Norwich

An Economic Assessment

2021

Content

Introduction

The Norwich economic assessment is not a strategic document; its role is to provide an economic baseline, to inform Local Development Frameworks and to ultimately, direct resource allocation and inform strategy. This assessment incorporates the latest data from national and local sources on the city of Norwich (focussing on the local authority area) as a place to do business, work and live.

A key challenge in local economic assessment is the need to develop an understanding of the dynamic global business developments impacting on spaces that span individual local authority areas. The economic footprint of Norwich operates at different levels and within different administrative boundaries ranging from the Norwich local authority district to the built-up urban area, i.e. the city of Norwich which extends over three local authority areas (Norwich, Broadland and South Norfolk which together comprise “Greater Norwich”) to the Travel to Work Area. It is a key location for such developments which are considered a priority both in official and in advisory economic and spatial strategies from the national level down to the new Anglia LEP, and which need to be reflected in local policy frameworks.

Brexit and coronavirus are two shocks that have substantially affected the entire UK economy. They have presented additional challenges in the collection and analysis of data which reflect and describe the rapidly changing economic environment. By their very nature, many official statistics are subject to time lags and this poses problems for the analysis and assessment of current economic conditions. It should be noted therefore that some of the datasets included in the Norwich Economic Assessment 2021 were collected prior to 2021 but that they are the most up-to-date datasets available at the time of writing.

Summary - Norwich local authority area

Major regional service centre

- Linked to Cambridge via the A11, which leads to the M11 motorway for London and the M25.
- Norwich Travel to Work Area (TTWA) takes in Norwich, Broadland and South Norfolk local authorities plus parts of the local authority areas of North Norfolk, Breckland and Mid-Suffolk.
- Locus for services such as health, retail and leisure - a major employment centre, providing almost two-thirds of the TTWA's jobs.

Growing population

- Population growth of 9 per cent in the ten years to 2019 – compared to 7 per cent for the LEP area, 8 per cent for the region and 7 per cent nationally.
- Much higher proportions of 16-24 year olds and 25-49 years old than the LEP area, regionally and nationally.
- Higher rate of long-term international inflow per 1,000 resident population compared to East of England and nationally.

Diverse business base

- Business start-up rate remains slightly lower than at the regional and national levels but higher than for the LEP area.
- Knowledge intensive firms make up two-fifths of the business base – marginally lower than regionally and nationally but higher than the LEP area.
- Percentage of companies with a turnover greater than £10m is higher than average.
- Lower than average percentage of micro firms and higher than average proportion of large firms.
- Growth of 6 per cent of micro businesses since 2015 compared to 5 per cent in the LEP area and 12 per cent regionally and nationally.
- Business five-year survival rates are just above the national average but below regional average.
- Employers in manufacturing, hospitality and education are more likely to face a skills gap

Productivity

- High GVA per capita but low output per job, reflecting Norwich's position as a regional service centre.

- Commercial Services cluster is biggest contributor to GVA, closely followed by Education & Knowledge Creation and Government clusters. The Financial and Legal Services cluster also accounts for a large share of GVA.

Labour market

- Weaker than average growth in employee numbers over the period 2015 to 2020.
- More than one-third of working-age residents hold a degree level qualification or higher; similar to national level, higher than the region and LEP area but much lower than comparable university cities.
- Job density, the ratio of jobs within an area to working age residents, stands at 1.11.
- Employee numbers are forecast to grow by 9 per cent to 2030.
- Higher rate of migrant worker registrations than regionally and nationally.
- Home to two universities, Norwich University of the Arts (NUA) and the University of East Anglia (UEA).

Disadvantaged communities

- Claimant count has risen dramatically since pandemic and is higher than national level
- Lower than average claimant count rates for young people but higher in other age groups
- Earnings lower than across the region and nationally.
- Male resident earnings higher than workplace earnings, vice versa for females.
- Ranked 5th out of 317 local authorities for educational attainment, skills and training deprivation - one-third of LSOAs in 10 per cent most deprived in England.
- Income Deprivation Affecting Children Index (IDACI) - ranked 33rd with 20 per cent of LSOAs in the most deprived in England.

Housing

- House prices well below the national average.
- By 2041, the number of households is projected to grow by 21 per cent.
- Norwich city centre has seen residential population growth of 54 per cent - ranked 10th highest growth rate in UK.
- Rental prices have increased for all property sizes - demand exceeds supply.

Carbon emissions

- From 2005 to 2019, CO_2 emissions from industry fell by two-thirds
- On track to achieve two tonnes of CO_2 per person by 2023/24 - based on trajectory data carbon neutrality achieved before 2050

Section 1 Demographics

This section examines the demographic characteristics of the local population. Recent population change has seen a healthy natural population growth reinforced by in-migration.

1.1 Age profile

Table 1[i]
Demographic profile

	Norwich LA		New Anglia LEP		East of England		Gt. Britain	
2009								
Total population	**129,200**	**100.0**	**1,564,500**	**100.0**	**5,751,400**	**100.0**	**60,467,200**	**100.0**
Aged 0-15	21,100	16.3	276,300	17.7	1,097,900	19.1	11,381,100	18.8
Aged 16-24	23,000	17.8	183,500	11.7	697,500	12.1	7,908,800	13.1
Aged 25-49	47,600	36.8	494,200	31.6	1,969,400	34.2	21,163,600	35.0
Aged 50-64	19,500	15.1	311,500	19.9	1,072,700	18.7	10,948,500	18.1
Aged 65+	19,300	14.9	318,100	20.3	987,800	17.2	9,818,500	16.2
2014								
Total population	**136,600**	**100.0**	**1,619,900**	**100.0**	**6,017,300**	**100.0**	**62,756,300**	**100.0**
Aged 0-15	23,200	17.0	280,500	17.3	1,142,400	19.0	11,769,400	18.8
Aged 16-24	24,900	18.2	184,200	11.4	706,000	11.7	7,920,200	12.6
Aged 25-49	49,500	36.2	491,500	30.3	1,982,700	33.0	21,184,400	33.8
Aged 50-64	19,900	14.6	313,400	19.3	1,114,700	18.5	11,482,800	18.3
Aged 65+	20,300	14.9	368,200	22.7	1,141,800	19.0	11,120,900	17.7
2019								
Total population	**140,600**	**100.0**	**1,669,100**	**100.0**	**6,236,100**	**100.0**	**64,903,100**	**100.0**
Aged 0-15	23,800	16.9	291,800	17.5	1,212,000	19.4	12,301,900	19.0
Aged 16-24	26,400	18.8	173,500	10.4	669,000	10.7	7,582,300	11.7
Aged 25-49	49,100	35.0	481,000	28.8	1,973,900	31.7	21,213,000	32.7
Aged 50-64	21,200	15.1	338,400	20.3	1,212,900	19.4	12,459,700	19.2
Aged 65+	21,200	15.1	402,100	24.1	1,238,500	19.9	12,060,200	18.6

1.1.1 The Norwich City Council area covers an area of approximately 40.55 km^2 with a population density of around 3,617 persons per km^2. It is the 47th[ii] most densely populated local authority area in the country. This compares to an England population density of 432 persons per km^2.

1.1.2 Norwich's population grew from 129.200 in 2009 to 140,600 in 2019 – growth of 9 per cent compared to 7 per cent for the LEP area, 8 per cent for the region and 7 per cent nationally.

1.1.3 Table 1 summarises the demographic age profile of the Norwich City Council area on a 5-yearly basis alongside comparator areas. Note that there is a marked difference in the proportion of 16-24 year olds and 25-49 years old in the Norwich area compared to that of the LEP, regionally and nationally. This is partly accounted for by the large student population in the city and would be expected in a city with a strong HE presence; university cities such as Brighton and York have similar proportions of 16-24 year olds to Norwich - Cambridge and Oxford have even higher percentages. The same cities also have similar proportions of 25-49 year olds. The median age in Norwich is 33.5 years compared to an England median age of 40 years.

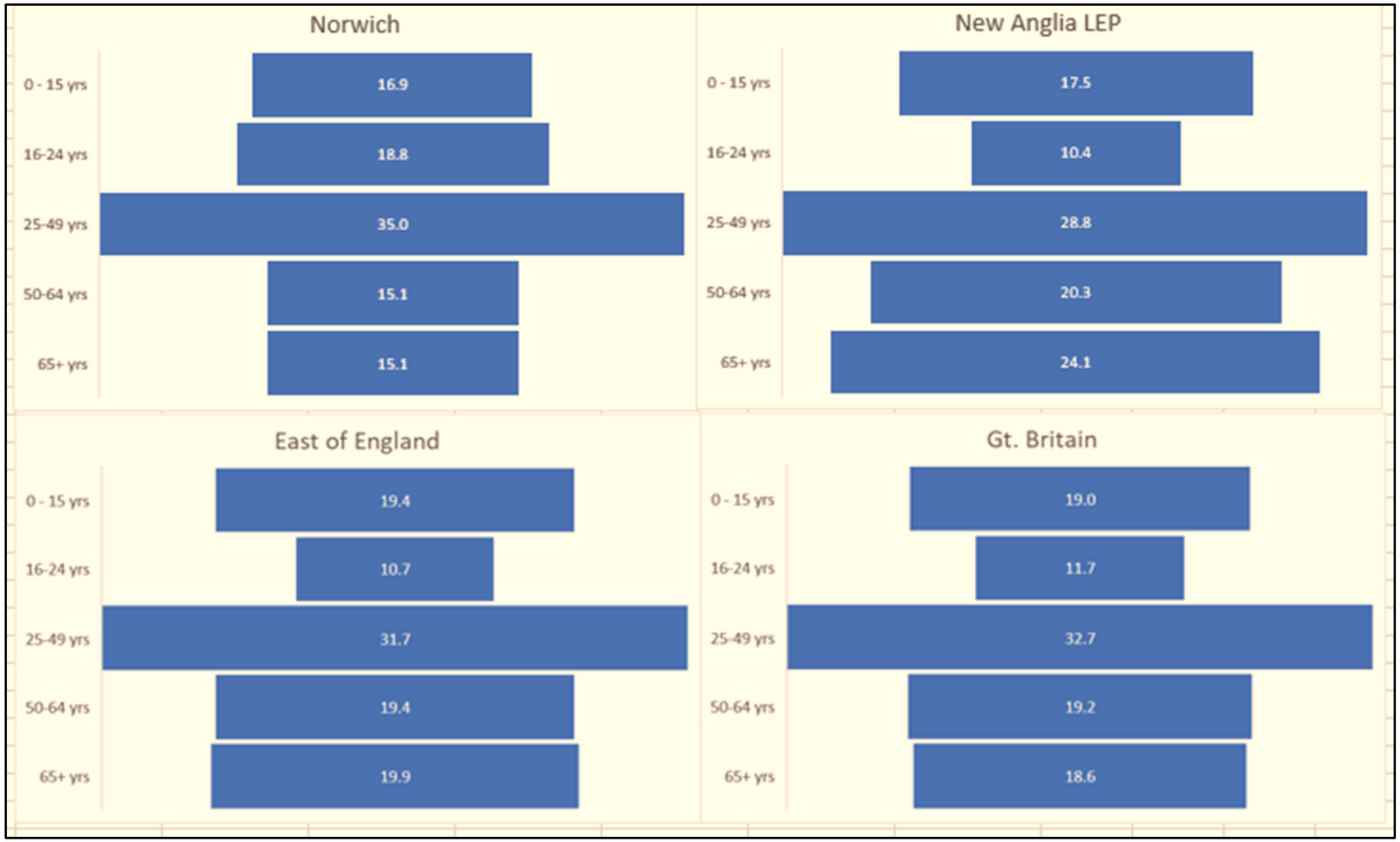
1.1.4. Consequently, this means that as a proportion of the total population, Norwich has a larger than average working age population and a lower than average, older (65 years +) population. Note that Norwich bucks the trend seen across the LEP area, the region and nationally insomuch as the percentage of older people has remained almost the same, rather than increased, since 2009. The Old Age Dependency Ratio (OADR) is a ratio of the population who are of current State Pension age (SPA) and higher relative to the size of the population aged over 16 years but under SPA. Norwich has an OADR of 22.2 compared to an England ratio of 29.5[iii]

1.1.5. The latest data shows that since 2009 there has been a small increase in the percentage of children in Norwich, regionally and nationally; the LEP area has seen a slight fall over the period. The overall percentage of children is lower in Norwich than in the other reported areas.

1.1.6. The dependency ratio relates the number of children (less than 15 years) and older persons (65 years or over) to the working-age population (15-64 years old). The ratio in Norwich stands at 47.1 compared to 56.7 nationally.

1.1.7. The current difference between Norwich, New Anglia LEP, the East of England and Gt Britain in terms of age profile is drawn out clearly in Figure 1 below (shown in percentages).

Figure 1[iv]


Norwich
0 - 15 yrs
16.9
16-24 yrs
18.8
25-49 yrs
35.0
50-64 yrs
15.1
65+ yrs
15.1
New Anglia LEP
0 - 15 yrs
17.5
16-24 yrs
10.4
25-49 yrs
28.8
50-64 yrs
20.3
65+ yrs
24.1
East of England
0 - 15 yrs
19.4
16-24 yrs
10.7
25-49 yrs
31.7
50-64 yrs
19.4
65+ yrs
19.9
Gt. Britain
0 - 15 yrs
19.0
16-24 yrs
11.7
25-49 yrs
32.7
50-64 yrs
19.2
65+ yrs
18.6

1.2 Ethnicity

1.2.1 Table 2 summarises the ethnic composition of the Norwich local authority resident population compared to that of the LEP, the region and England at the time of the 2001 and the 2011 Census of Population. Some of the changes in the ethnic make-up of the population are quite marked. For Norwich, the region and nationally the White/British share of the population has fallen by around 7 percentage points over the period - across the LEP area this change has been less noticeable.

Table 2[v]

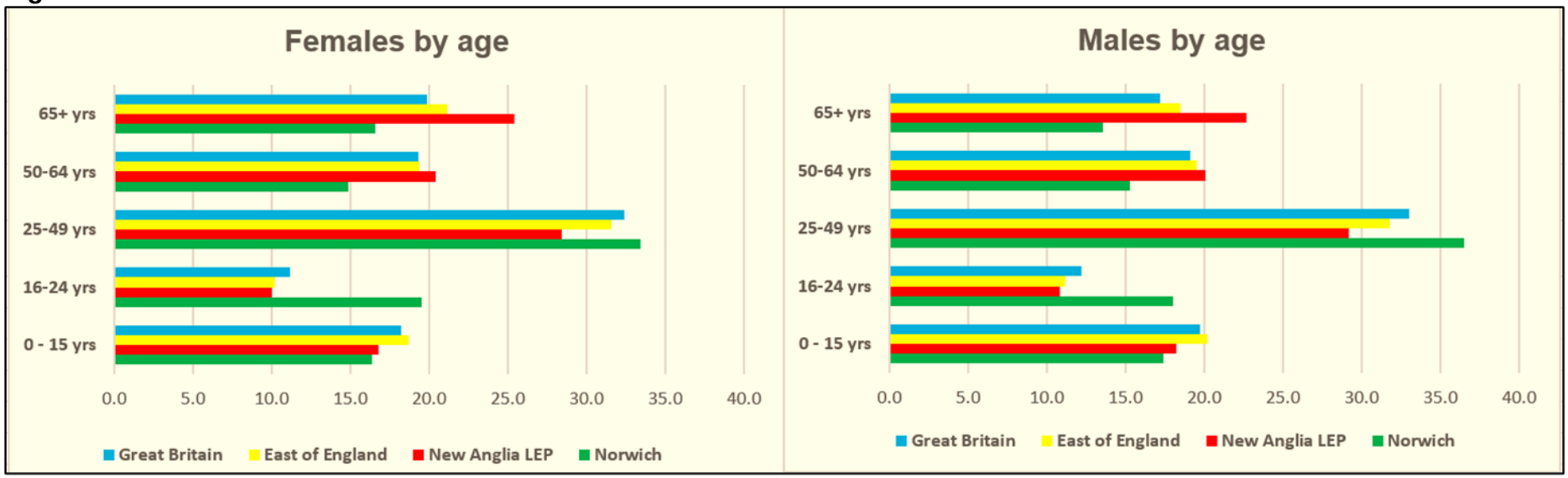
Ethnic profile	Norwich		New Anglia LEP		East of England		England	
	2001	2011	2001	2011	2001	2011	2001	2011
	%			%		%	%	
White: English/Welsh/Scottish/Northern Irish/British	93.5	84.7	95.1	91.7	91.4	85.3	87.0	79.8
White: Irish	0.7	0.7	0.6	0.5	1.1	1	1.3	1
White: Gypsy or Irish Traveller	-	0.1	-	0.1	-	0.1	-	0.1
White: Other White	2.7	5.4	2.3	3.6	2.5	4.5	2.7	4.6
Mixed/multiple ethnic groups: White/ Black Caribbean	0.3	0.5	0.3	0.5	0.4	0.6	0.5	0.8
Mixed/multiple ethnic groups: White/ Black African	0.2	0.5	0.1	0.2	0.1	0.6	0.2	0.3
Mixed/multiple ethnic groups: White /Asian	0.3	0.7	0.2	0.4	0.3	0.6	0.4	0.6
Mixed/multiple ethnic groups: Other Mixed	0.4	0.6	0.2	0.4	0.3	0.5	0.3	0.5
Asian/Asian British: Indian	0.4	1.3	0.2	0.5	0.9	1.5	2.1	2.6
Asian/Asian British: Pakistani	0.1	0.2	0.1	0.1	0.7	1.1	1.4	2.1
Asian/Asian British: Bangladeshi	0.2	0.4	0.1	0.2	0.3	0.6	0.6	0.8
Asian/Asian British: Chinese	0.4	1.3	0.2	0.3	0.4	0.6	0.4	0.7
Asian/Asian British: Other Asian	-	1.3	-	0.5	-	1	-	1.5
Black/African/Caribbean/Black British: African	0.2	1.3	0.1	0.4	0.2	1.2	0.5	1.8
Black/African/Caribbean/Black British: Caribbean	0.2	0.2	0.1	0.2	0.3	0.6	1.0	1.1
Black/African/Caribbean/Black British: Other Black	0.1	0.1	0.2	0.1	0.5	0.2	1.1	0.5
Other ethnic group: Arab	0.0	0.5	0.1	0.1	0.1	0.2	0.2	0.4
Other ethnic group: Any other ethnic group	-	0.4	-	0.2	-	0.3	-	0.6

1.2.2 In Norwich the largest growth (2.7 percentage points) in ethnic groups has taken place in the White/Other category, which is likely to be through immigration from Europe, most probably Eastern Europe.

