewable energy, retrofitting, technology, electric vehicle and food production industries. LG Inform website estimates in Norwich that 2,328 green jobs will be required by 2030 and 5,604 by 2050.

Consideration should also be given to the prioritisation of procured sustainable services and goods, for example local food supplies and the provision of materials and labour that deliver climate change adaptation and mitigation.

The council will work with and support our local businesses and partners to engage with the low carbon revolution to become greener, more prosperous and resilient, thereby creating an economy

which encourages local spend and a high quality of life, in an inclusive way that promotes equality and well-being.

Encouraging change in local and personal decision making and behaviours, as well as promoting how partnership working is successfully moving towards the city towards net zero, will be key to facilitating the critical collective approach required to address the impact of climate change on Norwich city’s people, biodiversity and economy.

Minimising and adapting to the effects of climate change is a priority for everyone.

Whilst this section focuses on climate change, it should be noted that it impacts on each of the Strategic Objectives outlined later in this document. Therefore, the environment and related considerations are not to be viewed separately, but instead intrinsically embedded within the overarching Norwich Economic Strategy, as well as other key council policies.

Norwich City Council has declared Climate and Ecological Emergencies and is committed to working with its residents, businesses and partners to make Norwich a truly liveable city. Taking action on climate change is a fundamental part of achieving the city’s 2040 vision.

The council’s Environmental Strategy 2020-2025 demonstrates how our response to climate change is reflected in our corporate priorities, and how working together we will achieve our sustainability objectives and deliver a stronger economic position.

Through the stimulation of local green investment to develop a net zero infrastructure, more energy efficient homes, greater green energy use and sustainable transport solutions can be achieved.



By adapting to the impact of climate change and protecting our biodiversity, we will create a healthier environment and improve quality of life; a shared place where we, businesses and nature can thrive.

We need to make better use of our resources – keeping them in use for as long as possible, to deliver their highest value for as long as possible – to transition a circular economy. This can be achieved by eradicating waste and pollution, recycling and designing more efficient systems, to make businesses stronger, reduce their environmental impact and increase profitability.



## Brexit

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 relies upon new financial models and effective working across the public sector, and between the public and private sectors.

Leaving the European Union will reduce the size of the British economy by about 4 per cent in the long run, with the pandemic cutting GDP by a further 2 per cent, according to the Office for Budget Responsibility's November 2021 forecasts.

According to a recent survey of Norwich employers most of the impacts of Brexit, so far, have been negative and include delays at customs, increased costs, increased "red tape" and documentation when importing/exporting, supply chain problems, staff shortages and staff retention. Legal firms noted that Brexit has increased the number of businesses seeking help and advice.

## Strategic context

The 2019-2024 Norwich Economic Strategy provides a five-year framework for the development of the sustainable and inclusive growth of Norwich's economy. This document reviews and refreshes the 2019-2024 in the light of the twin shocks of the COVID-19 pandemic and Brexit.

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 economic overview analysis has been updated according to the findings of the 2021 Economic Assessment. Throughout this document the blue text boxes indicate where conditions have changed since the 2019-24 Strategy was written.

