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| Report to | Cabinet | Item |
| | 12 June 2013 | |
| Report of | Head of city development services | 7 |
| Subject | Norwich Economic Strategy 2013-2018 Consultation Draft | |

Purpose

To approve consultation on a new draft economic strategy for the period 2013 to 2018

Recommendations

To approve consultation on the draft economic strategy 2013 – 2018

Corporate and service priorities

The report helps to meet the corporate priority “A prosperous city” and the service plan priority to stimulate jobs and economic growth.

Financial implications

The costs in implementing a new economic strategy for the city are covered within existing budgets.

Ward/s: All wards

Cabinet member: Councillor Arthur - Leader

Contact officers

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Background documents

Greater Norwich Local Economic Assessment -

<http://www.norwich.gov.uk/Business/WhyNorwich/documents/EconomicAssessment2012.pdf>

Report

Background

1. Working with its Greater Norwich Development Partnership (GNDP), the council developed an economic strategy for the whole of the three districts of South Norfolk, Broadland and Norwich to cover the period 2009-2014.
2. There have been significant macroeconomic and political changes since the production of this strategy; not least the continuing global recession, dissolution of regional government and business support structures, creation of Local Enterprise Partnerships (LEPs) all alongside significant and ongoing government policy changes.
3. For this reason, while the over-arching objectives in the GNDP Economic Strategy remain valid; a more detailed locally-focused strategy is required that will more accurately reflect the new economic landscape, specific local challenges and the partnerships currently working to deliver jobs growth and economic resilience in Norwich.
4. The new Norwich economic strategy (covering the Norwich urban area as previously produced prior to 2009) is being developed to ensure that the council's assets and resources do as much as possible to promote local economic wellbeing based on a bottom-up detailed view of the City's strategic economic priorities. The Norwich Economic Strategy will inform the refresh¹ of the GNDP Economic Strategy 2009-2014 and the New Anglia Local Enterprise Partnership Plan (NALEP) for Growth which is currently under development.
5. A new economic strategy will also put Norwich in a strong position to take advantage of investment opportunities presented by the Government's decision to create a single funding pot for economic development and the development of the new European funding programme. The Government's single pot and the new European programme are being developed at a LEP level and require clear and focused plans for European funding priorities to be submitted by each LEP by October 2013.
6. A robust evidence base is in place to inform the strategy. The council's economic development team produce an annual Local Economic Assessment (see background documents). This document is a detailed analysis of the economic performance of Norwich which acts as a benchmark to inform policy and priorities for the local economy.
7. The Local Economic Assessment looks at economic performance in Norwich via business performance data, employment profile, average earnings, business sectors, inward investment, property market and vacancy rates etc alongside demographic data such as population growth and profile, educational achievement, employment/unemployment rates etc.
8. This data is used to identify opportunities, threats, areas of change and, particularly, areas of economic activity where intervention may be needed or is beneficial either to stimulate better performance or to address market failure and risk. In

¹ The refresh of the GNDP Economic Strategy is being led by Norwich City Council Economic Development staff.

addition to this, detailed local information and analysis is also produced on a monthly basis (see Norwich Economic Barometer). Further detailed analysis has been undertaken based on the urban area which has bolstered the existing evidence base.

9. An electronic questionnaire was produced via Survey Monkey to test the headline objectives and priorities contained in the draft strategy, with the stakeholder and business community. The results from this have been incorporated into this final draft of the strategy document.

10. The Norwich economic strategy is being developed alongside a revised housing strategy for the city; together the strategies providing a focus for the council's jobs and homes priorities. A copy of the draft strategy is appended to this report.

Proposed Process and Timetable for Norwich Economic Strategy 2013-2018

11. It is proposed to consult on the draft economic strategy over July to September and to report back to cabinet in October with a finalised strategy. This timetable will also allow proposals/actions that may arise from a City Deal to be incorporated as well.

12. The finalised strategy will include an action plan for the remainder of 2013/14 drawn from existing service plans to show the specific interventions to be undertaken by the whole council towards meeting the strategy. From 2014/15 onwards service plans will specifically take account of the revised economic strategy and relevant actions in these plans will be incorporated in updated annual action plans. Such action planning will also incorporate partnership activities such as those associated with NALEP or a City Deal.