1.2.3 Other ethnicities experiencing notable growth were Asian/Asian British: Indian; Black/African/Caribbean/Black British: African and Asian/Asian British: Chinese which saw their share in the population more than double from 2001 to 2011, albeit from a small base

1.3 Sex

Figure 2[vi]

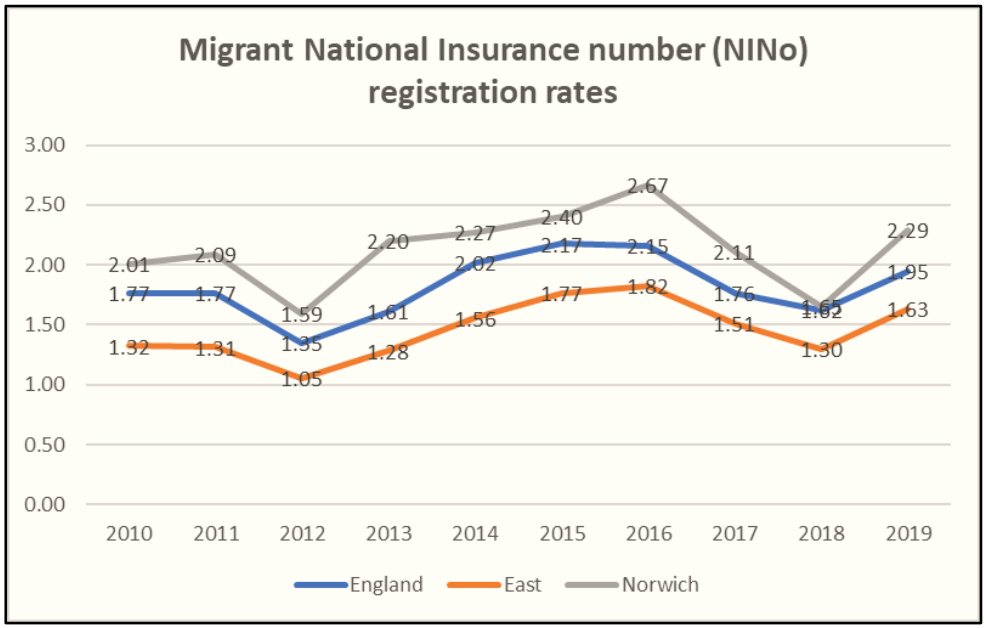


1.3.1 Taking the population as a whole, Norwich has an equal split between males and females, 49.6 per cent against 50.4 per cent. This changes slightly within different age groups. Across each of the geographies, 51 per cent of children are male and 49 per cent female. In Norwich, 52 per cent of the 16-24 year group is female and therefore 48 per cent male (LEP 49 per cent

female/51 per cent male; regionally 49 per cent female/51 per cent male; nationally 48 per cent female/52 per cent male. The prime working age group (25-49 years) split is 48 per cent is female and 52 per cent male (LEP and regionally 50 per cent female/50 per cent male; nationally 51 per cent female/49 per cent male). The 50-64 years age group is split 51 per cent male and 49 per cent female in Norwich; each of the other geographies is split 49 per cent male and 51 per cent female. As would be expected, in the older age group (65 years and older), the ratio changes again. In Norwich, 45 per cent is male and 55 per cent is female; each of the other geographies has a 46 per cent male and 54 per cent female split.

1.4 Migration

Figure 3[vii]



1.4.1. Annual Migrant National Insurance number (NINo) registrations calculated as a percentage of the working age population. Figure 3 shows that the Norwich local authority area has maintained a higher rate of NINo registrations compared to the region and nationally.

1.4.2. Table 3 summarises the number of migrant GP registrations that have taken place from 2010 to 2019. It endorses the findings of the previous dataset.

Table 3[viii]

Migrant GP Registrations

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
England	**604,357**	**613,124**	**578,105**	**587,279**	**633,738**	**688,068**	**712,997**	**701,134**	**675,609**	**755,285**
East	54,282	56,795	55,429	55,285	58,885	64,721	67,186	61,877	60,485	64,707
Norwich	2,961	3,237	3,072	3,204	3,603	3,681	3,718	3,198	3,329	3,169

Section 2: Functional Economic Geography

This section focuses on the pattern of economic flows which will vary depending upon which particular market is being analysed - identifying economic areas can help define potential markets which in turn influence priorities for spatial and development planning.

2.1 Transport

2.1.1. It has long been accepted that a link exists between transport and economic growth. An efficient transport network is seen as a critical enabling component to long-term economic growth. Conversely a poor transport system constrains economic activity. For businesses, connectivity to main roads and train lines in necessary in order to reach their customers, to connect with their suppliers and to draw from a wider pool of labour. As such, it is a key factor in a business' location decision.

2.1.2. Norwich sits north of the A47 (bypassed to the south of the city). The A47 is the main east west connection in northern East Anglia which connects Norwich with Great Yarmouth to the east and to Kings Lynn to the west, which ultimately connects to Peterborough. The A47 is in the planning stages of upgrades. Norwich is linked to Cambridge via the A11, which leads to the M11 motorway for London and the M25. It is linked to Ipswich (to the south) by the A140 and to Lowestoft (to the south-east) by the A146.

2.1.3. Norwich railway station is situated in the city centre. It forms the northern terminus of the Great Eastern Main Line with half hourly services to London Liverpool Street with a journey time of just under two hours. Four additional trains run to the capital with a journey time of 90 minutes. Norwich is also linked to the Midlands with hourly services to Liverpool Lime Street, via Peterborough, Nottingham and Manchester Piccadilly. Additional hourly regional services run to Cambridge and out of Norwich as far as Ely. Further to this, hourly local services connect to Great Yarmouth, Lowestoft and Sheringham. Norwich is also the site of Norwich Crown Point Traction Maintenance Depot.

2.1.4. Norwich International Airport is four miles, a 15 minute drive, from the city centre. Around 1.5 million people live within a 90 minute drive of Norwich International Airport. Domestic services provide a link to Norwich from Aberdeen, Edinburgh, Guernsey, Jersey, Manchester and Newquay whilst over 1000 worldwide destinations are reached by connecting services at Schiphol, Amsterdam. The next closest airport to Norwich is London Stansted which is 86 miles away

2.2 Economic linkages

2.2.1. To assess Norwich's economic linkages requires a functional definition of the economic and the social 'reach' of the city - to identify the boundaries of those areas in which a majority of the population see Norwich as 'their' place in which they may work; shop for certain types of goods; visit for entertainment and leisure pursuits; obtain education and health services and with which they identify. The degree of self-containment is also likely to vary depending on the kind of activity. People live, work and spend their leisure time between different local areas and businesses often make location decisions based on a wider city offer which does not conform to a single local authority's boundary.

2.2.2 Figure 4 shows the **Norwich Policy Area** (NPA) which is a long standing spatial definition, since the mid-1970s, in the Norfolk Structure Plan specifically designed to deal with growth relating to Norwich with the key objective of achieving a better local balance between homes and jobs so as to reduce the need to travel and to keep Norwich-related growth as close to the city as possible. Figure 2 also displays the built-up urban area the area which is what most people would describe as the "City of Norwich"

2.2.3 Figure 5 shows the local authority district areas of Broadland, Norwich and South Norfolk form what is known as the **Greater Norwich** area which is a construct of the now defunct Regional Spatial Strategy for the East of England which identified the area as an engine of growth, it is now the Norwich City Deal area and the Greater Norwich Growth Board area. The Joint Core Strategy for Broadland, Norwich and South Norfolk is the key planning policy document for the Greater Norwich area and forms part of the Local Plans for the districts of Broadland, Norwich and South Norfolk.

2.2.4 The **Norwich Primary Urban Area** (PUA) is a fairly arbitrary definition of the urban area of Norwich which takes in Norwich and Broadland local authorities. PUAs were originally established by the Department for Communities and Local Government and ONS. A paper by University College London's Centre for Advanced Spatial Analysis (CASA) Urban growth in Britain[ix] notes "a *comparison of Cambridge and Norwich (East Anglian towns of equivalent population) shows a much more restrictive zone for the former, despite it having lots of high-tech research industry in the surrounding rural area, whereas Norwich's 'urban' zone extends to include much of The Broads*".

2.25 The **ITL3** (International Territorial Level 3) sub-region **Norwich and East Norfolk** takes in the local authority areas of Norwich, Broadland and Great Yarmouth.

Figure 4 Norwich Policy Area[x]

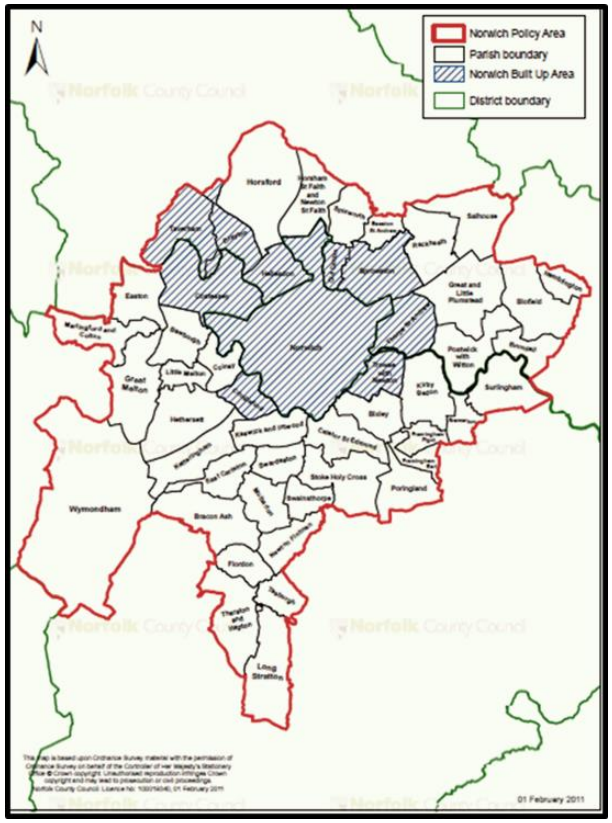
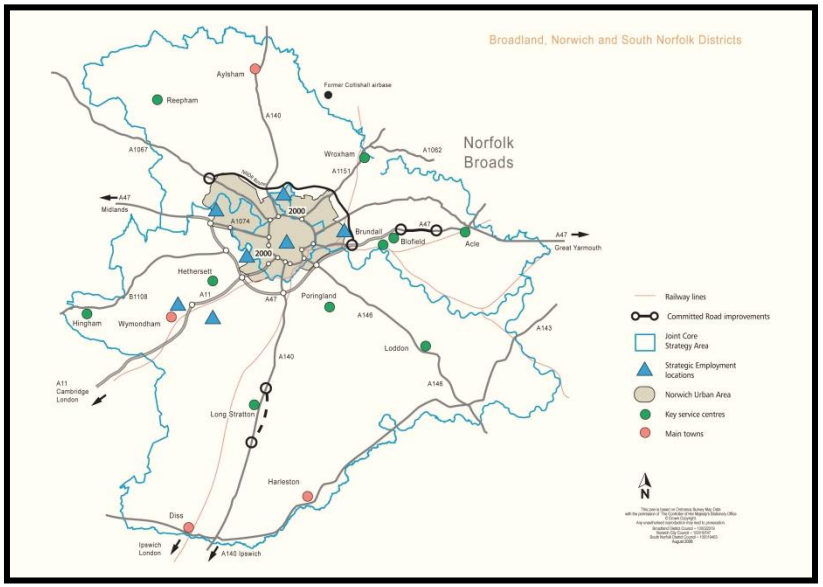
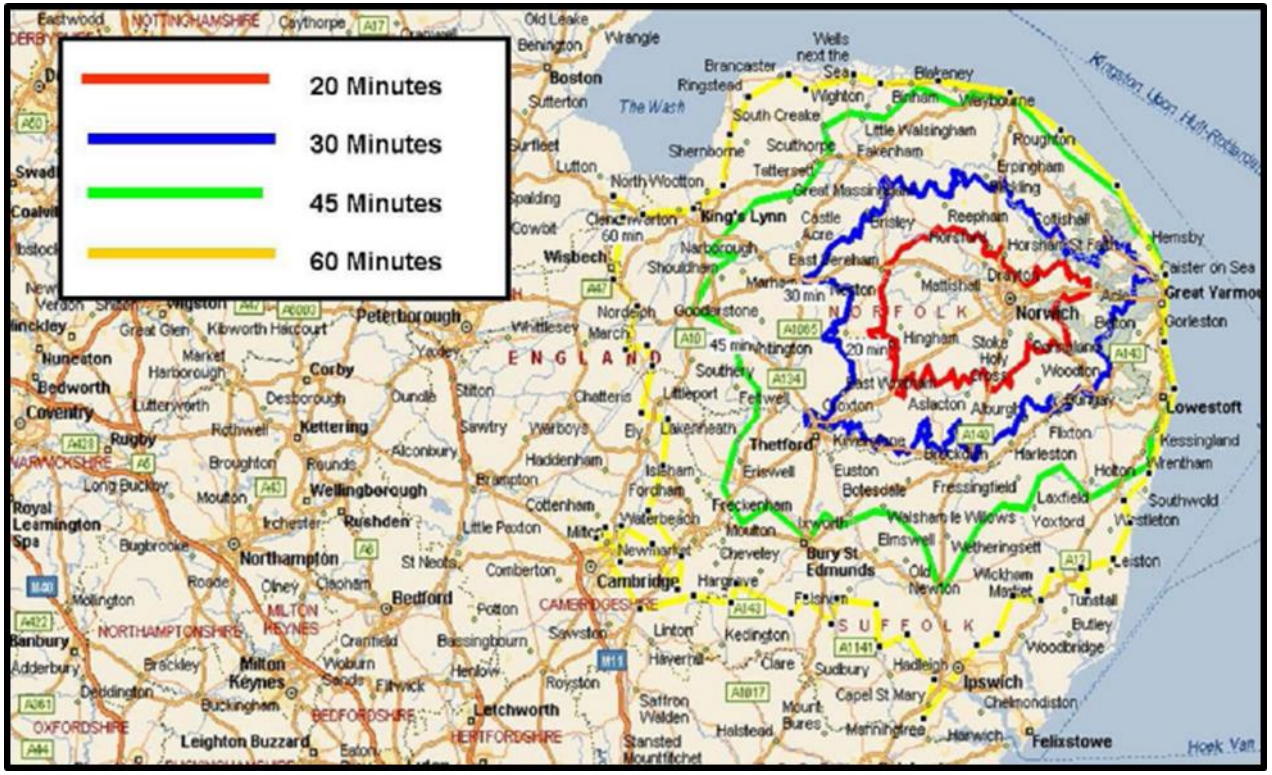


Figure 5 Greater Norwich[xi]



2.2.2. Figure 6 shows the approximate radius drive times from Norwich city centre.

Figure 6 Drive-time map from central Norwich[xii]



2.2.3. A **Travel to Work Area** (TTWA) is a statistical tool designed by the Office of National Statistics to help with labour market analysis. A city's TTWA is defined as the area within which at least 75 per cent of its resident population also work. The geography of TTWAs is identified by exploring the patterns of commuting. TTWAs were updated in 2015 on the basis of the 2011 Census. As shown in Figure 7 the Norwich TTWA roughly takes in Norwich Local Authority and all of Broadland and South Norfolk local authorities plus parts of the local authority areas of North Norfolk, Breckland and Mid-Suffolk. The Norwich TTWA is much larger than the Norwich Policy Area (NPA) and reflects the increased

range of commuting brought about by greater car ownership and higher employment mobility which has widened the functional economic area and the real functional reach of the city.

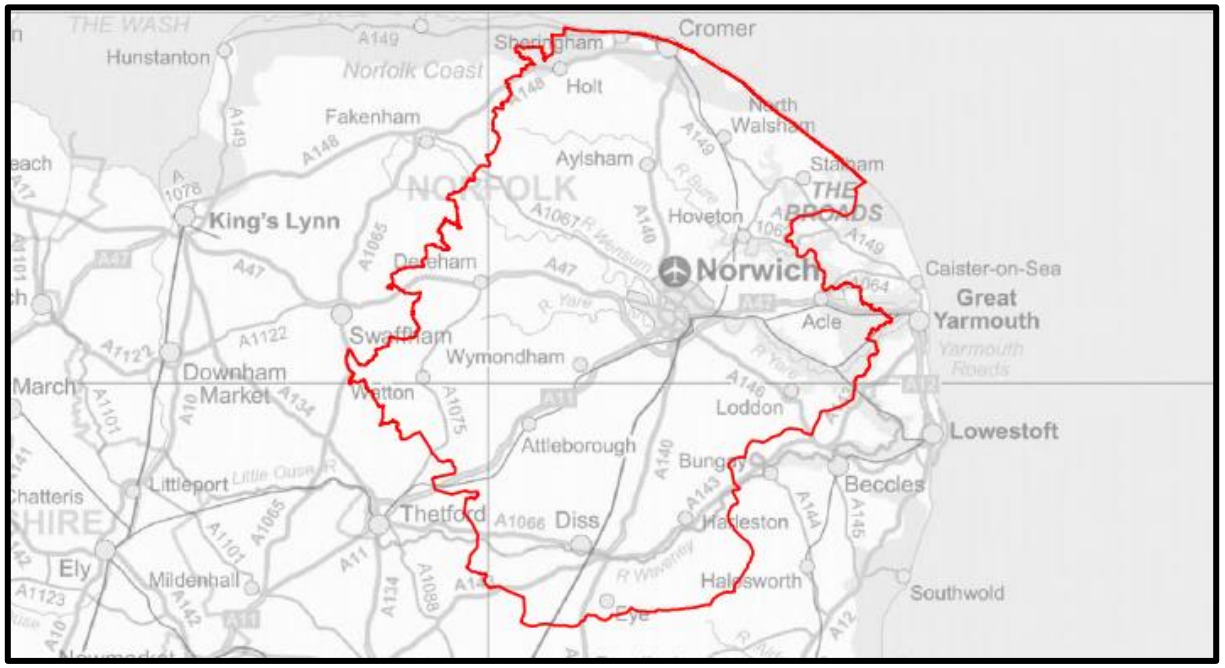
Figure 7 Norwich Travel to Work Area (TTWA)[xiii]

2.2.4. Norwich TTWA has 238,600 economically active residents and 228,800 residents in work. The TTWA is home to 223,000 jobs. Around 87 per cent of employed residents work within the TTWA and 86 per cent of jobs in the TTWA are held by TTWA residents.

2.2.5. **Norwich's economic footprint**, that is the degree to which firms and households are integrated into the local, regional and national economy in terms of their purchases and sales, is difficult to determine and even more difficult to quantify.

Without doubt the urban area of Norwich acts as a regional service centre, a locus for services such as health, retail and leisure. It is a major employment centre, providing almost two-thirds of the TTWA's jobs. Much of the Norwich TTWA is rural with very low population densities; so although parts of the North Norfolk and Mid Suffolk local authority areas fall within the Norwich TTWA the actual numbers of people involved are very small.

Figure 8 Central Norfolk and Norwich Broad Rental Market Area (BRMA)[xiv]



2.2.6. Figure 8 shows the BRMA area for Central Norfolk and Norwich which has a reasonable degree of fit with the Norwich TTWA. The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance rate (LHA), the allowance paid to Housing Benefit applicants living in the private rented sector. The BRMA area is based on an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping. When determining BRMAs the Rent Officer takes account of the distance of travel, by public and private

transport, to and from these facilities and services. In addition, the latest Strategic Housing Market Assessment undertaken for the Norwich area suggests a further mapping of the housing market area which can be found in Section 8, Figure 24.