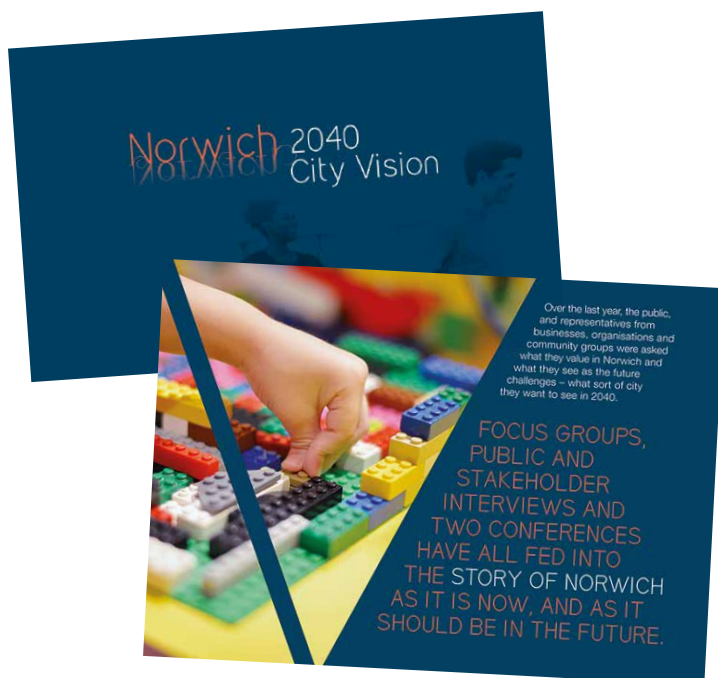
This strategy is based on an in-depth understanding of the Norwich economy, based on the 2018 Norwich Local Economic Assessment and updated by the 2021 assessment and further supplemented by monthly Norwich Economic Barometers with additional in-depth research and analysis of the urban area, its key 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.

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.

Employment numbers have fallen by 2 per cent since 2015 – business numbers have grown by 1 per cent.

### 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 over time 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, with a further 7 per cent 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 the national level. Norwich transcends regional and national trends 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.

From 2015-2020, Norwich's working age population increased by 9 per cent, but the number of jobs (in both the local authority area and the built-up urban area) has fallen by 2 per cent. However, jobs growth has taken place in the two adjoining local authorities outside of the Norwich urban area (Broadland + 4 per cent and South Norfolk + 8 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 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, with low wages and a lack of good quality employment. 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 surrounding rural areas, which mean that there is less wage competition than in many other areas in the UK. Whilst it may be argued that this is 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, which is probably the result of the high levels of in-commuting from the rest of Norfolk, and the fact that 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

Workplace earnings are higher than resident earnings in Norwich for females but vice versa for males. This is astonishing as historically the trend has been for workplace earnings (for both males and females), to be above resident earnings. It may be explained by extrapolating to the national level where earnings for full-time employees increased most in the lower paying occupations such as process plant and machine operatives and elementary occupations; skilled trades also saw a large increase. These occupations are more prevalent among male residents in the local authority area. The highest paying occupations had the smallest increases between 2020 and 2021. However, it should be noted that the gender pay gap is still marked with female earnings much lower than male earnings, reflecting the position nationally.

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 plentiful literature on the potential benefits of home ownership, most of which focus on

external benefits to the wider community such as lower crime rates and greater social trust. A house is a valuable asset; high collateral values give better access to credit and so raise consumption. Studies<sup>2</sup> have shown that there is a strong positive correlation between self-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, and this fall is likely to be caused by higher levels of employment (the UK's flexible labour market mean that jobs can be found 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.

<sup>2</sup>[http://www.twri.org.uk/sites/default/files/twri/twri\\_housing\\_wealth\\_small\\_business.pdf](http://www.twri.org.uk/sites/default/files/twri/twri_housing_wealth_small_business.pdf)



## Deprivation

Worklessness in the local authority area, measured by the percentage of working-age people claiming out-of-work benefits, began to increase in the months leading up to the pandemic and has continued to do so. The trend in Norwich has, historically, been higher than the national rate.

Compared to past trends, claimant count unemployment levels for young people (aged 18-24) in Norwich remain relatively low. Conversely since the onset of Covid-19 the rate for those aged 50+ is much higher in Norwich than at the national level, contrary to historical trends.

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 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.

Recent research undertaken in Norwich revealed the impact of low wages and poor working practices on affected individuals and their families. Low pay has a detrimental impact on family life; parents feel they are failing their children and often have to work long hours to provide even basic necessities. Zero hour contracts are used by employers to fit with the needs of their business and suit some workers, such as students and older, semi-retired workers who like their flexibility. However, workers who require fixed incomes struggle financially. There is a strong belief that zero-hour contracts should afford some of the same employee protection as permanent contracts; such as sick pay and compassionate leave, holiday pay and training.