Conclusion

13. Officers are now seeking Cabinet approval to release the draft strategy for formal twelve week external consultation.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

| Committee: | Cabinet | | | |
|--|--|-------------------------------------|--------------------------|---|
| Committee date: | 12 June 2013 | | | |
| Head of service: | Andy Watt | | | |
| Report subject: | Norwich Economic Strategy | | | |
| Date assessed: | 16 May 2013 | | | |
| Description: | To seek approval to release the draft Norwich Economic Strategy 2013-2018 for external consultation. | | | |
| Economic (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Finance (value for money) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | A Norwich Economic Strategy will provide a detailed view of the City's strategic economic priorities to guide service planning and future partnership activities. |

| | | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|-----------------|
| Financial inclusion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| S17 crime and disorder act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Health and well being | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Relations between groups (cohesion) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| Eliminating discrimination & harassment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| Advancing equality of opportunity | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| Natural and built environment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Waste minimisation & resource use | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Pollution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sustainable procurement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Energy and climate change | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
|--|-------------------------------------|--------------------------|--------------------------|----------|
| Risk management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Recommendations from impact assessment | | | | |
| Positive | | | | |
| A Norwich Economic Strategy supports the council's focus on creating new jobs and homes, ensuring that the City Council's assets and resources do as much as possible to promote local economic wellbeing. A sound and thriving local economy will also help support social and environmental priorities | | | | |
| Negative | | | | |
| | | | | |
| Neutral | | | | |
| | | | | |
| Issues | | | | |
| | | | | |

Draft Norwich Economic Strategy 2013-2018

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Foreword

We are proud of Norwich, a beautiful and friendly city, both now and for centuries a magnet for creative people, innovation and commerce and the economic and cultural heart of East Anglia.

Despite a global economic downturn and its significant impact on the business landscape, Norwich has shown greater resilience than many UK cities to the worst effects of the recession. However, the impact of global and national economic instability continues to be felt at all levels of society and there are major challenges for the city in remaining steady and forging a return to sustainable economic growth.

Norwich has significant assets in its quality of life, culture, institutions and talent which can be used to drive business and jobs growth for the benefit of all its citizens. We recognise that Norwich City Council is a major player in the local economy – a large local employer and a significant purchaser of goods and services, its policies on recruitment and procurement are of major significance to job seekers and supplier businesses.

The city council has responsibilities to residents and businesses through its central role in running the city – providing a range of vital services such as housing, local area planning, economic development and regeneration, waste collection, leisure, culture and looking after the city's environment and citizens' wellbeing – all of great importance to the local economy and local people. In addition, the city council has significant property assets which it can use to lever in investment. This is why the economic strategy is for the whole Council recognising the interconnections between all of its services and, how creating the conditions for new jobs and a thriving business environment, is everyone's' business.

Collaboration, a sense of common purpose and shared leadership are all fundamental to the city's success. No one partner or organisation has sufficient influence to support the full development of the economy. Pooling the knowledge, expertise, connections and resources of the Council and its partners is the way to enhance what we can achieve individually and increases our capacity to support the economy through good times and bad. The stronger our partnerships and collaboration, the quicker the city's vision will be achieved, giving a sense of continuity and certainty.

The Economic Strategy outlines the way the council intends to tackle the city's economic development challenges and opportunities in the future, providing a blueprint for growth and prosperity. It has been developed in partnership with the private sector, voluntary sector, key stakeholders and institutions which share our passion for the city.

The strategy reflects our whole-council approach to economic development, and the shared goal alongside our Housing Strategy and planning frameworks of generating growth in homes, jobs and investment. There are challenges ahead; success will demand even closer working with businesses, voluntary and community sector

organisations, other public sector colleagues and most importantly communities. This strong partnerships and shared vision will deliver our ambitions for the city and all those who live and work here.

Cllr Brenda Arthur,

Leader

Norwich City Council

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Strategic context

1. In 2009, the Greater Norwich Development Partnership (GNDP) launched the Greater Norwich Economic Strategy 2009-2014 covering the Broadland, Norwich and South Norfolk local authority areas. The strategy was developed prior to the economic downturn and launched at the start of the recession; consequently much of the evidence upon which it was based was pre-recessionary data. At the time the downturn could not have been expected to be so protracted or to have such an impact upon the housing and jobs markets. Major transformational changes over this period included ongoing structural changes in banking and finance and changes to European and national funding programmes.
2. Furthermore, the government disbanded Regional Development Agencies (RDA) including EEDA, the East of England RDA and replaced them with Local Enterprise Partnerships. New Anglia Local Enterprise Partnership (NALEP) was established in 2011. NALEP is private sector led but its board includes representation from local government including the Leader of Norwich City Council as well as the HE/FE sector. Its role is to act as the primary body working to advance the economic performance of Norfolk and Suffolk.
3. In March 2011 the Joint Core Strategy (JCS) for Broadland, Norwich and South Norfolk was adopted. This sets ambitious targets for employment growth in the area (27,000 new jobs from 2008 to 2026) and for housing (37,000 additional homes in the same period). Alongside this, two new key policy documents have recently been submitted to government, Site Allocations and Development Management Policy Plans.
4. In October 2012, Norwich was one of twenty towns and cities invited to take part in a second wave of 'City Deals'. In January 2013, an expression of interest was submitted and in February 2013, it was announced that all twenty towns and cities would be taken forward to the next stage.
5. As a result of these changes, opportunities and the ongoing impact of the downturn, a more detailed and up-to-date strategy for Norwich is required. The 2013-2018 Norwich Economic Strategy provides a five-year framework for the development and sustainable growth of Norwich's economy. It takes into account a wider area than the Norwich City Council local authority area and considers the city as a whole, that is, the built-up urban area. The Norwich Economic Strategy is a major statement of policy and sits alongside the Norwich Housing Strategy 2013-2018. It will also inform the next review of the Greater Norwich Economic Strategy.