2.2.7. Economic linkages, examined in terms of market links and supply links of firms are essentially spatially very diverse, varying by sector, size of firm and the location of markets. For example, tthe city of Norwich has a strong business and professional services sector which is likely to have strong economic linkages across the TTWA because these firms undertake much of their business activity on a face-to-face basis and it is unlikely that other urban centres within the TTWA are large enough to have the critical mass of business and professional service firms that is concentrated in Norwich. Conversely it may be suggested that manufacturing firms are likely to have far fewer local economic linkages through their supply chains and will tend to source their inputs nationally or internationally, whilst also operating in national and international markets.

2.2.8. Overall, larger firms tend to have increasingly strong international rather than local and regional links. The degree of local/regional networks between businesses is equally dependant on the industry concerned. Norwich is the location of some national head quarters and many other businesses which operate on a global and a national scale through their customer and supply chains, although unfortunately these cannot be quantified.

2.2.9. Exporting data is not readily available at local authority level; regional data, which shows the main trading partners, is available in Section 4: Productivity, 4.2.

Section 3: Business and Enterprise

This section examines the business base including the sectoral mix, company size and numbers employed. Strong, innovative and competitive businesses are essential for the economy to grow.

3.1 Count of businesses

Table 4[xv]
Business sector % share 2021

SIC 2007 Broad Industrial Groups	Norwich local authority		Norwich Urban Area		New Anglia LEP		East of England		Gt. Britain	
	2021	2015	2021	2015	2021	2015	2021	2015	2021	2015
	%	%	%	%	%	%	%	%	%	%
Agriculture, forestry & fishing[1]	1	1	1	<1	8	9	4	4	4	5
Mining, quarrying & utilities	<1	<1	<1	<1	1	1	1	1	1	1
Manufacturing	4	4	4	3	5	5	5	5	5	5
Construction	7	6	10	5	13	11	15	13	11	10
Motor trades	4	4	4	3	4	4	3	3	3	3
Wholesale	4	5	4	4	4	4	4	5	4	4
Retail	14	16	13	12	9	10	9	9	10	10
Transport & storage (including postal)	6	3	6	2	5	4	5	4	5	3
Accommodation & food services	9	9	8	7	7	7	6	6	7	6
Information & communication	6	6	6	5	4	4	7	7	7	7
Financial & insurance	2	3	2	2	2	2	2	2	2	2
Property	4	4	4	3	3	3	4	3	4	4
Professional, scientific & technical	13	13	13	10	12	12	14	15	15	16
Business admin & support services	9	8	9	6	8	8	9	8	9	8
Public administration & defence	1	1	1	1	1	1	1	1	1	1
Education	3	3	3	2	2	2	2	2	2	2
Health	6	7	6	6	5	6	5	5	5	6
Arts, entertainment, recreation, other serv	7	8	7	6	6	7	6	6	6	7

[1] * These figures exclude farm agriculture (SIC subclass 01000).

3.1.1. Table 4 summarises the number of businesses[2] based in the Norwich local authority area that have registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE) and the change in share from 2015 to 2021. Of particular interest during the COVID-19 period (2020-2021) is the change in the number of businesses. The number increased by 85 businesses during the period in the Norwich local authority area, growth of 1 per cent compared to 2 per cent in the Norwich urban area, 0.5 per cent across the LEP area and 0.3 per cent nationally; a fall of 0.1 per cent took place regionally.

3.1.2. The industrial profile of the business base given in the Tables is based on the standard 2007 SIC (Standard Industrial classification) Broad Industrial Grouping. Although SIC codes are periodically updated, they fail to provide classifications for services and new industries in the 21st century. Moreover, SIC codes are product based, as opposed to process-based - their focus is limited to the products and services delivered by a firm. As a result, SIC codes do not consider markets and methods of marketing products and services. Nonetheless, they are a mainstay methodology for segmenting firms by industry and provide a useful tool to compare the industrial profile of Norwich over time and against other areas.

3.1.3. The largest share of Norwich's business base is taken by **retail** businesses - although this share has fallen slightly since 2015 and is likely to have reduced further during the Covid-19 pandemic - it is at least 4 percentage points higher than the proportion seen across the LEP, the region and nationally and reflects the significance of Norwich's position as a top 20 UK retail centre. Norwich city centre is the focus for the city's retail sector and it houses several hundred independent shops, national chains, two indoor shopping centres and a large 6-day open air market. Retailing has been deeply affected by Covid-19 – but the effects are far from uniform and, to an extent, they have accelerated structural changes that were already taking place.

3.1.4. The **professional, scientific & technical** sector has the next largest share of the business base in Norwich, over the period 2015 to 2021. Enterprises providing professional, scientific and technical services are often small and include legal and accounting activities; combined with the activity of head offices and of management consultancy activities and architectural, engineering, technical testing and analysis activities. The sector in Norwich accounts for a similar

[2] Businesses = local units, an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as a *workplace*.

proportion as in the urban area of Norwich, but the share fell in the local authority area over the period and increased across the urban area. In both Norwich areas, the professional, scientific & technical sector has a bigger share of the business base than across the LEP area as a whole. However, it commands a smaller share than that seen regionally and nationally.

3.1.5. **Accommodation and food services (hospitality)** is the (joint) third largest sector in Norwich in terms of number of businesses. The sector is slightly larger in Norwich than across the other areas reported. Accommodation and food services has been one of the sectors hit hardest by the pandemic. Restrictions on trading have significantly impacted hospitality business turnover. Ongoing fixed costs and accumulating debt alongside persistent low revenues and cash reserves are a major concern for the sector.

3.1.6. **Business admin & support services** is the other contender for third largest business sector in Norwich and is a similar size across each of the reported areas. It has seen a small increase in share across each of the areas bar the LEP area where its share remained unchanged over the period.

3.1.7. As already stated, SIC codes are problematic when trying to describe and analyse economic performance. The standard groupings are useful but some sectors are considered to be key to the local economy (by the LEP or by Norwich City Council) and are not sufficiently defined by standard SIC groupings, therefore bespoke sets of SIC codes at 3 and 4 digit level have been designed to segment these "**key sectors**" more adequately. The business base share of key sectors is given in Table 5.

3.1.8. In terms of the number of businesses, **business and financial services** has the largest share of the business base of any key sector across each of the areas reported in the Table. Norwich's business and financial services sector has a higher share of the business base than is the case for the LEP area as a whole; it has a slightly lower share than is seen regionally and nationally. Over the 2015-2021 period, the sector share has not changed across any of the areas bar the Norwich urban area which saw a marginal fall. .

3.1.9. The **tourism** sector is the next largest key sector in Norwich local authority area and it accounts for a larger share of the business base than in the other reported areas; the share has increased marginally over the period; the other reported areas saw no change. The pandemic impacted the sector heavily in 2020 and into 2021, with government

restrictions both in the UK and worldwide preventing tourism for large periods of time. Turnover in travel and tourism businesses fell to its lowest level in 2020 in May, at just 26.0 per cent of February levels, compared with 73.6 per cent in all other industries. The Office for National Statistics reported that turnover in travel and tourism businesses fell to its lowest level in 2020 in May, at just 26% of February levels, compared with 73.6% in all other industries.

Table 5[xvi]
Business share key sectors 2020

SIC 2007 Bespoke sectors	Norwich local authority		Norwich Urban Area		New Anglia LEP		East of England		Gt. Britain	
	2021	2015	2021	2015	2021	2015	2021	2015	2021	2015
	%	%	%	%	%	%	%	%	%	%
Advanced engineering/manufacturing	3	4	4	5	5	5	5	5	5	5
Business and financial services	28	28	27	28	25	25	29	29	30	30
Care	1	2	2	2	2	2	1	1	1	1
Creative digital	4	5	4	4	3	3	5	6	5	5
Health & life science	<1	1	<1	<1	<1	<1	<1	1	<1	<1
Tourism	12	11	10	10	9	9	8	8	9	9
Knowledge intensive	37	39	37	39	32	33	37	39	38	40

3.110. **Creative digital** has some overlap with the business and financial services sector. In the Norwich local authority area, the sector's share of the business base has fallen slightly since 2015, as it has regionally; the share was unchanged across the other reported areas.

3.1.11. The **advanced engineering and manufacturing** sector's share of the business base in Norwich is fairly small compared to the other reported areas. However, this masks its importance, particularly the aviation related sub-sector centred on Norwich airport. The share of the business base in each reported area remained stable over the period 2015 to 2021 except the Norwich areas where a small reduction took place.

3.1.12. Given the aging population, particularly in Norfolk and the areas surrounding Norwich, the **care** sector is growing in importance. The sector's share of the business base in Norwich is similar to the proportion across each of the other reported areas; the share has remained fairly static over the period except in the Norwich local authority area which saw a reduction in the share of the business base over the period.

3.1.13. **Health & life science** is another sector that is small in its share of the business base but important to the local area because of the high value jobs it supports (at Norwich Research Park and Briar Chemicals). The share is similar across each of the reported areas and has remained unchanged in all areas.

3.1.14. A **knowledge-intensive** industry is one where the workers need a high level of education, skills and experience in order to work effectively, the definition used in this document was devised by EUROSTAT. Knowledge-intensive firms account for a similar share of the business base across the reported areas bar the LEP area which has a smaller share. The share fell across each of the areas over the period.

3.2 Company size

Table 6[xvii]

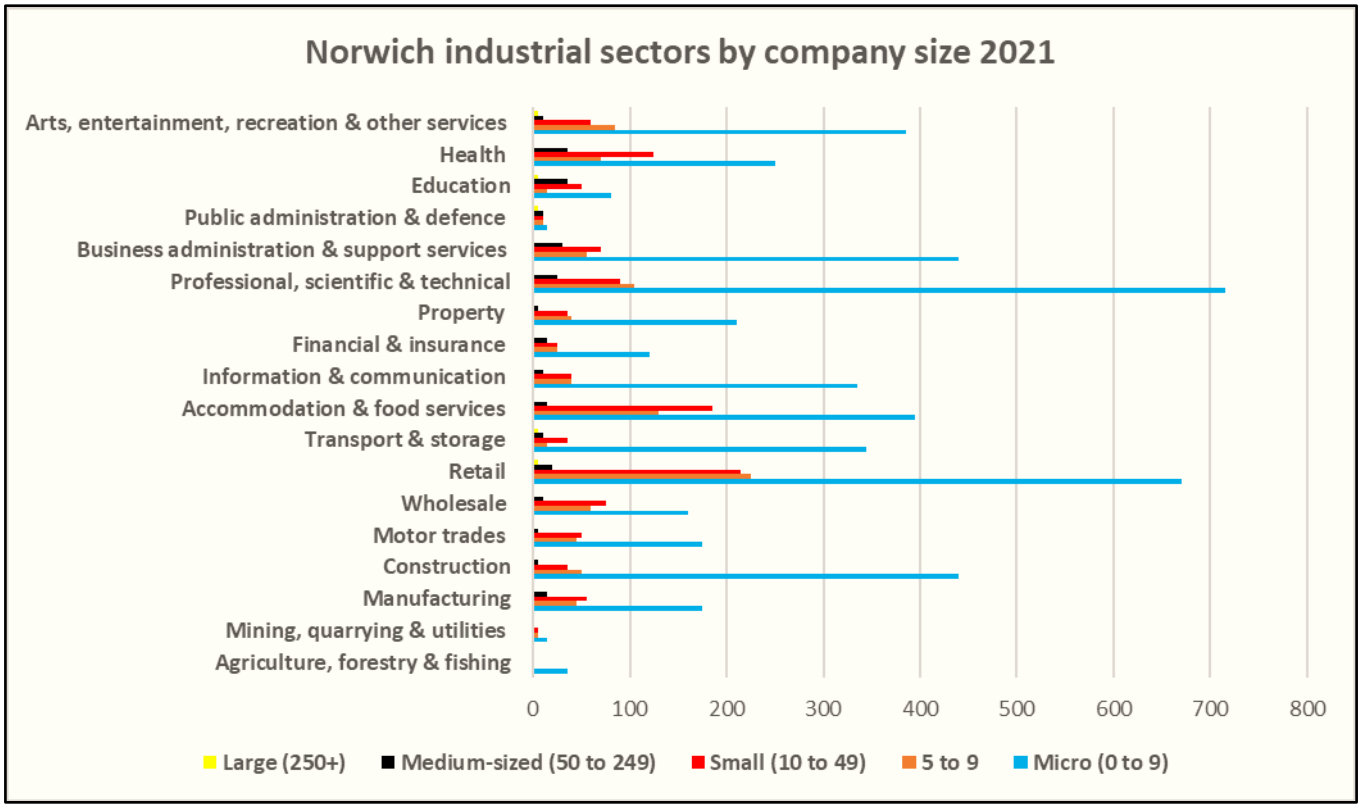
Breakdown of company size 2021

	Norwich local authority	Norwich urban area	New Anglia LEP	East of England	Gt. Britain
	%	%	%	%	%
Micro - 0 to 9 employees	77.3	78.2	83.6	85.6	84.8
(Micro 0 to 4 employees)	61.4	62.8	69.5	73.4	72.1
Small - 10 to 49 employees	18.0	17.3	13.5	11.7	12.3
Medium - 50 to 249 employees	4.1	4.0	2.6	2.4	2.5
Large - 250+ employees	0.5	0.6	0.3	0.3	0.4

3.2.1. Table 6 demonstrates that the Norwich local authority area and the Norwich urban area have a smaller percentage of micro firms than is seen in the other areas and correspondingly bigger proportions of small, medium and large firms. The Norwich areas have particularly low percentage of micro firms employing four employees or less compared to the other areas.

3.2.2. The Norwich local authority area has seen growth of around 6 per cent in the percentage of micro businesses since 2015; growth in the urban area was slightly higher at 7 per cent and the LEP area saw growth of 5 per cent. At the regional and national level, the proportion of micro firms grew by 12 per cent over the same period.

Figure 9[xviii]



3.2.3. Figure 9 summarises the **size breakdown of Norwich businesses** by SIC 2007 Broad Industrial Group. Large firms employing more than 250 people are based in the retail, transport & storage, financial & insurance, business admin & support services, public admin & defence, education and arts, entertainment, recreation & other services.

3.2.4. The same sectors are more likely to comprise medium-sized firms employing 50 to 249 workers, as are the professional, scientific & technical, accommodation & food services, information & communication and health sectors.

3.2.5. However, the majority of firms in each sector are micro businesses employing fewer than 9 people with the exception of the following (predominantly public sector) industries where less than two-thirds of firms are classed as micro: public admin & defence; education; health.

3.2.6. More than one-quarter of firms in the manufacturing, wholesale, food & accommodation services, public admin & defence, education and health sectors employ 10-49 people (small).

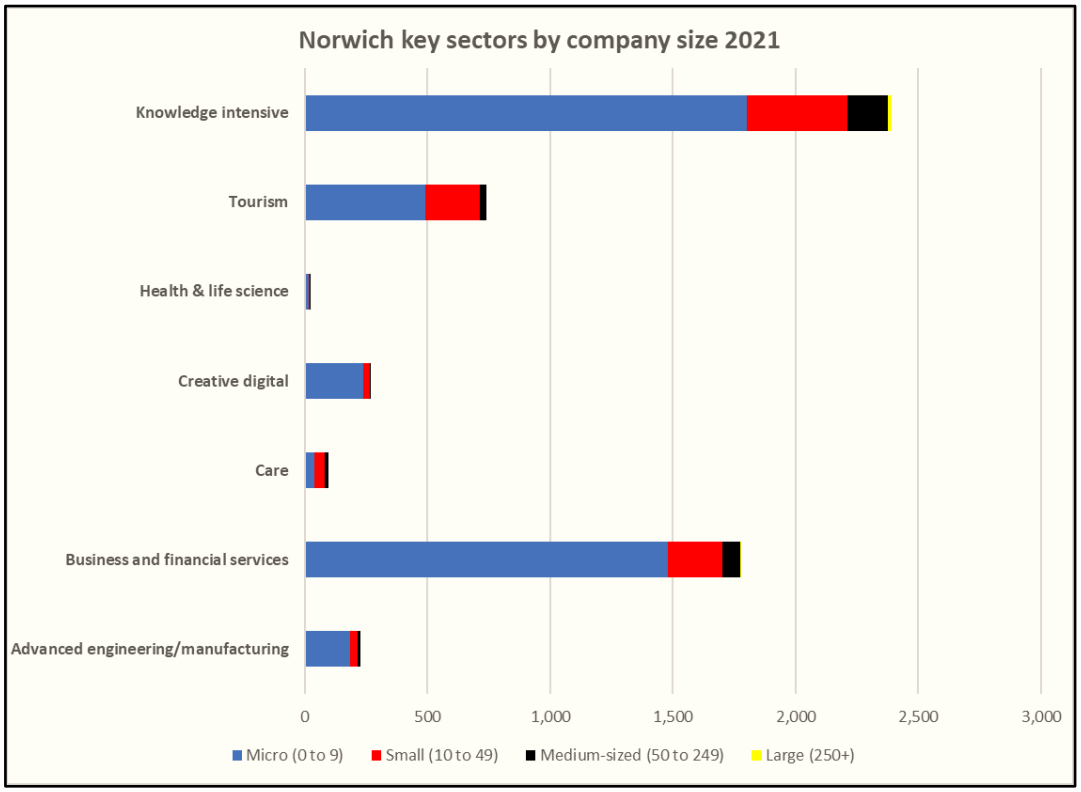
3.2.7. Figure 10 gives the **company size profile of Norwich's key sectors**. As with the 2007 SIC Broad industrial Grouping sectors, Norwich's key sectors comprise a majority of micro-businesses; around 90 per cent of businesses in the creative digital sector employ fewer than nine people (micro). Conversely, less than one-half of firms in the care sector and around one-half of firms in health and life sciences are classed as micro businesses.

3.2.8. Small firms employing 10 to 49 people are more prevalent in the care and tourism sectors accounting for around one-third of total firms in those sectors.

3.2.9. The only key sector with more than 10 per cent of firms classed as medium-sized (employing 50 to 249 people) is the health & life science sectors.

3.2.10. Of the local key sectors, only business and financial services firms and knowledge intensive firms are 250+ employers.

Figure 10[xix]



3.3 Employment by sector

It should be noted that employment share data is extracted from the Business Register and Employment Survey: open access which includes businesses registered for PAYE but not for VAT, so are not continuous with BRES datasets for years prior to 2015. It is likely then to undercount companies with a turnover which falls below the VAT threshold. The latest available data is for the year 2020 and it is likely that the 2021 employment situation looks very different for some sectors.