Exposure to Covid-19 infection is unequal. People in precarious, low paid, manual jobs in the caring, retail, and service sectors have been more exposed to Covid-19 as their face-to-face jobs cannot be done from home. National data shows that more than 30 per cent of low-income families with children increased their spending during 2020, while 40 per cent of high-income families with no children reduced theirs.

The economic effect of Covid-19 is unevenly distributed across the population. Even before the pandemic, extremely disturbing trends in health were emerging. Growing child poverty, homelessness and food poverty had led to an increase in infant mortality, mental health problems and stalling life expectancy, particularly for women in the poorest areas and cities – the same areas where ten years of austerity measures had hit the poorest groups the hardest.

## Qualifications and skills

Norwich is home to a number of innovative businesses that are leaders in knowledge creation. However, most 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 it. 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, then 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.

Norwich is falling behind many of its statistical neighbours (including Exeter, Newcastle and York) in terms of the proportion of residents holding degree level qualifications and above.

Research from the New Economics Foundation (NEF) finds that only 6 per cent of workers were retraining for a new job pre-pandemic, providing new evidence to explain the UK's increasing skills shortage.



## 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 business services (KIBS). These 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<sup>3</sup> 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 identified<sup>4</sup> 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; the reasons behind this include regulation, a shift in technology and customer expectations; alongside an aging population driving demand for certain products. FinTech companies are breaking the dominance of financial services' largest players 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.

<sup>3</sup>The definition of businesses used in the strategy pertains to and includes private sector businesses, social and co-operative businesses

<sup>4</sup>Using the East of England Forecasting Model industrial sectors which do not directly map to local sectors and have been used as a proxy.

**Digital** is a small, albeit growing, key sector which 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 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 to 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. However, 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 EEFM, despite expected changes in the operating environment, local employment in the sector is expected to continue to grow.

As at the national level, the retail, hospitality and leisure sectors have been badly impacted by the effects of the pandemic. The city's relatively isolated location has not acted as a buffer as it has in previous downturns.

## 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’.

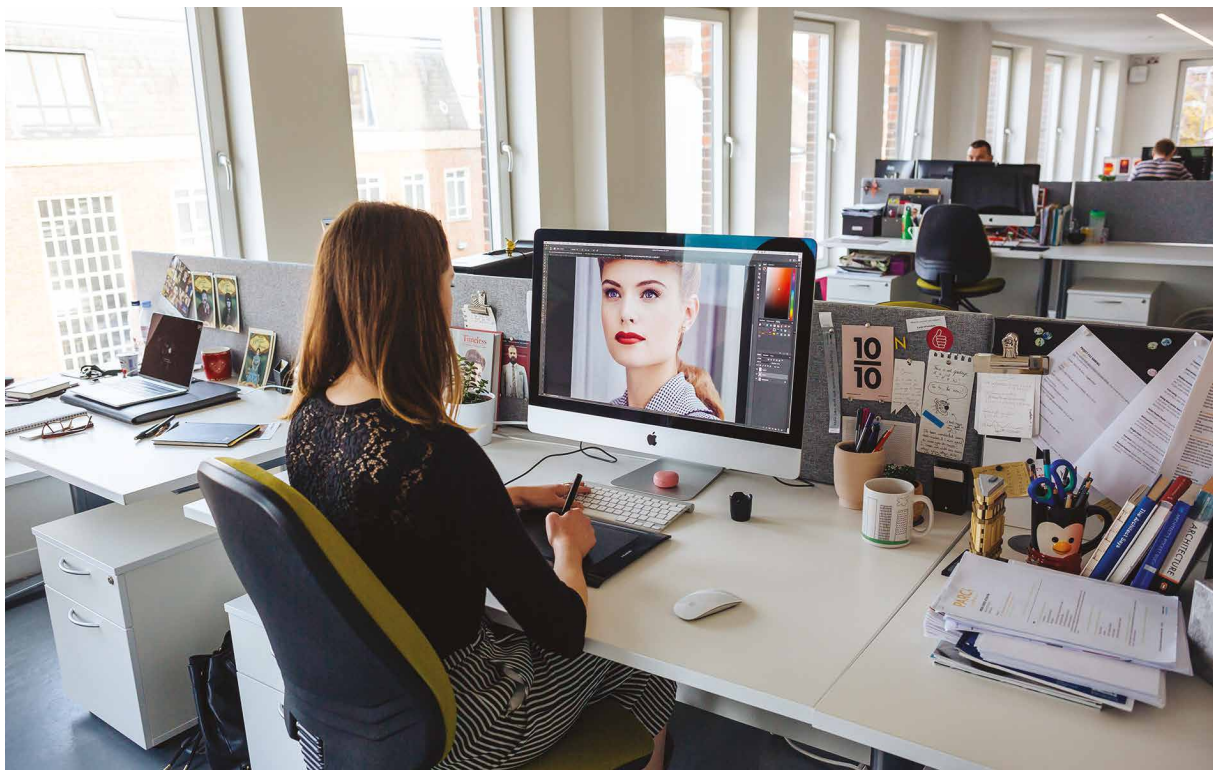
The level of enterprise can be quantified by rates of business start-ups and closures and the overall stock of businesses. Important entrepreneurial activity also occurs within existing firms, for instance the launching of new products or through entering new markets – however, this activity is not so