Summary of challenges and opportunities

6. Norwich's economy is diverse - it is not overly reliant on any one particular sector which has enabled it to be resilient in the economic downturn. Analysis of local key sectors and markets shows that the city economy has considerable potential for sustainable, long-term economic growth. However, to achieve this growth, there are key challenges ahead - the city council and its partners have a central role in delivering innovative responses to create the conditions for jobs and growth.

7. The city is exceptionally well-placed to exploit the global shift in carbon reduction to drive growth. Substantial supply chain opportunities are emerging in localised activity which is centred on the Norwich Research Park, this will develop and introduce low-carbon technology into homes and businesses. Alongside this, new onshore and offshore energy generation has the long-term potential to create jobs and prosperity in a similar way to that driven by the exploitation of offshore oil and gas. It is particularly important that local people are able to access these opportunities through skills provision that is matched to emerging technologies and the needs of growing and future supply chains.

8. High quality infrastructure, environment and public spaces are vital to competitiveness. Quality of life and place are essential in attracting and retaining talented people and dynamic businesses. Investment must renew existing transportation and communications infrastructure, utilities, public space and buildings but investment is also needed to increase capacity and efficiency if Norwich is to raise its game and be taken beyond what other city economies are able to offer.

9. Employment density in the city centre has reduced significantly since 2008; although it has started rising again over the past year. This loss of density has been partly driven by the economic downturn but has also been significantly affected by key employee relocations to new, modern premises outside the city centre. The city centre has a shortage of small to medium modern, flexible office accommodation suitable for growing businesses, whilst there is a high level of empty office space in large buildings originally designed for single occupation which are in need of re-investment in order to bring them back into use – this is a key challenge to overall city centre vitality. The economic downturn has dramatically changed the landscape in terms of the availability of both public and private sector funding available. New solutions and partnerships are required to deliver quality new development opportunities for jobs, homes and skills. Investing in infrastructure, unlocking growth; developing new homes, amenities and modern business accommodation will play a significant role in stimulating local labour markets and tackling worklessness.

10. The resilience of the local economy during the economic downturn has been supported to a large extent by Norwich's key knowledge sectors. Continued sector specialisation - particularly increasing the numbers of knowledge-business spin-outs; supporting local business innovation via networks/sector groups and linkages with

expertise in higher-education institutions – will further increase resilience and the competitiveness of businesses that are key to the continued success of the city.

11. Norwich needs to generate jobs growth that will meet the needs of population growth and allow more people to become economically active. Young people and disadvantaged groups (e.g. those lacking relevant skills, those in low skilled work) are always hit hardest by unemployment. In a depressed labour market it is essential that local skills provision is closely aligned to opportunity to improve the employability of those who are finding it hard to find work. Providing dynamic, growing businesses with a skilled labour pool is also key to retaining those businesses and the jobs that they create in the Norwich area. Creating the conditions for growth and jobs must be the council's number one economic priority.

12. The council's approach to economic development has become more innovative and collaborative. An important part of this approach has been the commitment to maintaining and enhancing a strong evidence base for all our policies and initiatives. This has improved our understanding of how the council can use its resources to influence others and to lever in new investment. Raising the profile of Norwich as a business and visitor destination to attract investment is key to achieving a sustainable and connected, low carbon knowledge economy.

Priorities for Norwich

Enterprise

13. Supporting established businesses in our traditional growth sectors and retaining existing employment in the city are equally important, both in terms of helping firms to sustain their existing activity and supporting growth sectors in traditional and emerging industries with the potential to generate sustainable growth in jobs and investment. In addition, increasing the business base through business start-ups will not only increase output and employment but will also serve to generate a virtuous circle of enterprise growth by creating more entrepreneurs who create more new businesses and increase employment etc. We are working closely with the New Anglia Local Enterprise Partnership to ensure that business support is closely aligned to the needs of new and growing businesses.

14. We will ensure that our business-facing services are aligned to deliver a joined-up approach dedicated to helping businesses prosper. Information on the council website will be kept up-to-date as a resource for residents, businesses and investors and includes links to appropriate partner sites, and the council strives to add value to the work of national agencies and other partners in the local area across all its activities. The city council is working closely with the New Anglia Local Enterprise Partnership (NALEP) to build a range of funding and business support products relevant to growing businesses as a part of the Norwich City Deal negotiations with Government. We will also continue to provide specific support in making Norwich an investment destination for business and for home-grown businesses to start-up, grow and prosper.

Skills

15. Developing a more skilled workforce which is adaptable to change and better able to transfer within and between sectors is fundamental to achieving local economic prosperity that is sustainable in the long term. The protracted nature of the downturn has highlighted the vulnerability of workers who are no longer essential to production processes because they have either low or outdated skills. It is essential to engage the whole workforce in lifelong learning in order to maintain employability and the ability to move from one job to another. Developing work readiness and adaptability is also essential in assisting more people to become economically active both in terms of those who are new to the labour market and those who are returning to paid work following a period of unemployment or unpaid caring/parenting work.