Table 7[xx]
Employment by sector

SIC 2007 Broad Industrial Groups	Norwich local authority		Norwich urban area		New Anglia LEP		East of England		Gt. Britain	
	2020 %	2015 %	2020 %	2015 %	2020 %	2015 %	2020 %	2015 %	2020 %	2015 %
Agriculture, forestry & fishing	<1	<1	<1	<1	3	3	1	2	1	2
Mining, quarrying & utilities	<1	<1	1	<1	2	1	2	1	2	1
Manufacturing	7	5	7	5	13	9	11	8	11	8
Construction	6	4	6	4	8	6	8	6	6	5
Motor trades	4	3	4	3	3	3	3	3	2	2
Wholesale	6	3	5	4	5	4	6	4	5	4
Retail	9	13	9	13	7	11	7	11	6	10
Transport & storage inc. postal	6	4	5	4	6	5	6	5	6	5
Accommodation & food services	4	7	4	6	5	8	4	7	5	7
Information & communication	5	4	4	3	3	2	5	4	5	4
Financial & insurance	6	4	10	7	4	3	3	2	4	4
Property	2	2	2	2	1	1	2	2	2	2
Professional, scientific & technical	7	6	6	5	6	5	10	9	10	9
Business admin & support services	11	10	10	9	9	9	9	10	9	9
Public administration & defence	6	7	6	6	4	4	4	3	5	4
Education	11	11	10	11	6	8	7	9	7	9
Health	7	9	9	11	11	13	10	12	11	13
Arts, entertainment, recreation & other services	5	7	4	6	4	5	4	5	4	5

3.3.1. The employment shares given in Table 7 are based on the standard 2007 SIC Broad Industrial Grouping. The largest sector (jointly with education) in Norwich in employment terms is **business administration & support services** with 11 per cent of the workforce. The sector is significant in the other areas but the share of employment is at least 2 percentage points lower than in the Norwich areas. Business administration & support services share of employment has grown slightly in both Norwich areas since 2015, saw a slight fall regionally but remained unchanged across the other two areas.

3.3.2. **Education** is jointly the largest employment sector in Norwich, accounting for 11 per cent of the workforce. Employment in the education sector accounts for a much larger share of the total in Norwich than in the other areas and the share increased remained static in the local authority area over the period but fell slightly across the other reported areas.

3.3.3. Since 2015, the **retail** sector has seen sizeable falls (of around 4 per cent) in employment share across all of the areas. Clearly this fall is as a result of the pandemic (including lockdowns) and the impact of the continued increase in online shopping, as explored in section 3.6. Again, the sector accounts for a higher percentage of employment in the Norwich areas than in the other reported areas.

3.3.3. The **health** sector has a 7 per cent share of employment in the Norwich local authority area; a much smaller share than seen across the other areas. This is mostly the result of the siting of the Norfolk and Norwich University Hospital in the neighbouring district of South Norfolk. The employment share of the health sector has fallen slightly across each of the reported areas since 2015.

3.3.4. **Production industries** account for a smaller share of employment in the Norwich areas relative to the other areas but have seen a corresponding rise as service sectors have fallen. **Construction** has a 6 per cent share of employment in the Norwich areas and nationally compared to 8 per cent across the LEP area regionally. This share increased across all the reported areas. **Manufacturing** has a 7 per cent share of employment in the Norwich areas compared to 11 per cent regionally and nationally and 13 per cent across the LEP area. Over the period 2015-2020 the share of manufacturing employment grew across each of the reported areas.

3.3.5. As stated previously, standard sector definitions do not accurately reflect the sectors which are important to the Norwich economy, so key sectors have been built up from from more detailed SIC definitions. Using this method, Table 8 summarises the share of employees by key sector. By some margin, the largest sector in terms of employee share across each of the reported areas is **business and financial services.** The share is similar, at around one-quarter, across each of the reported areas except the LEP area where it stands at one-fifth. The sector has grown its share of employment across each of the areas except regionally and nationally where it remained unchanged.

3.3.5. The **tourism** sector accounts for around one-tenth of all employees across each of the reported areas. Over the period 2015 to 2020 the share reduced slightly in the Norwich urban area but remained unchanged in the other reported areas.

3.3.6. Around 3 per cent of the workforce is employed in the **advanced engineering/manufacturing** sector in the local authority area and the urban area; the share in the other reported areas stands at 5 per cent. The share has remained static over the period 2015 to 2020 across each of the reported areas.

Table 8[xxi]
Employment by key sector

SIC 2007 bespoke sectors	Norwich local authority		Norwich urban area		New Anglia LEP		East of England		Gt. Britain	
	2020 %	2015 %	2020 %	2015 %	2020 %	2015 %	2020 %	2015 %	2020 %	2015 %
Advanced engineering/manufacturing	3	3	3	3	5	5	5	5	5	5
Business and financial services	23	22	25	24	19	18	23	23	23	23
Care (excluding health)	2	2	3	3	4	4	3	4	3	3
Creative digital	2	1	2	1	1	1	2	2	3	2
Health & life science	3	3	4	3	6	5	6	5	6	5
Tourism	10	10	9	10	11	11	9	9	10	10
Knowledge intensive	52	52	54	53	44	44	49	48	52	52

3.3.7. The **care** sector is small in terms of the share of employees. In the Norwich local authority area it accounts for just 2 per cent of employees. Of the reported areas, the LEP has the highest share of employment in the care sector, at 4 per cent, probably reflectiing the aging population in the area. Over the period 2015-2020 the share was unchanged across each of the reported areas except regionally where the share fell slightly.

3.3.8. The **health & life science** sector comprises 3 per cent of employees in the Norwich local authority area where the share remained unchanged from 2015 to 2020. In the urban area the share increased to 4 per cent. Regionally, nationally and across the LEP area the share stands at around 6 per cent; these areas saw a marginal increase in the health & life science share of employment over the period.

3.3.9. **Creative digital** is another small sector in terms of its employment share (and its share of employment remained the same across the LEP area and regionally. From 2015 to 2020 both Norwich areas saw a marginal increase, as did the national level. According to national industry figures the majority of creative enterprises employ fewer than 10 people, and more than one-third of the sector's workforce is self-employed.

3.3.10 The Norwich urban area has the highest share of employment in **knowledge-intensive** businesses. The local authority area has the same share as at the national level. Nationally, across the LEP area and in the local authority area the share remained static over the period 2015 to 2020, Norwich urban area and the region saw a small increase.

3.4 Business start-ups, closures and survival rates

Table 9[xxii]
Business start-up rates 2014-2019

	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%
England	13.9	14.4	14.7	13.1	10.8	13.5
East of England	12.8	13.4	15.8	12.5	10.0	12.3
New Anglia LEP	10.8	10.8	11.6	11.0	9.5	10.5
Norwich local authority area	12.9	12.1	11.8	19.0	10.5	12.8

3.4.1 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. The business birth rate is the proportion of active businesses that began trading in the reporting year. The latest dataset is for the year 2019, it is likely that that the COVID-19 pandemic has impacted start-up rates. Experimental quarterly data at the regional/national level shows that the number of start-ups was higher in every quarter from the second quarter 2020 onwards compared to the same quarter the previous year.

3.4.2. Table 9 shows that the business start-up rate in Norwich has returned to a similar rate as seen at the beginning of the period and did not maintain the high rate seen in 2017 - the most recent (2019) rate stands at 12.8 per cent of the total number of businesses (the business base); higher than the other reported areas bar that seen nationally. Norwich’s business start-up rate has increased strongly over the five-year period and growth has been considerably stronger than that seen across the LEP, regionally and nationally.The number of new Norwich businesses increased by 8 per cent over the year from 675 businesses to 730 in 2019.

3.4.3 The business death rate is the proportion of active businesses that ceased trading in the reporting year. Table 10 demonstrates that in 2019 the rate of business “deaths” or closures in Norwich was slightly lower than seen nationally but higher than the for LEP rate and regionally. Since 2014, the business closure rate has increased at a stronger rate nationally and regionally than for Norwich and the LEP area.

Table 10[xxiii]
Business closure rates 2014-2019

	2014	2015	2016	2017	2018	2019
	%	%	%	%	%	%
Gt. Britain	9.7	9.7	10.6	11.6	12.3	11.1
East of England	9.5	9.4	10.1	10.4	12.8	10.7
New Anglia LEP	8.7	8.7	9.3	9.8	9.9	9.3
Norwich local authority area	10.3	9.9	12.2	13.9	12.1	10.9

3.4.4. Business five-year survival rates in Norwich are slightly above the national average (43.2 per cent of businesses that began trading in 2014 were still trading in 2019 compared to 42.5 per cent) and just below the regional level (44.5 per cent). 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 five-year point than businesses in the health sector or the financial services sector, for example. Research has also shown that business survival rates are inversely correlated with productivity, suggesting that 'creative destruction' is a critical force for productivity growth.

3.5 Turnover

Table 11[xxiv]
Company Turnover Sizeband

	Norwich	Norwich urban area	New Anglia LEP	East of England	Gt Britain
	%	%	%	%	%
0 to £49 (000s)	14	15	16	15	15
£50 to £99 (000s)	20	21	22	24	23
£100 to £199 (000s)	32	33	32	32	32
£200 to £499 (000s)	13	13	13	12	13
£500 to £999 (000s)	9	8	8	7	7
£1000 to £1999 (000s)	5	5	4	4	4
£2000 to £4999 (000s)	3	3	3	3	3
£5000 to £9999 (000s)	1	1	1	1	1
£10000 to £49999 (000s)	1	1	1	1	1
£50000+ (000s)	<1	<1	<1	<1	<1

3.5.1 Table 11 summarises the proportion of businesses generating turnover levels by particular size bands. Of note is the lower level of companies generating turnover below £99,000 in both Norwich areas; at least 38 per cent of firms fall into this range in the other three areas compared to 34 per cent in Norwich.

3.5.2 At the mid-scale, Norwich has a relatively high percentage of companies with a turnover of between £500,000 and £1,999,000; although it can't be detailed in the table, both Norwich areas have a higher percentage of firms with a turnover greater than £10,000,000. This corroborates the earlier findings which show that Norwich has higher levels of larger firms and a correspondingly lower level of smaller firms.

3.6 Retail – City centre, District and Local Centres

3.6.1. The retail sector has experienced many challenges in recent years brought about by changing consumer behaviour driven by technology and prevailing economic conditions and the past 18 months have been even more challenging as a result of the COVID pandemic. These challenges are likely to have an ongoing impact for the viability of some retail businesses.

3.6.2. According to the 2021 Retail Monitoring Report produced by Norwich City Council, retail vacancy rates have significantly increased since October 2019 in the city centre and in the District and Local Centres. Clearly this could be expected given the challenging times facing store-based retailers i.e. the rapid rise of online shopping and the three successive lockdowns in which all except "essential" shops and leisure facilities were forced to close. In addition, footfall within the city centre has been extremely low because of city centre office workers working from home and people choosing to either shop locally or online. However, footfall has significantly increased following the lifting of restrictions.

3.6.3. The Centre for Cities has produced an Index which looks at everyone who was in the city centre at any time of the day, compared to a pre-lockdown baseline of 100. At the end of September 2021, Norwich scored 89 on the index. Further to this a spend index has been produced which looks at relevant offline sales made in the city centre at any time of the day. At the end of September 2021, Norwich scored 103 compared to a pre-lockdown baseline of 100.

3.6.4. Despite the myriad of government support schemes many shops have not survived the pandemic. Norwich lost a significantly high number of multiples over the period and several, such as Debenhams and Topshop, had occupied large and prominent locations. However latterly, many of Norwich's independent retailers have performed well -

demonstrated by the low vacancy rates in the secondary retail area (excluding the Cathedral Retail Park) and the Magdalen Street, Anglia Square & St Augustine's Local District Centre where vacancy rates stand at 6.7 per cent and 7.0 per cent respectively compared to a national average retail vacancy rate of 15.8 per cent. It may be suggested that the independent market lacks long-term sustainability because of a tendency to shorter average length of occupancy and a higher rate of churn across the market.

3.6.5. Leisure vacancy rates at the national level are lower than retail and whilst it is difficult to compare because of different methodologies of collecting and analysing data, the overall vacancy rate for the city centre does increase when other town centre uses are taken into account.

3.6.6. Total retail floorspace within the city centre continues to decrease, but the rate has slowed and during this monitoring period there has only been a reduction of 1,534m² (0.7 per cent) which is considerably less than that which was lost in 2018/19 where retail floorspace decreased by 6,231 m² (2.7 per cent). Given the changes to the Use Classes Order and the General Permitted Development Order and future changes to in policy approach it is anticipated that this trend will continue.

3.6.7. Vacancy rates in District and Local Centres have increased overall from 8.1 per cent in 2019 to 11.6% in 2021. This follows the trend of increasing vacancy rates within the city. However, 11.6 per cent is significantly lower than the city centre's 14.1 per cent shop vacancy rate which would indicate that despite the challenging circumstances Local and District Centres are faring quite well and supports the suggestion that more people have shopped locally during the pandemic.

Section 4: Productivity

This section examines economic productivity which is a measure of the efficiency with which capital and labour are combined to produce more with the same level of factor inputs. Growth in an economy can be driven by increases or improvements in either land, labour or capital.

4.1 Measures of productivity

4.1.1 Productivity is an important determinant of living standards – it quantifies how an economy uses the resources it has available, by relating the value of inputs to output. "*Productivity isn't everything, but in the long run it is almost everything. A country's ability to improve its standard of living over time depends almost entirely on its ability to raise output per worker*" (Paul Krugman, OECD, 2006). Productivity estimates tend to use one of three different measures of output:

1. Gross Value Added (GVA)
2. Gross Domestic Product (GDP) - only available at the national economy level
3. Total Output

4.1.2 GVA is the value of output less the value of intermediate consumption; it measures the contribution to the national economy of each individual producer, industry or sector. In 2017 total GVA[3] for the Norwich local authority area was estimated to be £3,935m. Norwich has seen growth of 10 per cent over the period 2012-2017. However, total GVA is not a measure that enables comparison across different levels of geography. GVA per capita (or head of population) is a measure of productivity which allows comparison, though it also reflects the levels of unemployment and the relative numbers of economically inactive, such as students and pensioners. Figure 11 shows that Norwich local authority area has the highest GVA per capita or head of population of all the reported areas. However, this measure is somewhat misleading as the Norwich local authority area is a centre for employment for the surrounding area rather than a self-contained labour market; many people who work in the local authority area are in-commuters rather than residents.

[3] 2015 £m, current prices - (income approach). Note: this indicator should be treated with caution. GVA is essentially the sum of profits and wages - it is difficult to allocate GVA on a resident basis. Local authority level GVA is constructed based on employee data and regional GVA.

Figure 11[xxv]

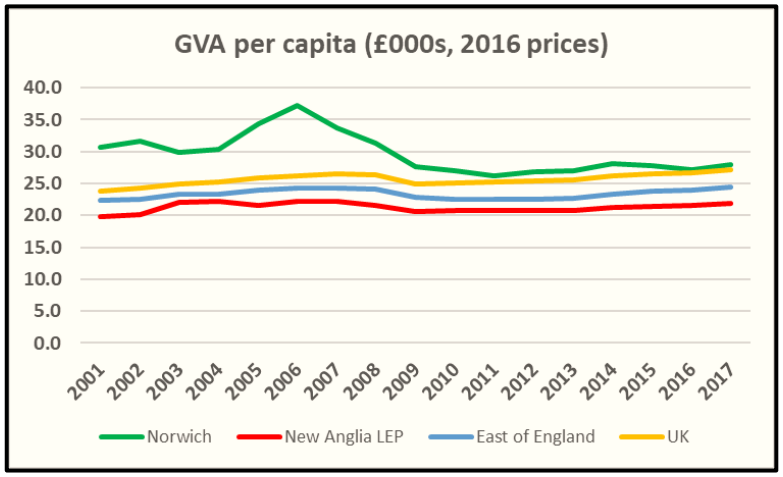
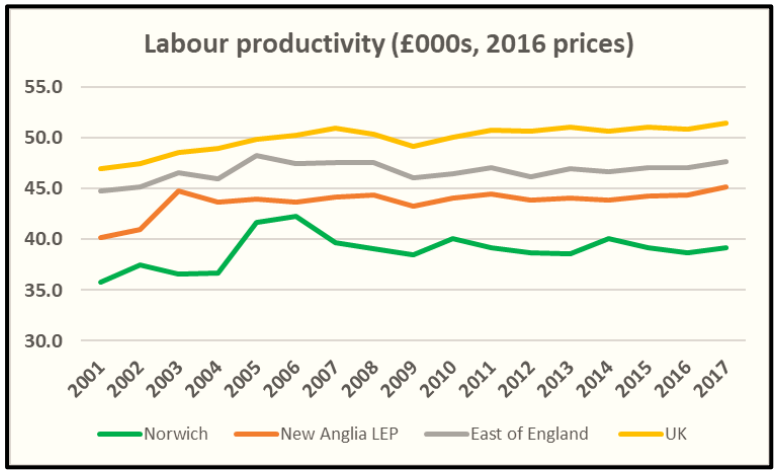


Figure 12[xxvi]



4.1.3 Figure 12 summarises the output per job measure - the Norwich local authority area ranks lower than any of the reported areas. The average productivity of the Norwich local authority's workforce (measured as output per job) reflects its profile as a regional service economy, one which, despite the presence of some higher value activities, is heavily geared towards servicing the needs of its residents and visitors. The industrial structure and occupational profile of jobs and the higher than average incidence of part-time working in the local authority area also has repercussions on resident and workplace earnings which are significantly below the national average.

4.1.4 Norwich's comparatively isolated location is also likely to be a factor in its relatively low levels of productivity – the ONS Sub regional Productivity report[xxvii] states that the lowest productivity levels are typically found in relatively rural or remote areas of the UK. Norwich's location infers a level of geographical immobility which creates a weak competition in the market for wages, especially for low skill workers. For these workers in particular, work is often chosen on grounds of geographical proximity or other non-wage factor (rather than wage rates). Therefore, even if higher paid work may be available elsewhere, it is not worth the extra commute. This means that employers are able to pay lower wages than in less geographically remote areas where market conditions are more competitive.

4.1.5 As stated in the earlier section, relatively high business survival rates are inversely related to productivity, suggesting that 'creative destruction' is a critical force for productivity growth. The belief that higher business survival rates are indicative of a strong Small to Medium sized Enterprises (SME) environment may be misplaced.

4.1.6 The 2021 CBI research report Reviving Regions: Empowering places to revive and thrive for the East of England[xxviii] is based on the International Territorial Level 3 (ITL3) Norwich and East Norfolk sub-region. This means that the data and subsequent scoreboard findings may underestimate the city's productivity because the geography encompasses a large rural area. The scorecard gives GVA per hour of £31.17 per hour; productivity is at the 41st percentile, this means Norwich and East Norfolk is more productive than 41 per cent of subregions. The CBI scorecard identifies Norwich and East Norfolk as below average but gaining ground.