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.

The PwC Good Growth for Cities 2021 analysis reports that those cities that have to date showed most resilience to the economic impacts of the pandemic include Norwich. However, it should be noted that this analysis uses TTWA as a proxy for the city and so does not consider the loss of employment in the urban area and the growth of employment in the rural environs.

## Business start-ups, closures and survival rates

Although Norwich’s business start-up<sup>5</sup> 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



Start-up incubator unit, Ideas Factory, Norwich University of the Arts

<sup>5</sup>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.

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 ie 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.

Norwich’s start-up business rate has fallen below regional and national rates having risen above the national rate in 2017.

### 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.

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 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 JCS is set to be replaced by the Greater Norwich Local Plan (GNLP) which does not give a target for new high quality office space. Instead, it seeks to promote more intensive use of land to meet identified needs for start-up and grow-on space for small and medium sized enterprises including the digital creative industries, technology, financial and cultural and leisure services clusters. It also sets out that the loss of existing office floorspace will be resisted. To protect office accommodation the GNLP has made and confirmed an Article 4 Direction for the city centre. This removes permitted development rights and would mean that full planning permission will be required to

change the use of offices to residential. This would enable the Council to manage the loss of office and to allow us to consider all material planning considerations including the impact that the loss of individual offices will have upon our economy. The Article 4 Direction is expected to come into force on 29 July 2022.

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.

The Norwich office market is in a fragile and vulnerable condition, and this is especially true in the city centre. It has under-performed comparator cities in recent years. It is also shrinking when the trend should be one of expansion.

Norwich City Council has received some of the highest levels of office to residential prior approval applications in the country. It is suggested that this has had a detrimental impact on the city's office market, reducing its size by 30 per cent, as well as providing poor quality and sub-standard housing.

Employment land in B2 and B8 use would be protected; however, following the introduction of Class E, light industrial could change to any other use within Class E (commercial, business and service use) without the need for consent. Permitted Development rights could potentially allow some light industrial uses to change to residential.



## 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 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 Northern Distributor Road), 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. These new roads – combined with the completion of the A11 dualling, and the 'Norwich to London' rail services taking 90 minutes – will help to establish better national travel connections to Norwich.

The city council does not currently support the proposal for the Norwich Western Link by Norfolk County Council because it is part of a strategy which is not sufficiently ambitious in moving the city toward a sustainable future for transport in the absence of an agreed action plan or approved Local Cycling and Walking Infrastructure Plan and with a capital investment programme that devotes a higher proportion of funds to road building by comparison with schemes that support sustainable transport.