16. Investing in generic skills and lifelong learning to ensure the availability of a pool of appropriately skilled local workers is essential if this issue is to be resolved. We recognise that our local influence over the framework of provision is limited but we will work with partners to lobby decision makers and ensure that an appropriate mix and range of skills training is delivered by schools, further education and higher education institutions. We will ensure Norwich exploits any opportunities offered through

increased flexibilities from government to help us achieve our goals to increase employment and improve skills provision.

17. However, it is not enough just to invest in the supply of skills. Employers also need to address the organisation of their workplaces so as to better use the skills of their workers and to create more sustainable employment opportunities in the future. The economic downturn has raised awareness of both the vulnerability of modern economies and a rising inequality in our labour markets. In spite of the sustained period of economic growth that took place before the downturn, net wages and income have stagnated for a large proportion of the population while income inequalities have increased. We will work with partners to ensure that local employers are made aware of potential sources of funding and other opportunities for workforce development, business continuity and other business efficiency modelling.

Infrastructure

18. Investment in development and regeneration is critical to ensuring sustainable economic growth in the city. The attractiveness of Norwich as place in which to live and work means that improvements in, connectivity (including superfast broadband); affordable housing; attractive and accessible amenities; encouraging the development of modern attractive business accommodation, are essential.

19. With a tightening of available finance we will use the council's resources imaginatively to leverage new investment into the city's development and regeneration; prioritising investment in projects with the greatest potential to drive sustainable jobs growth. We will also align our development activity with our Building Futures in Norwich programme so that local people have the best chance of accessing the new opportunities provided by new development activity. Moreover the Council will make every effort to minimise any adverse environmental impact from new developments and will look to exploit low carbon solutions wherever possible.

Profile and Investment

20. Norwich has attracted investment from major global companies in recent years to deliver new jobs, facilities, housing and supply chain opportunities for existing businesses.

21. We will work with partners and stakeholders, including businesses, New Anglia Local Enterprise Partnership (NALEP), Visit Norwich and the universities, to raise the city's profile and attract more visitors, students, new businesses and investment to the city. This will include regular dialogue with local/regional agents, architects and commercial advisors.

22. The NALEP is developing a single tourism strategy for New Anglia through Visit East Anglia and similarly for inward investment. We work closely with the NALEP in

marketing the area not only as a vibrant cultural, historic and leisure destination but also as a dynamic business location at the leading edge of ideas-driven growth.

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Strategic objectives

23. The strategic objectives and priorities which follow have been subject to consultation with the business community and other stakeholders. It should be noted that the objectives are not mutually exclusive and there is and should be overlap between them.

Objective 1: Business and Enterprise

24. To strengthen the city's economy and ensure the right environment exists to maximise business and jobs growth.

Priorities:

1. Generate and sustain jobs by supporting the growth of existing businesses and increasing the number of new businesses
2. Grow the city's knowledge intensive sectors and encourage the commercialisation of research and innovation
3. Promote the development of a diverse and resilient business base by ensuring that Norwich City Council policies support economic development and employment growth
4. Encourage business networks and local supply chain development

Objective 2: Skills and Employment

25. To increase resident economic participation and raise productivity;

Priorities:

1. Work with partners to develop skills provision that matches the existing and future skills needs of local employers.
2. Ensure that wherever possible, Norwich City Council procurement is used to stimulate and sustain local job opportunities
3. Encourage a culture of entrepreneurship – particularly in education
4. Promote transferable skills training and development initiatives enabling a more flexible workforce able to respond to new opportunities

Objective 3: Infrastructure for Business

26. To make sure that Norwich has the appropriate infrastructure to attract and retain businesses whilst maintaining quality of environment

Priorities:

1. Pursue improvements in next-generation digital and communications infrastructure for businesses
2. Contribute towards the development of an improved and effective sustainable transport infrastructure to support planned growth
3. Provide timely and proportionate advice on planning to encourage businesses to locate and expand in Norwich
4. Maintain and improve the supply of employment land and business premises, particularly in Norwich city centre
5. Ensure an adequate supply of affordable housing and that the overall housing mix is appropriate to the needs of the local population

Objective 4: Profile and Investment

27. To raise the profile of Norwich as a high quality place to do business and to work, live and visit.

Priorities:

1. Promote a strong and coherent image of Norwich capitalising on its particular strengths as a business location
2. Work closely with partners to attract private and public sector investment that will drive sustainable growth
3. Work with city centre partners to maintain a vibrant city centre that is unique in its heritage and cultural tourism offer
4. Use policy tools to enhance and retain mixed use of the city centre with a focus of high quality office, retail and leisure development and with housing and education development playing a complementary role

Implementation and monitoring progress

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

29. In the past the council has been able to drive economic development activity through its ability to attract large-scale public sector programmes such as the Single Regeneration Budget, the Working Neighbourhoods Fund and the Local Enterprise Growth Initiative to drive economic development. This era is now over and a different approach is now required based for example, on;

- a) The devolution of powers and resources to Norwich from central government through the City Deals programme, including proposals for a Single Local Growth Fund from 2015.
- b) Maximisation of the benefits of external funding such as Regional Growth Fund (2012-15), Growing Places Fund, EU Structural Funds (up to 2013 and post-2013), and Lottery Funding.
- c) Innovative and effective use of procurement process to ensure added value to city council contracts.