4.1.7 Table 12 summarises GVA by industry cluster in the Norwich local authority area. The Commercial Services[4] cluster is the greatest contributor to GVA in Norwich providing £276,071,641, closely followed by the Education and Knowledge Creation[5] and Government clusters (£255,530,177 and £236,944,848 respectively). The Financial and Legal Services cluster also accounts for a large share of GVA, contributing £216,233,012 to the local economy in 2018. Other notable contributors include Health and Care[6] (£167,695,900); Food and Beverage[7] (£160,232,616) and Building Services[8] (£154,080,749).

4.1.8 Based on location quotients, Norwich local authority has around 20 per cent more jobs in Commercial Services than average but average wages per job wage for the cluster is lower than at the national level (£19,476 against £25,231).

[4] Various commercial services ranging from cleaning and facilities to event catering, security, photography, accounting, stationery and document preparation.
[5] Tertiary education, Post-secondary non-tertiary education, Other research and experimental development on natural sciences and engineering
[6] Activities delivering medical, dental and residential care to patients, including general practice and dispensing chemists.
[7] Supply, selling and serving food and beverages, including pubs, restaurants and mobile food services, food and drink wholesale and retail, as well as local food production including bakeries.
[8] Preparation, completion and finishing of building sites, including the provision of supporting skilled trades (including electrics, plastering, plumbing, heating and air conditioning, painting, flooring, wall covering, glazing and roofing), and the manufacturing and supply of equipment and materials.

Table 12[xxix]
Cluster GVA by Share in 2018- Norwich local authority

Cluster	% Total of GVA	Cluster	% Total of GVA
Commercial Services	9.2%	Sports and Leisure	1.4%
Education and Knowledge Creation	8.5%	Creative	1.3%
Government	7.9%	Appliances and Personal Goods	1.1%
Financial and Legal Services	7.2%	Local Transport	1.0%
Health and Care	5.6%	Air Transport	0.9%
Food and Beverage	5.3%	Downstream Chemical	0.7%
Building Services	5.1%	Agricultural Inputs and Services	0.7%
Education and Childcare	4.5%	Business Services	0.7%
Property Development	4.1%	Precision Technology	0.6%
Personal Services	3.9%	Vehicle and Defence Technology	0.5%
Household Goods and Services	3.8%	Utility	0.4%
Digital	3.4%	Plastics and Vulcanised Products	0.4%
Professional Services	3.1%	Metalworking Technology	0.4%
Civil Engineering	2.7%	Downstream Metal	0.3%
Automotive Services	2.6%	Paper and Packaging	0.3%
Retail	2.3%	Textiles and Apparel	0.2%
Logistics and Ecommerce	2.0%	Furniture and Wood Products	0.1%
Printing and Publishing	1.6%	Local Environmental Services	0.1%
Production Technology	1.6%	Upstream Chemical	0.1%
Passenger Transport	1.5%	Hazardous Materials and Waste	0.1%
Visitor Economy	1.5%	Construction Products and Services	0.1%
Food and Drink Production	1.4%		

4.1.9. The next largest sector cluster in terms of GVA, Education and Knowledge Creation, has 212 per cent more jobs above the national average but as with the Commercial Services cluster the average wage is lower than at the national level

(£34,554 against £38,659). Norwich's Government cluster jobs stand at 80 per cent above the national average and again wages are lower but the differential is narrower (£31,211 against £32,097).

4.2 International trade

4.2.1. International trade data (HMRC Regional Trade in Goods Statistics November 2020) is given at the regional level or sub-regional ITL3 level - it is not available at local authority level. The number of exporting firms in the East of England increased in 2019 (compared to 2018) from 12,518 exporters to 12,672 exporters. In the year to March 2019, annual export values in the East rose from £6,863m to £7,331m. According to Centre for Cities[xxx], the value of exports per job for Norwich PUA is £8,590 (2017) which is below average for a UK city.

4.2.2. Overall, the EU is the East of England's largest trading partner accounting for 51 per cent of all exports. The USA; Germany; Belgium; Netherlands and France are the countries which are the East of England's largest export trading partners. In size order the top five commodities by value of export for the year ending March 2019 are machinery & transport equipment; chemicals; miscellaneous manufactures; manufactured goods and food & live animals.

4.2.3. The East of England has the second highest share of goods imports coming from the EU of UK regions (South-East has the highest level) and overall the EU is the region's largest trading partner. The East of England's largest import trading partners are Germany; Netherlands; Belgium; China and USA. In size order the top five commodities by value of import for the year ending March 2019 are Machinery & transport equipment; Chemicals & related products; miscellaneous manufactures; manufactured goods and food & live animals.

4.2.4. Therefore the East of England, as with other regions, exports and imports similar products simultaneously. With so much uncertainty about the impact of Brexit on imports and exports, it remains to be seen how UK businesses will continue to trade abroad and if the focus shifts.

Section 5: Qualifications and Skills

This section examines the qualification attainment levels of the working age population, evidence of job-related training to up-skill the work force and trends in the incidence of young people not in education, employment or training (NEETs) as an indicator of future employment vulnerability and risk.

5.1 Market for skills

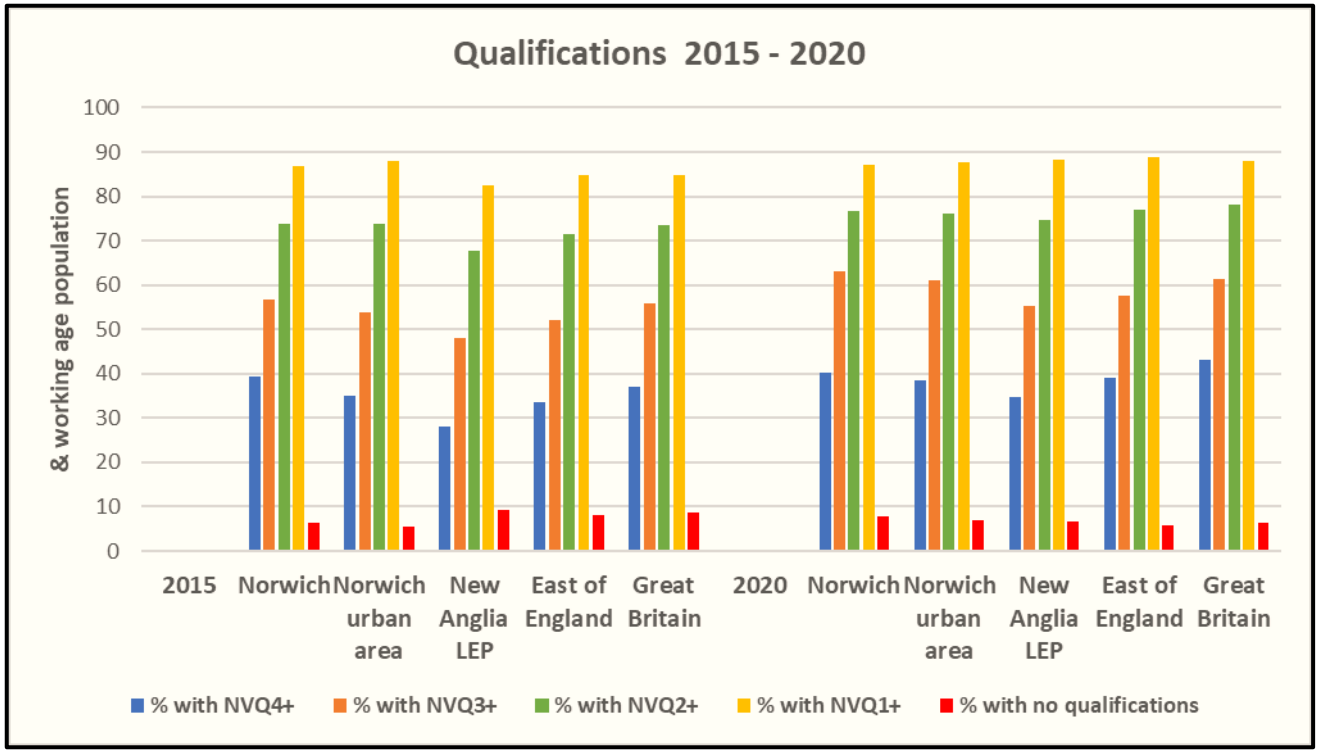
5.1.1. The Norwich area is home to a number of innovative businesses that are leaders in knowledge creation However, the majority of businesses use technology and business ideas that originate somewhere else. Therefore, a broad and deep skills base is needed to increase the city's ability not only to 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.

5.1.2 Qualifications or educational attainment are used as a proxy for skill because it is very difficult to measure or monitor skills per se. The qualification profile of the working age population is summarised in Figure 13 and shows the changes which have taken place from 2015 to 2020.

5.1.3. For 2020, in the Norwich local authority area, just over one-third (40 per cent) of the working age population is qualified to level 4 (degree level) or higher; a slightly lower proportion is seen at the national level (43 per cent) but marginally higher than the percentage in the Norwich urban area and the region (both 39 per cent). Of the reported areas the LEP area has the lowest level with just 35 per cent holding a level 4 and above qualification.

5.1.4 Roughly 63 per cent of the working age population in the Norwich local authority area holds a qualification of level 3 (A-level) or above; in the urban area and nationally the proportion is marginally lower at 61 per cent. At the regional level 58 per cent of 16-64 year olds hold level 3 or higher qualifications and across the LEP area 55 per cent of the working age population report that they hold at least a level 3 qualification.

Figure 13[xxxi]



5.1.5. Around 77 per cent of the working age population hold at least a level 2 qualification in the Norwich local authority area and regionally. Nationally the figure is slightly higher at 78 per cent; 76 per cent of the working age population across the LEP area and 75 per cent in the urban area hold at least a level 2 qualification.

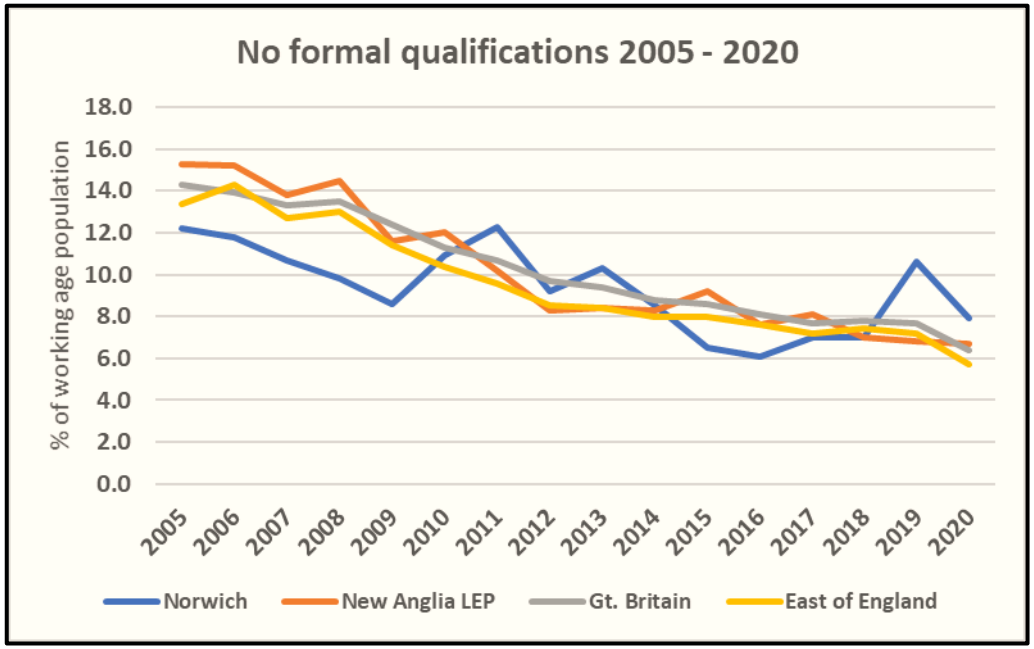
5.1.6. Around 87 per cent of the working age population in Norwich report that they hold at least a level 1 qualification, compared to the urban area and nationally where the proportion is 88 per cent and 89 per cent in the LEP area and regionally.

5.1.7. Over the five-year period, the proportion of the working age population holding a level 4 qualification or above remained fairly static in Norwich, however the data is associated with a fairly large margin of error so it is difficult to draw any conclusions from this apparent stability. The other reported areas saw a small increase over the period. A similar pattern was evident for each of the other qualification levels.

5.1.8 The percentage of the working age population who held no formal educational qualifications fell across each of the reported areas over the five-year period. This is partly accounted for because older adults, where the proportion without a qualification is higher, have reached pensionable age.

5.1.9 Figure 14 demonstrates this point and shows the downward trend in the number of working age adults who do not hold a formal qualification. The "noise" in the Norwich trend line is likely to be the result of the margin of error associated with the Annual Population Survey dataset at local authority district level.

Figure 14[xxxii]



5.2 Job-related training

5.2.1 One source of up-skilling workers is for employers to offer job related training. Training the workforce is tremendously important for firms - it is widely accepted that there is a positive link between training and labour productivity. It should be noted however, that the Leitch Review of Skills in 2006 found that the UK's relatively poor skills base accounts for only 20 per cent of the productivity gap with European countries; with the remainder caused by lack of investment "in physical capital, R&D and infrastructure*. Job related training is a combination of work and preparing for work. It includes on the job training, training away from the job and pre-employment training.

5.2.2. The Annual Population Survey showed a fall in the proportion of working age people receiving job-related training in the last 13 weeks over the period 2015 to 2020 across each of the reported areas, summarised in Table 13. A fall has taken place across each of the reported areas, likely as a result of COVID. Nonetheless, the reduction in both Norwich areas is much larger in comparison. The magnitude of the fall in the Norwich areas may, in part, be down to sampling error[9].h However, the trend is disquieting and is likely to have a negative impact on labour productivity and in turn on the efficiency of individual firms and consequently, on economic growth.

Table 13[xxxiii]

% of working age population who received job related training in last 13 weeks

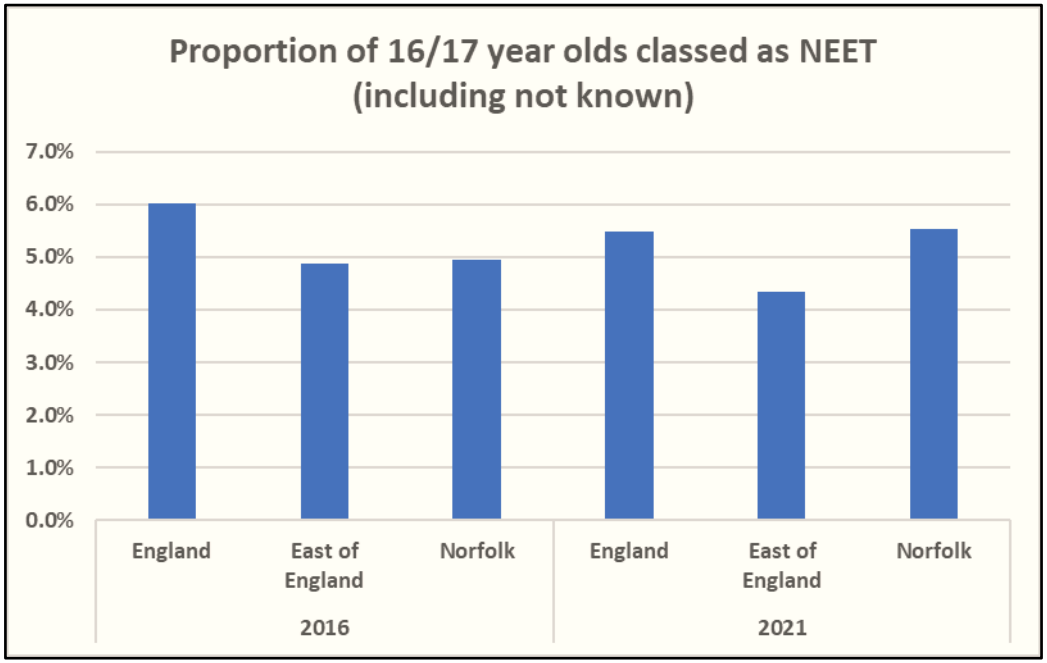
	Norwich local authority area	Norwich urban area	New Anglia LEP	East of England	Gt. Britain
	%	%	%	%	%
2015	24.1	22.5	19.3	19.8	19.0
2020	15.6	16.2	14.4	17.7	17.9

[9] Annual Population Survey estimate and confidence limit of 95% +/- (4.5% - 6.5%) for both years

5.3 Young people not in education, employment or training (NEET)

5.3.1 Without doubt there is a strong correlation between adult skills attainment and children's school performance. The Leitch Review (2006) found that this relationship perpetuates intergenerational poverty and impeded social mobility. Being NEET as a young person is an indicator of future employment vulnerability. Not only is it an indicator of likely later unemployment and low income, but also mental health (depression) problems and possible involvement in crime. The main contributory factors identified for NEET young people are family disadvantage, poverty, educational under-achievement.

Figure 15[xxxiv]



5.3.2 NEET data is not available for the local authority district, therefore Norfolk data has been used as a proxy. It should be noted that the level of young people classed as NEET in Norwich is likely to be higher than the county figure. Figure 15 shows that in 2021 the Norfolk local authority area has similar levels of its young people classed as NEET to England

but higher than is seen regionally; in 2016 the Norfolk proportion was the same as that of the region and both were lower than at the national level. Data at the national level indicates that young people with disabilities are more likely to be classed as NEET as are those young people without qualifications. The pervasiveness of the proportion of NEET young people has negative, long-lasting implications for the individuals themselves and for the local economy as a whole.

5.4 GCSE performance

5.4.1. The summer exam series was cancelled in 2020 because of the COVID pandemic. Pupils scheduled to sit GCSE and A/AS level exams in 2020 were awarded either a centre assessment grade (based on what the school or college believed the student would most likely have achieved had exams gone ahead) or their calculated grade using a model developed by Ofqual - whichever was the higher of the two. Each of the pupil level attainment statistics have increased - more than would be expected in a typical year - between the 2018/19 and 2019/20 academic years. This reflects the change to the way GCSE grades were awarded rather than improvements in pupil performance. As a result the 2019/20 data should not be directly compared to attainment data from previous years for the purposes of measuring changes in student performance.

Table 14[xxxv] Attainment in English & maths GCSEs

	Grade 5 or above	Grade 4 or above
Notre Dame High School, Norwich	62%	81%
Jane Austen College	51%	73%
City of Norwich School	48%	67%
Sewell Park Academy	27%	51%
The Hewett Academy, Norwich	24%	47%
City Academy Norwich	20%	44%
Average England - state-funded schools	***43%***	***65%***

5.4.2 Table 14 summarises attainment of English & maths GCSEs at the end of key stage 4 in 2019. Norwich secondary school performance is mixed compared to state-funded school performance at the national level, with higher than

average percentages of pupils achieving Grade 5 or above in English and Maths GCSEs in three out of the six secondary schools and three of the six schools achieving well below the national average.

5.5 Higher Education (HE) and Further Education (FE) Institutions

5.5.1. The Norwich local authority area is home to two universities, Norwich University of the Arts (NUA) and the University of East Anglia; City College Norwich also has HE/FE provision including vocational qualifications.