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 10per 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.



## Opportunities and challenges

Norwich was awarded £25m from the Towns' Fund at the end of 2020 from the Ministry of Housing, Communities and Local Government for eight key projects to help to deliver business space, employment, housing and investment.

While the strategy is focused on challenges and actions within Norwich, it also recognises that the economy operates across different spatial levels. As such, the approaches described in the strategy include partnership work required with neighbouring districts, the county and across the LEP area; as well as with partner cities in the Key Cities and Fast Growth Cities groups. Realising the city's economic potential in a sustainable, fair way will require concerted efforts from a wide partnership of stakeholders. Specifically, there is a need to:

- support the continued growth of the knowledge economy, particularly low carbon innovations;
- improve productivity and ensure that new and existing companies can establish, develop and expand in Norwich;
- maximise the growth opportunities arising from the low carbon, circular economy;
- improve educational attainment, raise workforce skills and address in-work poverty and insecure employment;
- connect people in local communities to economic opportunity;
- respond to the challenge of improving infrastructure and development of modern, high quality workspace within a much-loved historic city;
- raise the profile of the city nationally and internationally and challenging local stereotypes that are holding back growth;
- 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.

### Diverse economy

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.

### Low productivity

Although this diversity provides a solid foundation for growth, there are still a number of significant and ongoing challenges around managing sustainable, inclusive economic growth. One particular challenge is 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. Norwich is already trailing behind several of its statistical neighbours. It is imperative to reposition the city and remain competitive.

### Shifts in the labour market

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 broader 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 or medium-skilled jobs will suffer. It is possible that some jobs will be redesigned and employee skills upgraded to emphasise further product variety – already indicated by the return of artisan employment in occupations like barbering, brewing and textiles. In some occupations, technology may augment human performance. Technology and the need to mitigate against climate change 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.

### **School attainment**

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 worst 10 per cent of local authorities in the country for social mobility. Research from Lancaster University 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.

### **Vibrant city centre**

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's historic and cultural identity should allow it 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 continued depreciation of local government funding 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 and supporting Norwich's low-carbon ambitions.

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

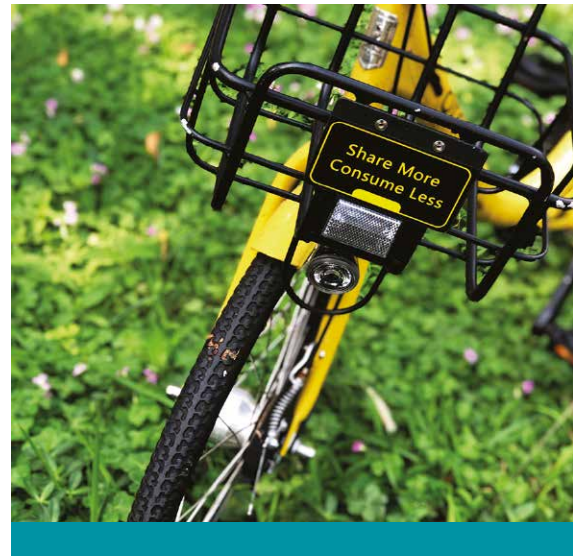
### **Innovation**

Innovation is not just about technology. It is also about adopting new approaches and committing to innovation which is the best way to build on the city's strengths, to tackle the growth challenges and for new ways of meeting social challenges. In practice this means harnessing the innovative talents of the city through the creation of new partnerships, approaches, spaces and ways of doing business to support new behaviours in the city – an example is the Sharing City initiative.

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. Social enterprises and community organisations can play a key role in addressing the social and environmental challenges which Norwich faces. This could involve helping to address financial exclusion; food and fuel poverty; unmet housing need; providing social care and childcare; developing community transport; enhancing health and well-being and improving employability.