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

Background: Norwich economic overview

31. Norwich is home to more than 123,000 jobs and 8,000 businesses - almost one-half of jobs are based in large companies and the city is one of the largest centres of employment in greater south-east England. Norwich contributes more than £3 billion per annum to the national economy.

32. This strategy is based on an in-depth understanding of the Norwich economy, described in the 2012 Greater Norwich Local Economic Assessment, supplemented by the monthly Norwich Economic Barometer and additional in-depth analysis of the urban area. A summary of key findings is included within this chapter.

Population change and housing (Map to be inserted here)

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

34. Norwich is one of the fastest growing cities in the UK; since 2000 the population has increased at a stronger rate than for the UK as a whole. Added to this demographic trends, including higher than average prime working age population (ages 18 – 49) and smaller household sizes, mean that the number of households (and therefore the number and types of homes required) is likely to continue to increase. More detailed information relating to housing supply and need can be found in the Norwich Housing Strategy 2013-2018 and the Joint Core Strategy.

Population change and jobs

35. Norwich's working age (16-64 years) population has grown strongly (by 29% - from 79,700 in 2000 to 103,100 in 2010) since 2000, but as a consequence of the recession and the subsequent downturn, the number of jobs in the urban area has remained fairly static at 123,000; employee jobs peaked at 133,000 in 2005/2006. It should be noted that in 2000, the Norwich local authority had the highest jobs density (1.24 jobs for every working age resident) outside of 5 London boroughs, by 2010 this had fallen to 0.88 and 74 districts had higher job densities than the Norwich local authority area.

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

37. Cuts in public spending have also generated job losses with around 1,300 jobs lost in public administration and education from 2008 to 2011.

38. Currently young people and disadvantaged groups (those with no/low qualifications and/or a history of unemployment) are being hit hardest in the labour market. Creating

the conditions for sustainable growth and jobs must be the council's number one economic priority.

Earnings

39. Earnings in Norwich are comparatively low - probably as a result of the city's relatively isolated location and large rural hinterland which means that there is less wage competition than in many other areas in the UK. The low median wage in Norwich has provided the impetus for a local Living Wage campaign. The UK Living Wage for outside of London is currently £7.45 per hour. The figure is set annually by the Centre for Research in Social Policy at Loughborough University.

40. From 2011 to 2012, median¹ resident earnings for full-time workers in Norwich declined by 1.6%; at the national level earnings grew by 1.4%. Median workplace earnings (local residents and in-commuters) for full-time workers in Norwich are 5% lower than for Gt. Britain as a whole. Since 2011, median workplace earnings for full-time workers in Norwich have increased by 0.1%. National median workplace earnings have increased by 0.9%. Median workplace earnings for full-time workers in Norwich are now more than 8% higher than resident earnings.

41. For full-time male workers, workplace median earnings are 17% higher than resident earnings; at the national level workplace earnings are lower than resident earnings. This highlights the impact that commuting has on Norwich - the difference in workplace and residents' wages for male workers is a consequence of well-paid jobs in Norwich being taken by workers living outside the local authority

42. There is clear evidence of a pay gap between men and women; the workplace earnings differential is bigger in Norwich than nationally. In Norwich a male full-time worker can expect to earn 23% more than a female worker (nationally 10%). Median workplace earnings for full-time female workers have fallen by 5.3% (nationally increased by 1.2%). Male full-time workers' median workplace earnings have increased by 4.7% (nationally 1.2%).

43. Full-time male median resident earnings in Norwich are 7% higher than female resident earnings nationally (10%). Resident median earnings for female full-time workers in Norwich have seen an annual decline of 1.6% (nationally the increase was 2.2%). Resident median earnings for full-time male workers in Norwich have seen an annual decline of 0.7% (nationally earnings increased by 1.2%). The stagnation in real wages and its effect is noted in the deprivation section of this strategy

Table 1

| MEDIAN EARNINGS 2012 – HOURLY PAY (EXCLUDING OVERTIME) | | |
|---|----------------|--------------------|
| | Norwich | Gt. Britain |
| HOURLY PAY - WORKPLACE | | |
| All full-time workers | £12.17 | £12.78 |
| All full-time male workers | £13.71 | £13.33 |
| All full-time female workers | £10.56 | £12.02 |
| HOURLY PAY – RESIDENT | | |
| All full-time workers | £11.15 | £12.80 |
| All full-time male workers | £11.39 | £13.35 |
| All full-time female workers | £10.64 | £12.03 |

Worklessness

44. A strong relationship exists between worklessness and social housing, not unexpectedly, given that lack of work and low incomes mean that owner occupation is virtually impossible for those who are low paid or unemployed. The Norwich local authority area has the lowest proportion of owner-occupiers, in England as a whole, outside of London and Manchester and the highest proportion of social housing of any district in the region. Low levels of home ownership may also go some way towards the relatively low business start-up rate in Norwich when compared to other urban areas of the UK (many businesses are started with finance secured against the borrower's home) – although business start-up numbers in Norwich exceed those in the rest of Norfolk and Suffolk.