5.5.2. The University of East Anglia has a campus in Norwich and a total of over 18,000 students, with around 90 per cent of UK national students being full time and the remainder being part time. Norwich University of the Arts has 1,900 full-time students and 11,000 full/part-time students attend City College Norwich

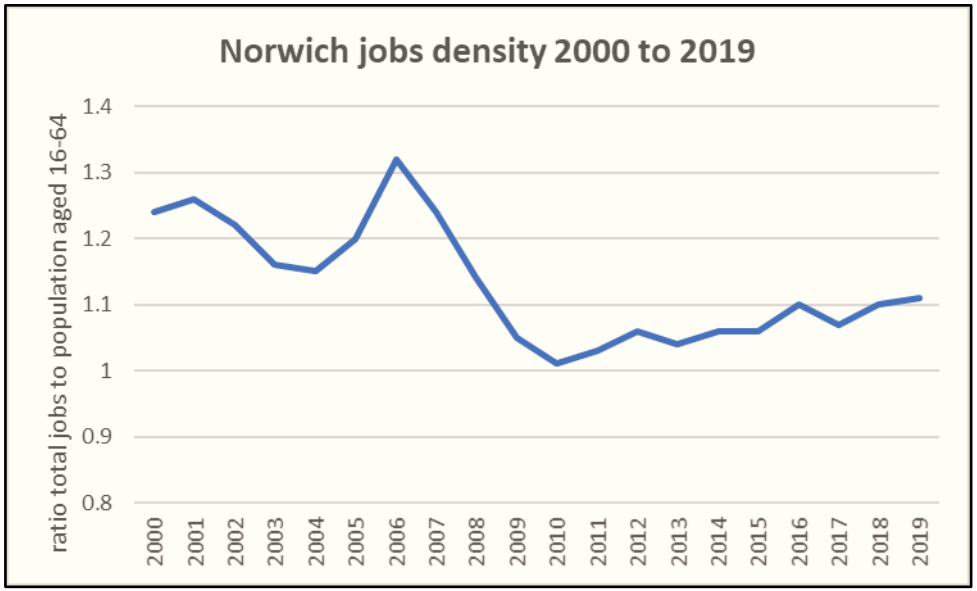
5.5.2. Norwich is also home to the University Technical College Norfolk which provides a comprehensive educational foundation for 14-18 year olds with an interest in engineering, science, technology, maths or computing.

Section 6: Labour Market

Section 6 examines some of the details of the local labour market including employment, unemployment, occupational profile and earnings differentials.

6.1 Jobs density

Figure 16[xxxvi]



6.1.1. The job density ratio of jobs within an area to working age residents can be explained broadly as an indicator of how much of a central city compared to a suburb the area is. If the job density ratio is greater than one (as it is for the Norwich local authority area), then even if every Norwich resident of working age had a job in Norwich, there would still be jobs to be filled by in-commuters. Figure 16 demonstrates that at the beginning of the decade Norwich local authority area's job density stood at a ratio of 1:1.32, by 2019 it stood at 1:1.11. The reason for this is twofold; the working age population has increased by 20 per cent over the period, while the number of jobs has increased by just 7 per cent.

6.2 Economic activity

6.2.1. Data in this section at the Norwich local authority and urban area level should be treated with some caution, it is extracted from the Annual Population Survey and is subject to a sizeable margin of error. Table 15 summarises rates of economic activity[10] for the working age population for the period April to March 2016 and 2021. Economic activity appears to have increased relatively more in both Norwich areas according to the data but this may be the result of the size of the error associated with the dataset at this level given that the other reported areas have seen only small increases in the rate.

Table 15[xxxvii]
Economic activity rate working age population

	2021	2016
	%	%
Norwich local authority	82.3	80.3
Norwich urban area	81.9	80.3
New Anglia LEP	80.0	79.3
East of England	80.5	80.2
Gt. Britain	78.7	77.8

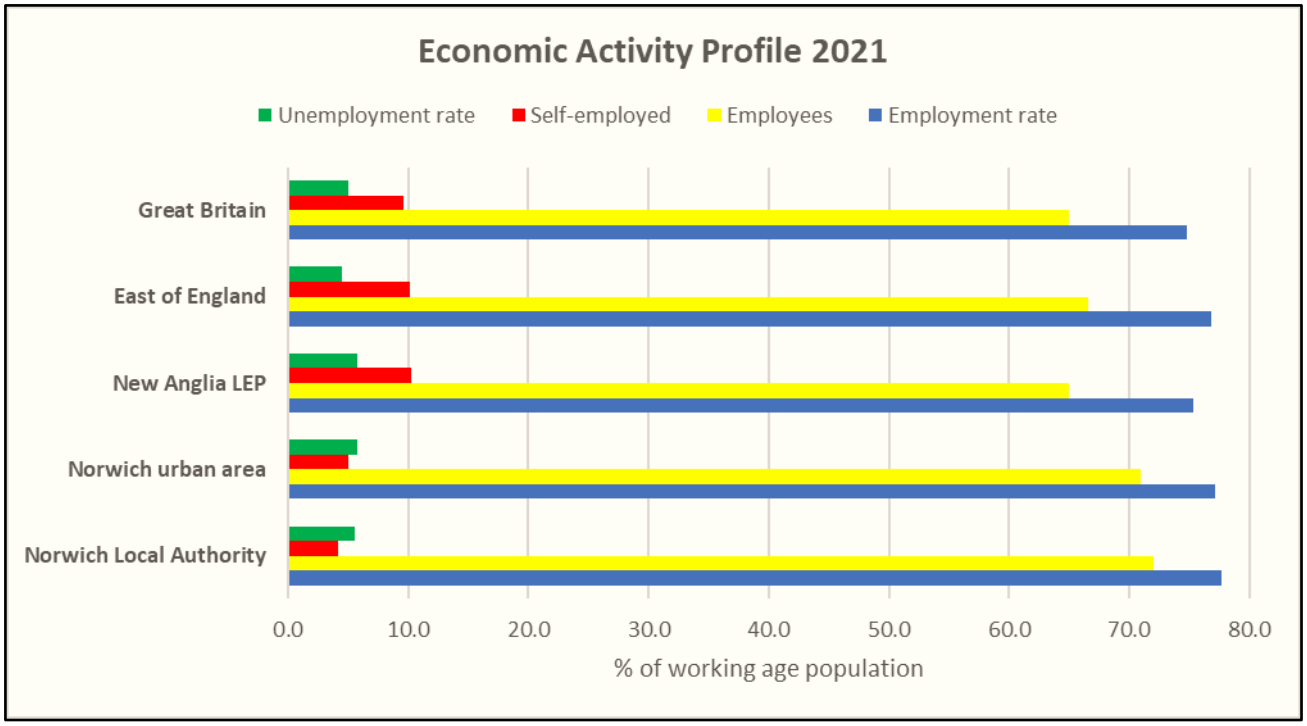
6.2.2. Economic activity can be split into two strands, those in employment and those who are unemployed, the data is summarised in Figure 17. Both Norwich areas have similar levels of employment (77 per cent of the working age population) to the region. At the national level and across the LEP area the rate is lower at around 75 per cent The Norwich urban area has the highest ILO unemployment rate[11] at 5.7 per cent; the Norwich local authority area has a

[10] Economically active people are those aged over 16 who are either in employment or International Labour Organisation (ILO) unemployed . This group of people are those active in the labour force

[11] The ILO definition of unemployment covers people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight.

rate of 5.5 per cent and nationally the rate is 5 per cent. The LEP area has the highest rate at 5.8 per cent and the regional rate stands at 4.5 per cent.

Figure 17[xxxviii]



6.2.3. Employment can be further broken down into the proportion who are employees and those who are self-employed. Figure 17 shows that both Norwich areas have a far lower than average proportion of working age people who are classed as self-employed. This may not be a statistically significant fall and could be the result of a sampling error in the Annual Population Survey - using the Business Register Employment Survey to look at total employment minus the employees gives the Norwich areas a similar percentage of self-employment to the other reported areas. The Norwich areas appear to have a slightly higher proportion of the working age population who are employees, but again this may

be down to sampling error. Each of the other reported areas has a similar proportion (two-thirds) of working age people who are employees.

6.3 Employee status

6.3.1. Table 16 summarises the employment (employees plus self-employed) status of the employment base – in 2020 the Norwich local authority area had 95,000 in employment – a reduction of 2.2 per cent since 2015 compared to 0.9 per cent in the urban area and conversely to growth in the other reported areas: LEP area, 3 per cent; regionally, 5.7 per cent and 2.4 per cent nationally.

Table 16[xxxix]

2020 Employment status

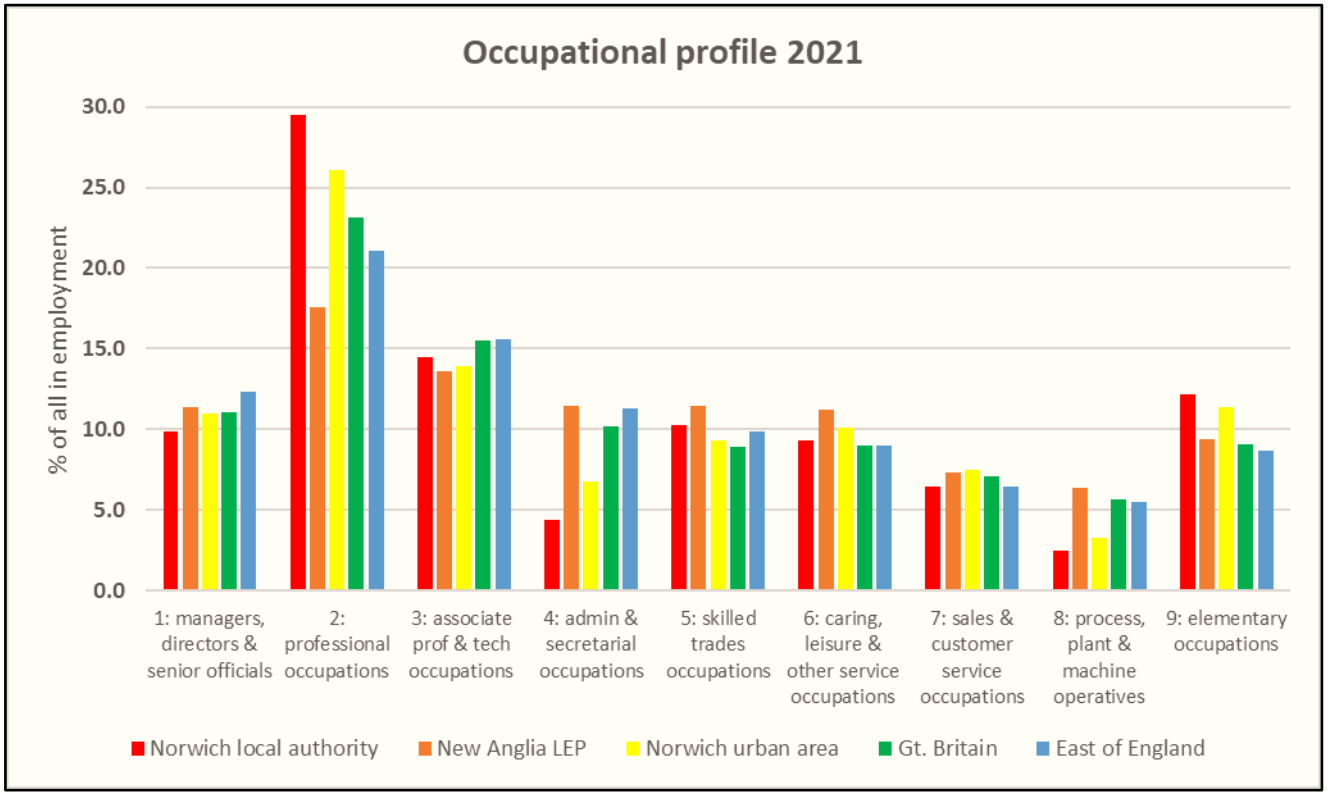
	Employment	Employees	Full-time employees %	Part-time employees %
Norwich local authority area	88,000	86,000	63	37
Norwich urban area	113,000	109,000	64	36
New Anglia LEP	725,000	693,000	65	35
East of England	2,876,000	2,789,000	66	34
Gt. Britain	30,547,000	29,508,000	68	32

6.3.2. The same situation is reflected in the number of employees over the period 2015 to 2020, with both Norwich areas recording a fall of 2 per cent compared to growth of 3 per cent across the LEP area and nationally while the region saw growth of 6 per cent.

6.3.3. The split between full-time and part-time employees is broadly similar across each of the areas, with a ratio of around two-thirds full-time against one-third part-time employees.

6.4 Occupational profile

Figure 18[xl]



6.4.1. Data in this section at the level of both Norwich areas should be treated with some caution, it is extracted from the Annual Population Survey and is subject to a sizeable margin of error. Figure 18 shows that the Norwich local authority area has a marginally lower percentage (10 per cent) of employed residents working in managers, directors and senior than in the other areas (urban area, LEP area and nationally, 11 per cent, the region 12 per cent). More than one-quarter of Norwich residents in employment work in professional occupations - markedly higher than for the other reported

areas. Around one in six people in employment work in associate professional & technical occupations across each of the reported areas.

6.4.2 The Norwich local authority area has the lowest percentage (4 per cent) of people in employment working in administrative and secretarial occupations, for the urban area this increases to 7 per cent, still somewhat lower than 10 per cent nationally and 11 per cent across the LEP area and regionally.

6.4.3. Around 12 per cent of people in employment in the LEP area work in skilled trades occupations compared to 10 per cent Norwich local authority area and the East of England. The lowest share of skilled trades occupations at 9 per cent are seen at the national level and in the urban area.

6.4.4. Employment in caring, leisure and other service occupations is similar across all of the reported areas; the urban area and the LEP have slightly higher shares (at 10 per cent and 11 per cent respectively) compared to 9 per cent across the other reported areas. Employment in sales and customer service occupations is also very similar across each of the reported areas at 7 per cent.

6.4.5. At the national level and for both Norwich areas around 15 per cent of people in employment work in lower level occupations (process, plant and machine operatives and elementary occupations); the LEP area has 16 per cent of workers in these occupations and regionally the share is 14 per cent.

6.5 Skills shortages and skills gaps

6.5.1. According to the Dept for Education's 2019 Employer Skills Survey (ESS), overall, 4 per cent of Norfolk employers reported that they had skill-shortage vacancies (vacancies which are hard to fill because of a lack of the required skills, qualifications or experience) compared to 6 per cent at the national level. Skills shortage vacancy density was more likely to occur in Norfolk's health and social care sector (28 per cent) closely followed by the hospitality sector (27 per cent), Education and business services had the next highest levels of reported skills shortages (20 per cent and 19 per cent respectively). Generally the larger the business the more likely it is to have skills shortage vacancy density.

6.5.2. Alongside that, 15 per cent of Norfolk employers reported that they had skills gaps among their workforce (England 13 per cent). In terms of where these skills needs are felt most sharply - the sectors in which employers are most likely to

report a skills gap are manufacturing (23 per cent), hospitality (20 per cent) and education (19 per cent). Businesses in the 25 to 99 employee brackets are most likely to report a skills gap (25 to 49 employees 41 per cent, 50 to 99 employees 43 per cent).

6.5.3. The proportion of the workforce considered to be lacking in full proficiency (i.e. to have a skills gap) was the same for both Norfolk and at the national level (5 per cent). The sectors most affected in terms of the proportion of their workforce suffering skills gaps are hospitality (7 per cent of the workforce) and the charity/not-for-profit sector (6 per cent). As with the likelihood of a skills gap occurring, the same sector businesses are most likely to have a higher proportion of their workforce affected by a skills gap (25 to 49 employees 6 per cent, 50 to 99 employees 7 per cent).

6.6 Earnings

Table 17[xli]

Median hourly earnings (excluding overtime) 2021

	male		female	
	Workplace	**Resident**	**Workplace**	**Resident**
Norwich	£14.80	£15.62	£12.98	£12.86
New Anglia LEP	£13.81	£13.87	£11.94	£12.17
East of England	£14.98	£15.81	£12.58	£13.01
Gt. Britain	£15.33	£15.35	£12.94	£12.95

6.6.1. Table 17 demonstrates that male workplace earnings in Norwich are higher than in the LEP area but lower than earnings at the regional and national levels. Male resident earnings in Norwich are higher than is seen in the LEP area and nationally but slightly lower than at the regional level.

6.6.2. Female workplace earnings in Norwich are higher than earnings in the other reported areas. Female resident earnings in Norwich are higher than in the LEP area but lower than regionally and nationally.

6.6.3. Workplace earnings for males are lower than resident earnings in Norwich. Male resident earnings in Norwich have increased by 17.7 per cent over the year compared to 1.8 per cent across the LEP area, 3.1 per cent regionally and 2.9 per cent nationally. Workplace earnings for males in Norwich increased by 1.5 per cent over the year compared to 3.1 per cent across the LEP area, 2.9 per cent regionally and 4.7 per cent nationally

6.6.4. Workplace earnings for females are slightly higher than resident earnings in Norwich. Female workplace earnings in Norwich have increased by 1.5 per cent over the year compared to 6.8 per cent across the LEP area, 0.5 per cent regionally and 2.5 per cent nationally. Resident earnings for females in Norwich increased by 3.0 per cent over the year compared to 6.3 per cent across the LEP area, 2.6 per cent both regionally and nationally.

6.6.5. Female earnings are lower than male earnings across each of the reported areas. In Norwich the gender differential is 12 per cent for workplace earnings and 18 per cent for residential earnings; across the LEP area the gap is 14 per cent for workplace earnings and 12 per cent for resident earnings; regionally the gap is 14 per cent for workplace earnings and 18 per cent for residential earnings; nationally the gender difference is 16 per cent for both workplace and residential earnings.

6.6.6. Earnings by percentile show the earnings figure below which that proportion of employees fall. In Norwich 10 per cent of resident workers earn below £9.21 compared to £9.00 for the LEP area. £9.15 regionally and £9.05 nationally.

Section 7: Deprivation

This section investigates deprivation - an important issue to consider as part of an economic assessment because social exclusion can impact on the economy in two ways: by generating public costs for example through benefits payments, high levels of crime etc and as wasted potential, that is, people who could work and contribute to the economy but who are not.

7.1 The English Indices of Deprivation 2019 – LA Summary

7.1.1 The Index of Multiple Deprivation (IMD) is the official measure of relative deprivation in England and is part of a suite of outputs that form the Indices of Deprivation (IoD). Most of the datasets used to compile the English Indices of Deprivation 2019, the combined Index of Multiple Deprivation 2019 (IMD 2019) and the local authority deprivation summary measures for the 317 local authorities within England relate to the 2015/16 financial year. Patterns of deprivation across larger areas can be complex, which give rise to different rankings for each individual measure, so there is no single local authority summary measure that can be described as the 'best' measure. Comparison of the different local authority summary measures is required to provide a more complete picture of deprivation within authority areas. The indices provide relative measurements; therefore rankings cannot be compared across different levels of geography[12].