### **Climate change**

As a city located in a low-lying area, Norwich is particularly vulnerable to the effects of climate change. However, with globally acknowledged expertise in environmental science at UEA and Norwich Research Park, Norwich has substantial scope to grow the low carbon sector, developing and facilitating



investment in environmental industries. A low carbon economy can deliver opportunities across a wide range of business sectors, not just to those seen as being in the 'traditionally' environmental technologies sector. Businesses can benefit from the low carbon economy in two ways: by diversifying into new low carbon products and by becoming more efficient in their current processes.

### **Brexit**

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 and 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 good 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. Generate and sustain jobs by retaining and growing the existing business base.
2. Stimulate jobs growth by increasing the pipeline of new businesses.
3. Support initiatives to generate growth in knowledge intensive sectors and commercialisation of research and innovation.
4. Collaborate with 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.

- The New Anglia Growth Hub Scale-up programme aims to engage with potential high growth businesses and to create an exclusive community of like-minded peers and industry and topic experts.

### 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:

- 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 low carbon housing and that the overall housing mix is appropriate to the needs of the local area. 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.
- Housing Infrastructure Funding (HIF) secured to stimulate viability of re-development for key city centre sites
- 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 (BID) has secured a second five-year term and expanded the area it covers enabling further city centre improvements developed by the local business community.
- Norwich has been recognised as the UK's first accredited sharing city by the Sharing Cities Alliance. This accolade has put Norwich on the map as the city embraces the rise of the collaborative economy (sometimes called the sharing economy), and joins cities across the globe including New York, Barcelona, Athens, Dallas and Singapore.

### Objective 5: Climate change

To respond to the impact of climate change to create stronger economic resilience and make sustainable living a more affordable option for everyone.

Priorities:

1. Lobby for investment to support net zero infrastructure to achieve a low carbon economy that mitigates the impact of climate change and improves quality of life.
2. Strengthen the city's digital infrastructure and deliver innovative ICT solutions to save energy and promote growth.
3. Support the development of a circular economy, to eliminate waste and pollution, recycle and design sustainable systems, to make businesses stronger and increase profitability.
4. Work with businesses and partners, promote the transition to a low carbon economy.
5. Inform and promote strategies across Norwich's business community for increased resilience against the impact of climate change – to include building adaptations, making sustainable transport choices and supporting the growth of local supply chains.





## Implementation and monitoring progress

The 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.

Each year we will produce an action plan which detail 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 progress towards the key objectives and priorities within the strategy. The Norwich Local Economic Assessment is updated on an annual basis and enables analysis of the success of the economic strategy against the full spectrum of economic indicators.

Action plans were not produced in 2020 or 2021 because of the ongoing effects of Covid-19. Going forward, an annual action plan for 2022 is being developed and will be added to throughout the year. A progress review of the action plan will be published at the end of each financial year.

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## Glossary

**Business (enterprise)** – To be classed as a business in official statistics, an entity must be registered for VAT or PAYE. It includes private, public and third sector organisations, including social enterprises, unless specified otherwise.

**EEFM** – the East of England Forecasting Model

**Gross Value Added (GVA)** – the value of goods and services produced in an area, industry or sector of an economy.

**Jobs density** – the number of jobs in an area divided by the resident population aged 16-64 in that area. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64.

**Knowledge intensive business services (KIBS)** – services and business operations heavily reliant on professional knowledge. They are mainly concerned with providing knowledge-intensive support for the business processes of other organisations.

**Knowledge intensive sectors** – High and medium tech manufacturing; high value added “knowledge intensive” market service industries such as finance and insurance; telecommunications; business services; education and health.

**Labour productivity** – the amount of goods and services that a worker produces in a given amount of time, usually per hour.

**Median wage** – the wage in the middle of the earnings distribution. That is, one-half of workers earn below this level and one-half earn above this level. The median wage is substantially less than the average wage.

**Productivity** – Refers to the efficiency at which goods and services are produced by inputs (labour and capital) in the production process.

**Small to Medium Enterprise (SME)** – a business with fewer than 250 employees.





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