45. Worklessness in both the urban area and the local authority area, as measured by the percentage of working age people claiming out-of-work benefits, has remained static since the recession began in 2007. However, over the same period the number of people recorded as workless using this measure has increased from 15,480 to 17,440 (+13%) in the urban area and from 12,100 to 13,655 (+13%) in the local authority area. Worklessness of all types is particularly concentrated in a number of wards, with Mancroft and Mile Cross wards having the most intense concentrations on all measures.

46. However, the recession has brought about an increase in the number of Job Seekers Allowance (JSA) benefit claimants. Latest JSA claimant figures (for April 2013) have increased to 5,510 (local authority 4,487) compared to the 2007 total of 3,537

(local authority 2,937), an increase of 56% (local authority 53%). In the main, this is caused by redundancies and sluggish recruitment by businesses, but welfare reform is increasingly playing a part. The number of claimants on inactive benefits (Incapacity Benefit/Employment Support Allowance, Lone Parents on Income Support) is expected to fall as Fitness for Work testing processes the stock of Incapacity Benefit claims and transfers clients to JSA.

47. Around 1,495 young people (18-24 years) in the urban area are unemployed (local authority area 1,210), which is beginning to feed through into longer-term unemployment

48. In April 2013, around 11.5% (328) of 16 to 18 year olds in Norwich local authority area were recorded as Not in Education, Employment or Training (NEET) compared to 9.7% in April 2012. Norwich has the highest NEET 16 to 18 year olds recorded in Norfolk.

Deprivation

49. According to the Index of Multiple Deprivation 2010, the Norwich local authority area is ranked within the 30% most deprived districts in England on each district measure with the exception of the local concentration measure.

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

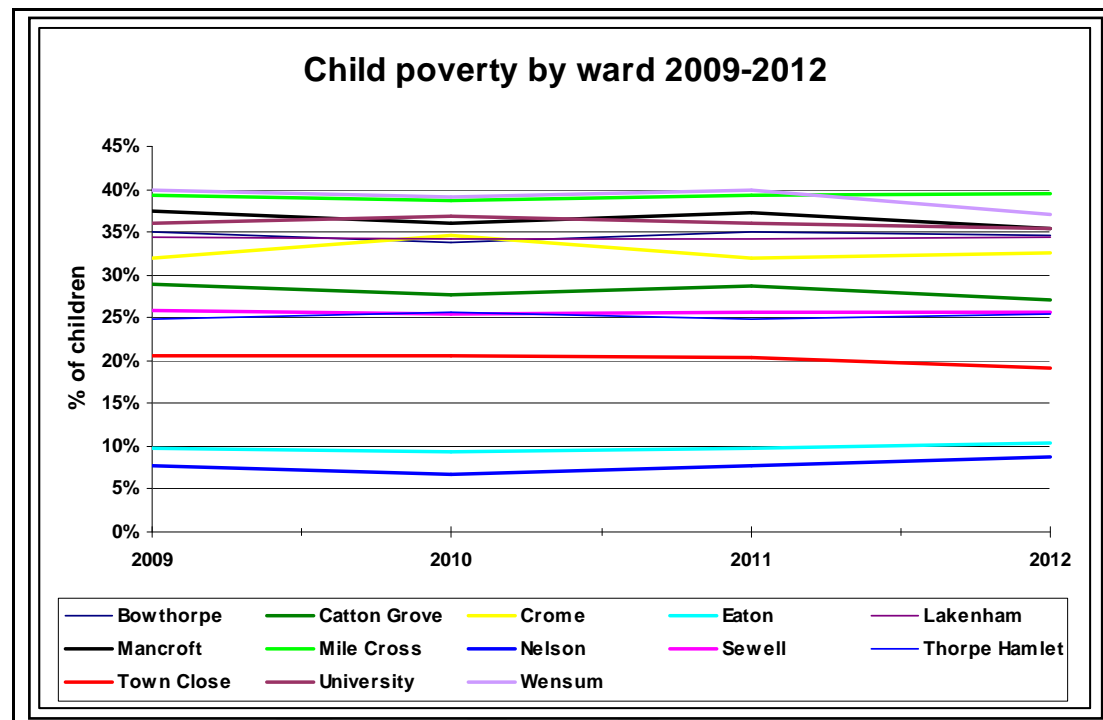
51. The extent of deprivation in relation to education, skills and training is particularly severe, affecting more than one-third of local residents.