7.1.2. Table 18 gives various indicators from the LA summaries for 2015 and for 2019. It should be noted that nationally, deprived neighbourhoods have become more dispersed since 2004: the proportion of local authorities containing at least one neighbourhood in the most deprived decile has increased with successive updates of the Indices of Deprivation.

7.1.3. The **Average Rank** and **Average Score** summaries identify the average level of deprivation in the local authority area, taking into account all LSOAs in the area. The main difference is that more deprived Lower-layer Super Output Areas tend to have more 'extreme' scores than ranks. So highly deprived areas will not tend to average out to the same extent as when using ranks; highly polarised areas will therefore tend to score higher on the average score measure than on the average rank. The rank of average rank measure averages the rankings of each LSOA within all 317 local authorities,

[12] The indices of deprivation are designed primarily to measure relative deprivation at the small-area LSOA level. Nevertheless, summary measures have been produced to help users understand deprivation patterns across a set of higher geographies, namely, lower and upper tier local authorities,

on this measure Norwich stands at 61st and indicates that, relative to other local authorities, Norwich is less deprived in 2019 than it was in 2015.

Table 18[xlii]

The English Indices of Deprivation 2015 to 2019
LA summaries - Norwich

	Rank of Average Rank	Rank of Average Score	Extent	Rank of Extent	Rank of Local Concentration	Rank of Employment Scale
2015	47	47	0.39	32	73	100
2019	61	52	0.37	41	79	87

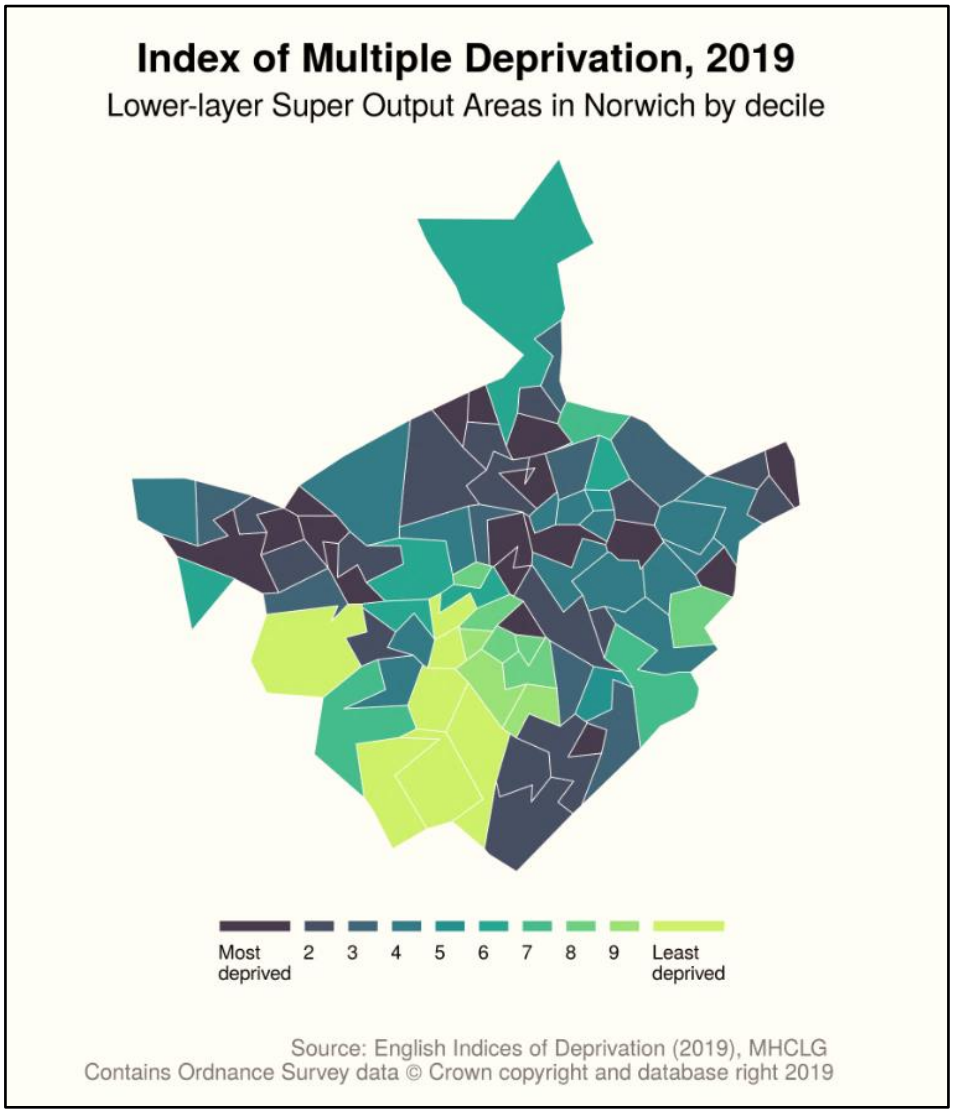
7.1.4. On the **Extent Measure**, 37 per cent of the Norwich local authority area's population lives in the most deprived LSOA[13]s in the country compared to 39 per cent in 2015. On the **Rank of Extent Measure** Norwich is ranked 41st out of the 317 Local Authority Districts (with 1 being the most deprived) compared to 32nd out of 326 from ID 2015.

7.1.5. The **Local Concentration** measure is a useful way of identifying local authority 'hot spots' i.e. the population weighted average of the ranks of a district's most deprived LSOAs that contain exactly 10 per cent of the district's population. It shows that relative to other local authorities, Norwich has a slightly reduced level of deprivation with 30,999 residents living in the most deprived LSOAs compared to 31,221 residents in 2015.

7.1.6. On both of these measures, relative to other local authorities, Norwich has a slightly reduced level of deprivation compared to its position in the 2015 indices.

[13] A Lower Layer Super Output Area (**LSOA**) is a geographic area designed to improve small area statistical reporting, there are 32,844 **LSOAs** in England.

Figure 19[xliii] Norwich IMD 2019



7.1.6. Figure 19 maps the Norwich's LSOAs according to the decile of deprivation they fall into. For the **Overall Proportion of LSOAs in Most Deprived 10 Per Cent** nationally Norwich is ranked 41st with one-fifth of LSOAs falling into this category.

7.1.7. The **Income Deprivation** domain measures the proportion of the population in an area experiencing deprivation relating to low income. The definition of low income used includes both those people that are out-of-work, and those that are in work but who have low earnings (and who satisfy the respective means tests). On the **Income Deprivation** domain one-sixth of LSOAs in Norwich fall into the most deprived 10 per cent nationally and it is ranked 51st out of 317 local authorities. The position was the same for the **Employment Deprivation** domain with one-sixth of LSOAs falling into the most deprived 10 per cent nationally, ranked 72nd. The **Employment Deprivation** domain measures the proportion of the working-age population in an area involuntarily excluded from the labour market. This includes people who would like to work but are unable to do so because of unemployment, sickness, disability or caring responsibilities.

7.1.8. The **Education, Skills and Training Deprivation** domain measures deprivation in educational attainment, skills and training for children, young people and the working age population in a local area. The Norwich local authority area is ranked 5th most deprived nationally with 36 per cent of LSOAs in the most deprived 10 per cent nationally.

7.1.9. The **Health Deprivation and Disability** domain measure shows that relative to other areas, Norwich ranks 33rd worse in the country with 26 per cent of LSOAs falling within England's most deprived 10 per cent based on this domain. On the **Crime** domain the Norwich local authority area is ranked 62nd worse in the country with 13 per cent of LSOAs in the most deprived 10 per cent nationally. In the **Living Environment** domain Norwich is ranked 149th with just over 3 per cent of LSOAs in the most deprived 10 per cent in England.

7.1.10. The **Income Deprivation Affecting Children Index (IDACI)** is a ranking based on the percentage of children in each LSOA living in families that are income deprived and is a subset of the income domain. Norwich is ranked 33rd out of 317 local authorities with 20 per cent of LSOAs in the most deprived in England. Norwich ranks 75th on the **Income Deprivation Affecting Older People Index (IDAOPI)** with 8 per cent of LSOAs in the most deprived nationally.

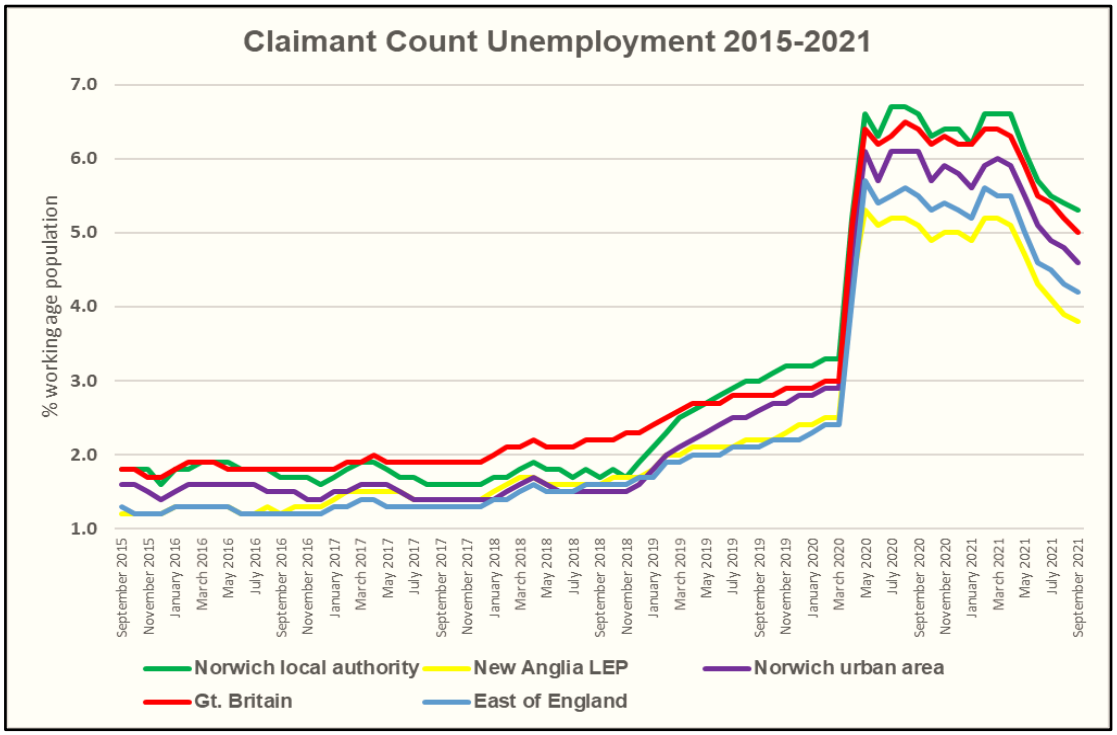
7.2 Claimant count

7.2.1. The Claimant Count is a measure of the number of people claiming benefits for unemployment related purposes taken from DWP administrative sources. The Claimant Count does not attempt to measure unemployment, which is a concept defined by the International Labour Organisation (ILO) as all those who are out of work, actively seeking work and available to start work.

7.2.2. However, since the people claiming benefits are generally a particular subset of the unemployed, the Claimant Count can provide a useful indication of how unemployment is likely to vary between areas and over time. This is particularly the case for smaller domains such as local geographic areas and for specific ages. Sampling variability means that the estimates of unemployment available from other sources, such as the Labour Force Survey (LFS) and Annual Population Survey (APS), will have high volatility for smaller areas, which is not the case with an administrative dataset. The Claimant Count tends to be much lower than the unemployment level. However, despite the disparities with unemployment, the Claimant Count does have some value as a proxy.

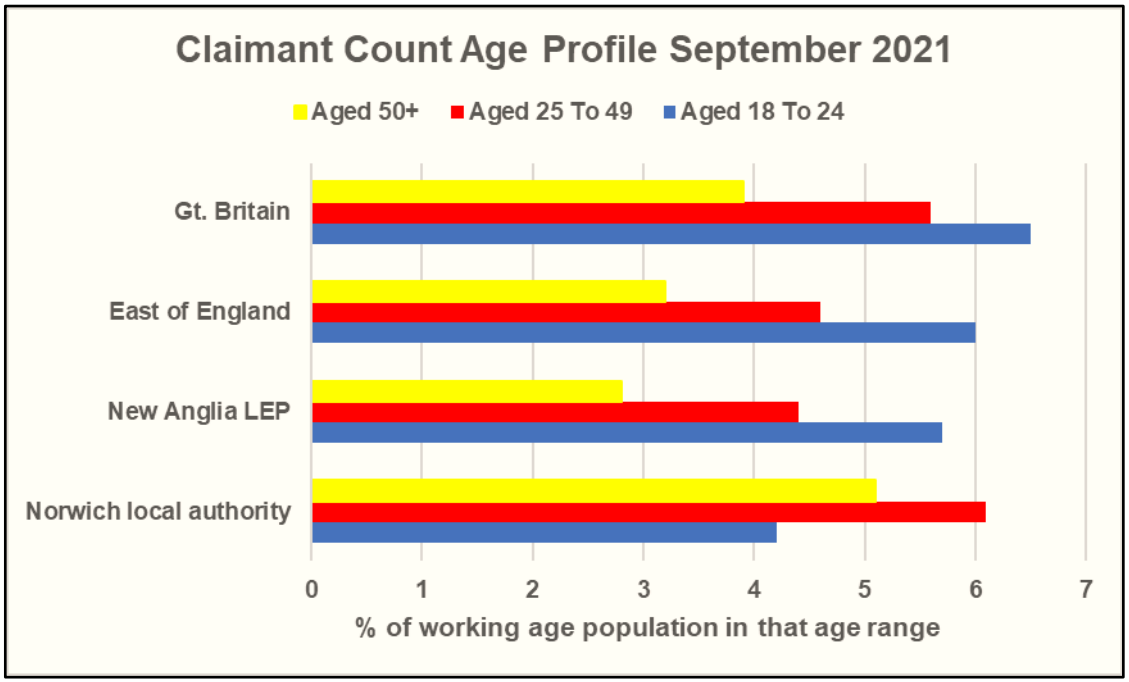
7.2.3. Figure 20 shows that the claimant count in the Norwich local authority area was at an historical low at the beginning of the period until January 2019 when it started to slowly rise March 2020 saw a dramatic rise in unemployment caused by the pandemic and the subsequent introduction of national lockdowns. This trend was reflected across each of the reported areas. Claimant count unemployment has continued to fall, albeit slowly, since May 2021. The rate in the Norwich local authority area rose above the national rate in June 2019 and that remains the position currently. The claimant count rate is lowest at the regional level, followed by the rate in the LEP area and the urban area.

Figure 20[xliv]



7.2.4. Figure 21 summarises the age profile of the claimant count unemployment rate for September 2021. The Norwich profile is very different to the other reported areas with a much lower unemployment rate for young people and conversely much higher rates in the other two age groups with those aged 50 years or older particularly affected.

Figure 21[xlv]



7.3 Measuring inequality

7.3.1 The Gini Coefficient aggregates the gaps between people's incomes into a single measure. If everyone in a group has the same income, the Gini coefficient is 0 (perfect equality); if all income goes to one person, it is 1 (perfect inequality). Norwich PUA's Gini coefficient in 2016 stood at 0.40 (Centre for Cities), the UK as a whole has a Gini coefficient of 0.41. This indicates that Norwich has a similar level of inequality within its resident population as the UK overall.

7.4 Welfare spend

7.4.1 Welfare covers a number of benefits; the largest share is spent on pensions (42 per cent[xlvi]). Total welfare spend per capita stands at £3,258.31 in Norwich PUA (Centre for Cities 2014). Welfare spend in Norwich PUA has increased by 3.38 per cent since 2010, this is likely to be caused by an increase in the pension age population in Broadland which forms part of Norwich PUA.

Section 8: Housing

This section considers the local housing market, an important factor in an economic assessment because the absence of high quality, affordable housing constrains an area's economic development - it reduces inflows of high-skilled labour and increases local inequalities and problems of cohesion.

8.1 Tenure

Table 19[xlvii]

Household tenure 2011

	Norwich local authority	Norwich urban area	New Anglia LEP	East of England	England
	%	%	%	%	%
Owned: Total	**44**	**57**	**67**	**68**	**63**
Owned: Owned outright	21	29	37	33	31
Owned: Owned with a mortgage or loan	23	28	31	35	33
Shared ownership (part own/part rent)	1	1	1	1	1
Social rented: Total	**33**	**24**	**15**	**16**	**18**
Social rented: Rented from council	25	16	7	8	9
Social rented: Other social rented	7	7	8	8	8
Private rented: Total	**22**	**17**	**15**	**15**	**17**
Total households	**60,319**	**100%**	**100%**	**100%**	**100%**

8.1.1. Table 19 provides a comparison of the proportion of **different types of household tenure** according to 2011 Census data. It shows that the Norwich local authority area has, by a large margin, the lowest percentage of households who own their own home of all the reported areas. Conversely, the local authority area has the highest proportion (one-third) of households who rent their home from a social landlord with one-quarter of households in the local authority area renting from Norwich City Council. Norwich also has the highest percentage of households renting their home in the

private sector rental market. Since 2001, the percentage of households in the local authority area renting in the private sector has grown by almost 54 per cent - higher than any of the reported areas.

8.1.2. Table 20 summarises **weekly rent thresholds** in Norwich. Across all property sizes, the median private rent in Norwich is higher than the maximum Local Housing Allowance. However, Affordable Rent is generally lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of affordable rent (where they were entitled to do so).

8.1.3 Households claiming out-of-work benefits are subject to a cap and this could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need.

Table 20[xlviii]

Rental affordability - Weekly Rent

	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance Central Norfolk & Norwich BRMA	Affordable Rent	Social Rent
1 bedroom	£136.84	£120.74	£113.92	£91.49	£75.59
2 bedrooms	£159.84	£146.04	£138.08	£110.36	£88.57
3 bedrooms	£172.48	£155.24	£163.40	£121.76	£97.91
4+ bedrooms	£317.37	£229.98	£218.63	£156.13	£111.11

8.1.4. Table 21 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent if 35 per cent is spent on housing. Note that this is based on property size but does not take account of take account of the disposable income available to households after their housing costs have been paid and the needs of different households.