52. It should be noted that despite the sustained period of economic growth that took place before the downturn, net wages and income have stagnated for a large proportion of the population while income inequalities have actually increased. The Office of National Statistics report "Changes in real earnings in the UK and London, 2002 to 2012 suggests that real wages have not increased above the levels seen in 2004 and that average earnings have actually fallen in real terms since 2009..The report also notes "The decline in real wages has short-term implications for the economy and economic indicators. It is possible that it also marks a permanent change in long-term wage growth trends"

53. Around 30% of children in Norwich are living in poverty, the same proportion as at the national level. The majority (59%) of poor children live in a household where at least

one adult works and 40% of poor children live in a household headed by a lone parent. However, the majority of poor children (57%) live in a household headed by a couple. Figure x shows the level of child poverty by Norwich ward from 2009 to 2012, the proportion varies widely with 40% of children in Mile Cross and 37% in Wensum living in poverty compared to 9% in Nelson and 10% in Eaton.

Figure 1



Qualifications and skills

54. The demand for technical higher level skills that are specific to key employment sectors and to individual businesses is likely to increase, as will the need for generic/transferable higher level skills such as leadership, management and business development. Alongside this and affecting all occupations is the need for ICT skills to exploit the potential of new technology and for inter-personal skills such as communication, team working, customer service and problem solving. How businesses use these skills, particularly in combination with other key drivers of productivity such as investment, innovation and enterprise, is also critically important. For example investment in innovation and technology is more profitable when combined with skilled labour, which is more able to take advantage of such investment.

55. The challenge for Norwich is to ensure that both the current and the future workforce are equipped with the skills necessary to participate in the higher value added sectors that comprise the knowledge economy. Particular attention must be paid to areas where pockets of low skills exist and to working with partners to ensure that skills provision is more closely aligned to the needs of employers. As skills are notoriously difficult to quantify, qualifications are often used as a proxy measure. The

qualifications profile of the Norwich local authority area has improved significantly since 2004 and now exceeds the national averages at all levels. In particular, Norwich has a much higher than average proportion of the working age population qualified to degree level and above - 38% (33% nationally) of the working age population is now qualified to NVQ level 4 or above and 72% (70% nationally) at NVQ level 2 or above. However, 12% of the working age population has no qualifications (11% nationally).

56. Norwich is home to two universities, the University of East Anglia, one of the UK's top universities with an international reputation for teaching and research and more recently the Norwich University of the Arts, previously Norwich University College of the Arts which dated back to 1845. The city is also home to City College Norwich, one of the largest FE/HE institutions in the country.

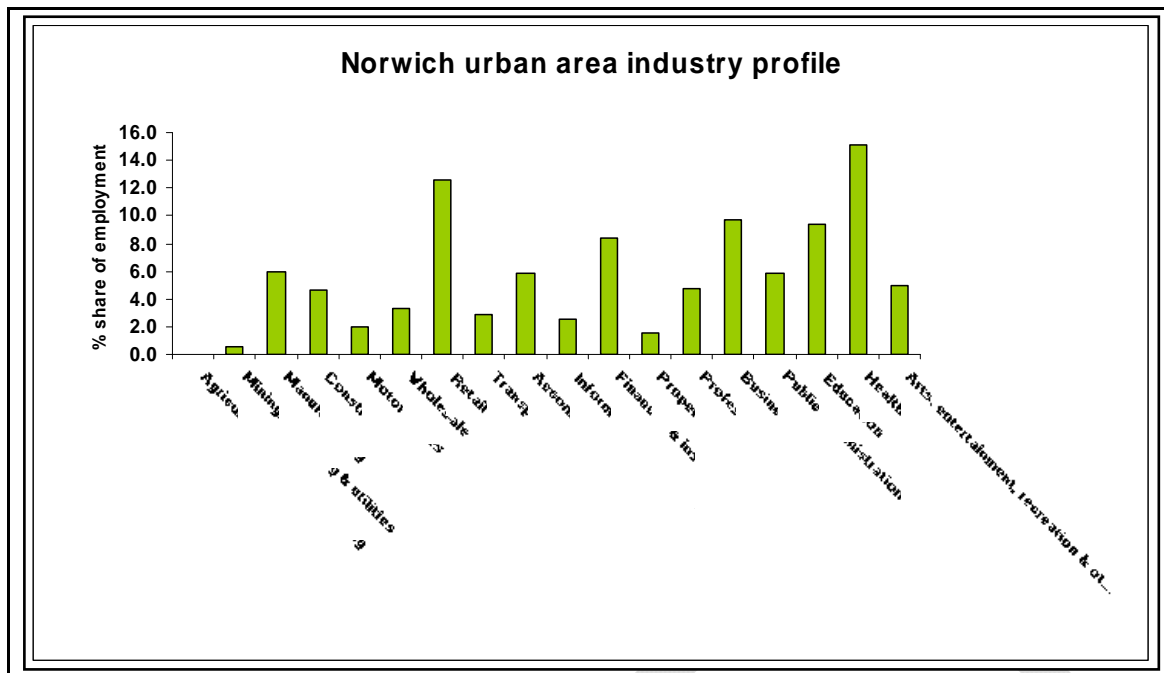
57. State-funded high schools that are based in the urban area include Thorpe St Andrew, Sprowston Community High School, Sewell Park College, Hellesdon High School, Notre Dame, The Hewett School and City of Norwich School. The city is also home to three academy schools, City Academy, Ormiston Victory Academy and Open Academy. Two independent high schools are also located in Norwich, The Norwich School and Norwich High School for Girls.