Table 21 [xlix]

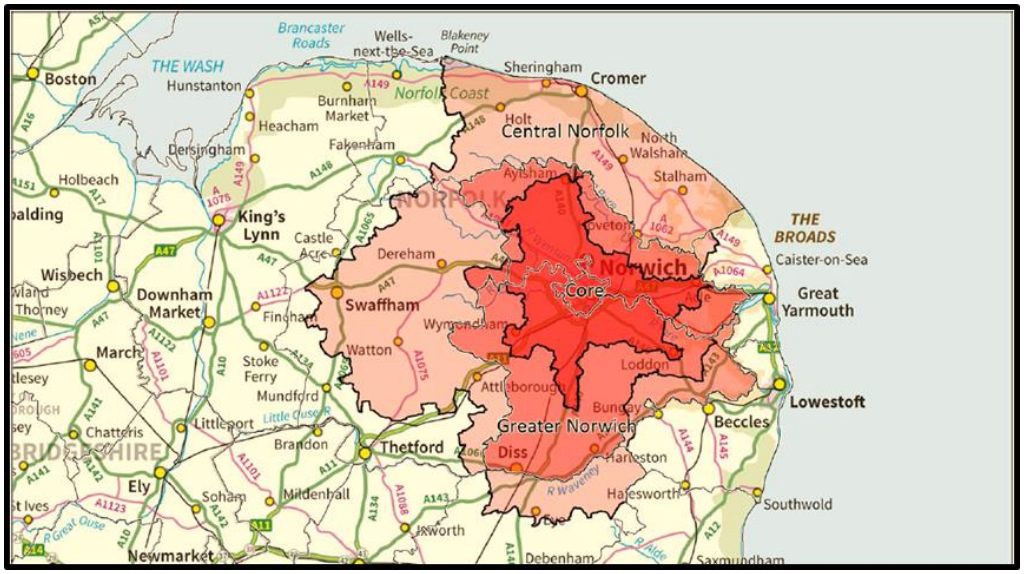
Annual Income £	Private Rent		Affordable Rent (PRP 2020)	Social Rent
	Median	Lower Quartile		
1 bedroom	£20,400	£18,000	£13,639	£11,269
2 bedrooms	£23,829	£21,771	£16,453	£13,204
3 bedrooms	£25,714	£23,143	£18,152	£14,597
4+ bedrooms	£47,314	£34,286	£23,276	£16,564

8.1.4. Census data for **household size** shows that over the decade to 2011 the trend in the Norwich areas (local authority, urban area and Greater Norwich) has been toward more people in households, particularly families. The main household increase in the local authority area is for non-family multi person households indicating increasing numbers of sharers especially in Houses in Multiple Occupation (HMOs).

8.2 Housing Market Area (HMA)

8.2.1. Figure 23 shows the **Central Norfolk HMA** identified by the Central Norfolk Strategic Housing Market Assessment 2015, this remains unchanged; the Core area of settlements with the strongest connections to the Norwich Urban Area, which is similar, but not identical, to the Norwich Policy Area, and the Greater Norwich Growth Board area of Broadland, Norwich and South Norfolk councils. The identification of Housing Market Areas (HMAs) is the key building block in the evidence base for identifying the Objectively Assessed Need (OAN) for housing. The National Planning Policy Framework requires that local planning authorities identify the OAN for housing in their areas. The OAN ascertains the future quantity of housing that is likely to be needed (both market and affordable) in the Housing Market Area over future plan periods.

Figure 22[l]



8.2.2. The 2021 Local Housing Needs Assessment identifies local housing need as 1,972 dwellings per annum, which translates to 39,440 dwellings (1,972 x 20) across the twenty-year period (2018 – 2038). This leaves a difference between the housing need figure of 39,440 dwellings and the population projected need of 27,534 dwellings. This additional need is potentially made up from two elements:

- Enabling more households to form (from the pent-up housing demand) = 3,018 dwellings;
- Enabling more net inward migration = 8,888 dwellings

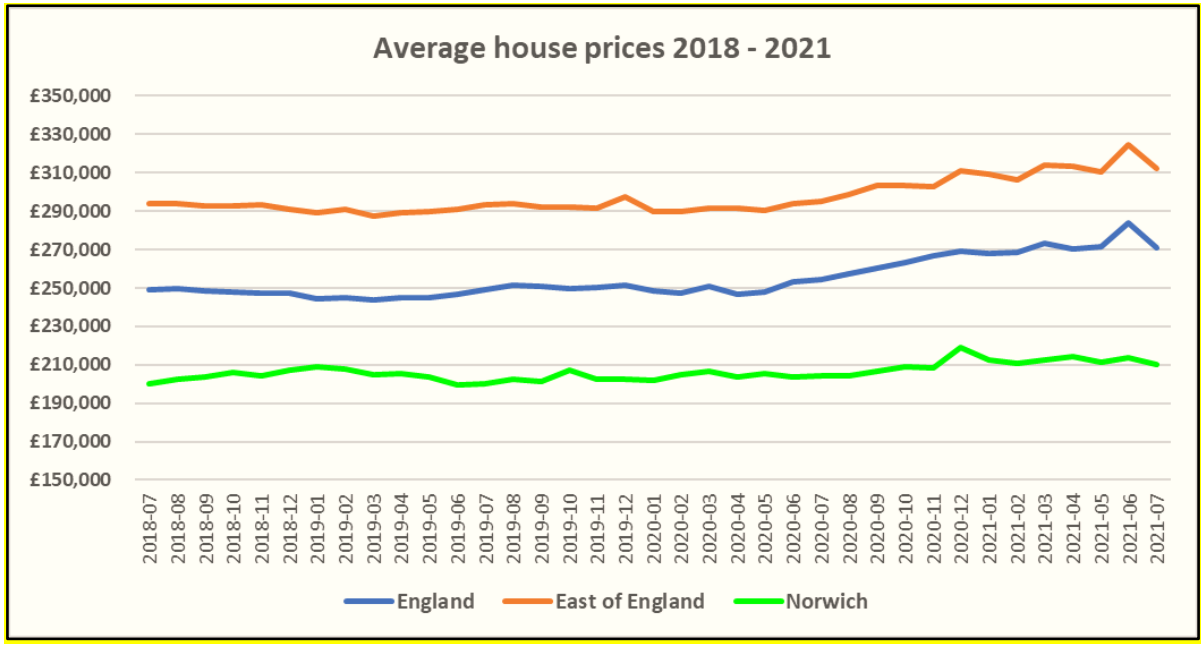
8.2.3. The 2021 study has an affordable housing need figure of 518 dwellings per annum for Greater Norwich as a whole, which is 26.3 per cent of the overall need before the impact of right to buy/acquire and demolitions are considered. However, adding the current rate of right to buy sales in Norwich of 152 units per annum and assuming that these continue, the overall need for new affordable housing would rise to 670 per annum, or 34 per cent of the total housing need for Greater Norwich as a whole. Nonetheless, it should be noted that local increases in housing supply have a

limited effect in improving affordability because increases in housing supply tend to generate additional population inflows, offsetting any initial gains in affordability.

8.3 House prices and affordability

8.3.1. Figure 24 demonstrates the trend in average house prices (HM Land Registry House Price Index) for the period 2018-2021. In July 2018, average house prices stood at £200,005 in Norwich, £293,936 in the East of England and £249,357 in England. By July 2021 average house prices grew to £210,330 in Norwich (+5 per cent), £312,076 in the East of England (+6 per cent) and £270,973 in England (+8 per cent). Figure 24 demonstrates that Norwich house prices are nearer to the England average than for the region as a whole. This is likely to be a result of the "London effect" and the "Cambridge effect" which have driven much stronger house price growth at the regional level.

Figure 23[li]



8.3.2. In England in 2020, **median affordability ratios** for full-time employees could typically expect to spend around 7.8 times their workplace-based annual earnings on purchasing a home. Earnings in England increased proportionally more than house prices in 2020, making housing slightly more affordable. The median price paid for properties increased by 2.9 per cent in 2020 compared with 2019, while earnings increased by 3.5 per cent. In Norwich the property price to earnings ratio stood at 6.95[lii], making it slightly more affordable to buy a property here than at the national level.

8.3.3. **Lower quartile affordability ratios** are calculated by dividing lower quartile house prices by lower quartile residence-based earnings, this measure gives a ratio of 7.61 for Norwich in 2020 compared to 7.15 for England, indicating that it is relatively less affordable to purchase a house in Norwich for those whose earnings fall into the lower quartile.

8.3..4. **Rental prices** in the social/affordable market have fallen in Norwich and are lower now than in 2014 (at £74.03 per week in 2020). This reflects the trend at the national level. In 2020, the median monthly rent for all properties in the private rented sector[liii] in Norwich was £700 (the same as for England as a whole). Rents ranged from £585 for a one-bedroom dwelling to £1,400 for a four or more bedroom dwelling (higher than in England as a whole where the figure was £1,300).

8.4 Household Projections

8.4.1. Table 22 provides official figures which predict that by 2039 there will be 71,000 households in the Norwich local authority area; growth of 11 per cent on the 2017 figure. This is the same level of growth as expected in the LEP area and slightly weaker growth than is predicted for England as a whole.

Table 22[liv]
Household projections 2019 to 2041

	2019	2041	% Growth
Norwich local authority area	64,000	71,000	**+11**
England	23,386,000	26,855,000	**+14**

8.4.2. It should be noted that projections are trend-based and cannot allow for unanticipated changes in future economic conditions. Worsening affordability because of under-supply suggests that the increase in households may actually be lower than predicted. However, this is not a reason for reducing housing supply further - it reflects the nature of market adjustment and as the data on rising household size implies, younger age groups will increasingly need to share or live with their parents for longer, instead of forming independent households.

8.5 Permitted development rights office to residential conversions

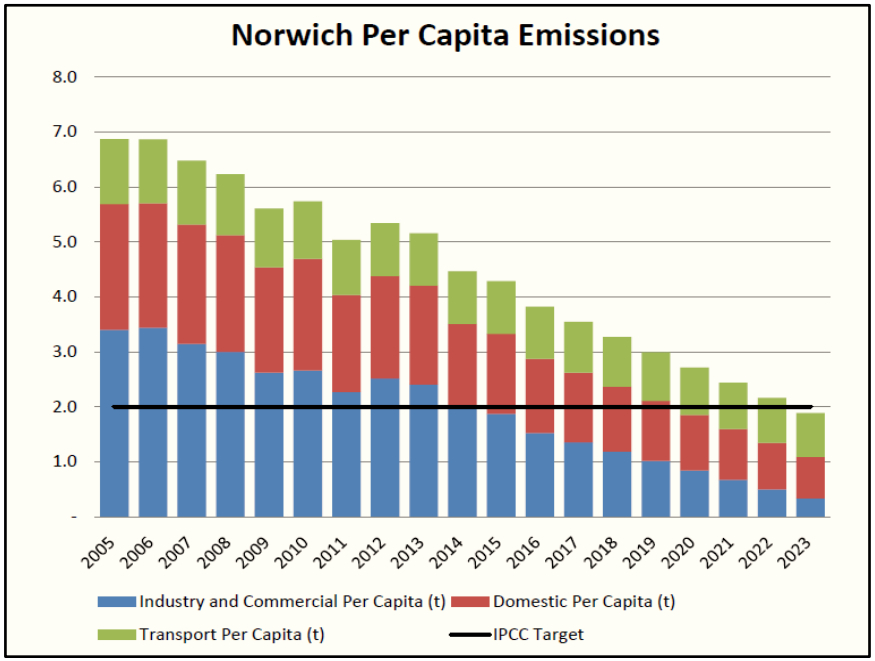
8.5.1 Permitted development rights (PDR) were introduced in May 2013 and allow the change of use of buildings from B1(a) (offices) to C3 (dwelling houses). PDR office to residential conversions, as a share of 2014 office stock over the period 2014 to 2017 represent 2.9 per cent of office stock in Norwich PUA. An estimated 7.9 per cent of houses have been delivered through the office to residential PDR, as share of total net additional houses (2015-2017). Norwich city centre has seen residential population growth of 54 per cent and is ranked 10th out of 55 cities in the UK.

Section 9: Carbon Emissions

This section looks at Norwich's carbon footprint within the context of the UK's pledge to reach net zero carbon emissions by 2050.

9.1 Human emissions of carbon dioxide and other greenhouse gases – are thought to be a primary driver of climate change. Emissions produced directly by the UK have declined since 1972 as the result of a combination of environmental policies and a shift of the UK economy from more carbon-intensive manufacturing to less carbon-intensive service-based industries. However, taking "imported" emissions produced by imported emissions – such as when the UK imports products that are manufactured abroad – UK emissions peaked in 2007.

Figure 24[lv]

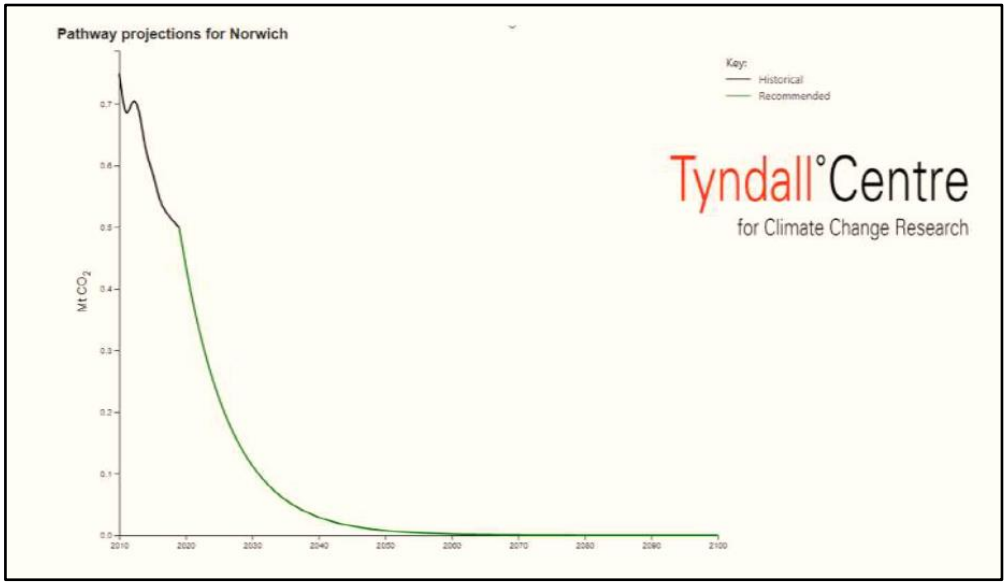


9.1.1. As a city, Norwich is on track to achieve two tonnes of CO_2 per person by 2023/24 and based on trajectory data the city will achieve carbon neutrality before 2050, assuming adequate local and national resources are provided. Carbon emissions vary across local authority areas.

9.1.2. Over the period 2005-2019, CO_2 emissions from industry fell by two-thirds in Norwich[lvi] and domestic emissions reduced by one-third.

9.1.3. Tyndall Centre pathway projections for Norwich is an alternative dataset calculated for the city council by the Tyndall Centre for Climate Change Research and summarised in Figure 25. This shows a steep reduction in emissions from 2010. However, the city's emissions will need to continue to reduce significantly over the next two decades, in order that the city contributes to global emissions reduction targets and national policy to be net zero by 2050. This will only be achieved if central government policy provides the necessary resources and incentives nationally and locally for every sector.

Figure 25[lvii]



9.1.3. The SCATTER tool developed by DBEIS, Anthesis, Nottingham City Council and the Tyndall Centre identifies residential buildings and on-road transport as being significant CO2 emitters within Norwich. Both these sectors will need significant investment to decarbonise and will be a considerable challenge moving forward to a zero carbon Norwich.

Data sources

[i] Table 1 Source: mid-population estimates NOMIS
[ii] https://en.wikipedia.org/wiki/List_of_English_districts_by_population_density
[iii] https://lginform.local.gov.uk/reports/lgastandard?mod-metric=5155&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup
[iv] Figure 1 Source: % mid-population estimates NOMIS
[v] Table 2 Source: Census of Population NOMIS
[vi] Figure 2 Source: Mid-year population estimates NOMIS
[vii] Figure 3 Source: Migration Indicators Suite, 2019, ONS
[viii] Table 3 Source: Dept for Work and Pensions
[ix] http://geotheory.co.uk/
[x] Figure 4 Source: Norfolk County Council
[xi] Figure 5 Source: Norfolk County Council
[xii] Figure 6 Source: Crown copyright Valuation Office Agency
[xiii] Figure 7 Source: Crown copyright Office of National Statistics
[xiv] Figure 8 Source: Crown copyright Valuation Office Agency
[xv] Table 4 Source: UK business Counts, NOMIS
[xvi] Table 5 Source: UK business Counts, NOMIS
[xvii] Table 6 Source: UK business Counts, NOMIS
[xviii] Figure 9 Source: UK business Counts, NOMIS
[xix] Figure 10 Source: BRES, NOMIS
[xx] Table 7 Source: BRES, NOMIS
[xxi] Table 8 Source: BRES, NOMIS
[xxii] Table 9 Source: Business Demography, ONS
[xxiii] Table 10 Source: Business Demography, ONS
[xxiv] Table 11 Source: UK Business Counts NOMIS
[xxv] Figure 11 Source: East of England Forecasting Model (EEFM)
[xxvi] Figure 12 Source: East of England Forecasting Model (EEFM)
[xxvii] http://www.ons.gov.uk/ons/rel/regional-trends/regional-economic-analysis/sub-regional-productivity--June-2019
[xxviii] https://www.cbi.org.uk/media/5964/2020-11-reviving-regions.pdf
[xxix] Table 12 source: EMSI https://a.economicmodeling.com/
[xxx] http://www.centreforcities.org/data-tool/
[xxxi] Figure 13 Source: Annual Population Survey, NOMIS
[xxxii] Figure 14 Source: Annual Population Survey, NOMIS
[xxxiii] Table 13 Source: Annual Population Survey, NOMIS
[xxxiv] Figure 15 Source: https://public.tableau.com/profile/learning.plus.uk#, Norfolk County Council for Norwich %
[xxxv] Table 14 Source: https://www.compare-school-performance.service.gov.uk/

[xxxvi] Figure 16 Source: Job density, NOMIS
[xxxvii] Table 15 Source: Annual Population Survey, NOMIS
[xxxviii] Figure 17 Source: Annual Population Survey, NOMIS
[xxxix] Table 16 Source: BRES, NOMIS
[xl] Figure 18 Source: Annual Population Survey, NOMIS
[xli] Table 17 Annual Survey Pay and Earnings 2019 NOMIS
[xlii] Table 18 Source: Department for Communities and Local Government
[xliii] Figure 19 Source: Oxford Consultants for Social Inclusion
[xliv] Figure 20 Source: DWP benefits, NOMIS
[xlv] Figure 21 Source: JSA claimant count, NOMIS
[xlvi] https://obr.uk/forecasts-in-depth/brief-guides-and-explainers/an-obr-guide-to-welfare-spending/
[xlvii] Table 19 Source: 2011 Census, NOMIS
[xlviii] Table 20 Source: B22.3 Greater Norwich LHNA.pdf (gnlp.org.uk)
[xlix] Table 21 Source: B22.3 Greater Norwich LHNA.pdf (gnlp.org.uk)
[l] Figure 22 Source: Central Norfolk Strategic Housing Market Assessment 2015, Opinion Research Services
[li] Figure 23 Source: HM Land Registry, House Price Index, Crown copyright
[lii] https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2020
[liii] https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/april2019tomarch2020
[liv] Table 22 Source: ONS 2016-based household projections live tables
[lv] Figure 24 Source: Norwich City Council
[lvi] https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-to-2019
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