Industrial structure

58. Norwich is predominantly a service sector economy, with just 6% of employment in the manufacturing sector and 5% in construction. Figure 2 summarises the industrial composition of the local economy.

59. In employment terms Norwich's largest sector is health (15%) which in part, is because of the location of Norwich Research Park (including the Norfolk and Norwich University Hospital and the University of East Anglia) within the urban area. In 2011, the Government invested £26 million in Norwich Research Park to deliver innovation from the research base and generate economic growth and job creation. This and further investment will help to create and support new companies and jobs based on world-leading bioscience; innovation and growth in bioscience is also a driver for growth in other key sectors in Norwich – particularly in business services and digital industries. In addition, despite cuts in public expenditure, the health sector will continue to grow in line with population growth; the sector is also an important source of both high value jobs and jobs for the less highly skilled.

Figure 2



60. Norwich is ranked 13th in the UK as a retail centre and the sector accounts for 13% of employment in the city. Norwich's somewhat isolated location means that, unlike cities in close proximity and therefore in competition with each other, it has been relatively protected from the effects of the downturn with regards to its strong retail offer. Norwich is a major regional service centre with a regional catchment area of over 1 million residents; 330,000 of whom live within the primary catchment. The city centre accounts for a significant proportion of regional comparison goods shopping, supported by the outstanding built environment which helps to attract visitors from a broad catchment area. Norwich's retail sector generates an estimated £970 million per annum; the highest level of retail expenditure in the region. Retail employment has remained stable and the sector has the capacity for further growth. Although Norwich has experienced a small reduction in retail floorspace in recent years and a reduction in spending overall retailing has not suffered greatly from the recession and vacancy rates, at 7.1%, remain low in comparison with other large retail centres nationally. A particular issue is the relative lack of "upscale" retailing in Norwich as well as the need and potential for growth in tourism related retailing. However, online shopping will no doubt increase in the future and have greater impact on traditional shopping patterns. The sector offers a range of job opportunities from high value managerial career grades to part-time shop-floor work. Training in the sector is supported by City College Norwich's Retail Academy.

61. Norwich's financial and insurance services and business services sector provides around one-quarter of the city's employment. The sector comprises a wide range of activities, including accountancy, legal, financial services and telecommunications and has been a driver of growth for the UK economy. Norwich is currently home to blue chip companies (Aviva, Handelsbanken, Marsh, Virgin Money, PWC and Swiss Re) and a growing number of national and local companies with international reach (Validus, William Leas, BDO, Grant Thornton, Mills and Reeve). These companies have shared

service centres, contact centres and business process outsourcing centres, across a range of specialisms including sales and customer services, pensions and life administration, accountancy and finance and IT development and service support. The city has a strong legal sector, with many local firms operating at an international level.

62. Norwich has a good base of firms in financial and insurance services and business services sector. Given the city's size and population, the scale of the sector is above the national average with good access to training opportunities via the National Financial Skills Academy and a flexible pool of experienced employees; there are also several specialist insurers in the city. The financial and insurance sector in particular is undergoing a period of consolidation and adjustment to changing market conditions. Since 2001, the sector has been supported by the Norfolk and Norwich Financial Industry Group (FIG), a pioneer in its field, which brings together the banking, insurance and finance sector to promote future growth. FIG acts as a catalyst and broker to meet the needs of the industry in order to keep it thriving and keep it local. The independent representative of the sector, FIG works through partnerships to strengthen the cluster's position as a leading "Centre of Financial Excellence".

63. The city has a developing cluster of digital creative companies, which has seen significant growth in recent years and will continue to be a fast growing area. Employment in the sector is notoriously difficult to quantify but is estimated at around 4,000 people. The cluster is characterised by a number of high performing home-grown businesses (many of which are global players including Proxama, Foolproof, Content Consultants, LSI Architects and Further Search Marketing) as well as micro start-ups and freelancers. The sector overlaps and interlinks with the financial and insurance services and business services sector. The sector has real growth potential in its own right, but is also a driver for innovation, creativity and productivity across the broader business base. The vibrancy of the digital creative sector is also crucial to Norwich's creativity and cultural diversity, which, in turn, has a positive impact on the city's image and supports related industries in culture, leisure and tourism. The availability of digital infrastructure and access to superfast broadband is key to the growth and competitiveness of digital creative companies as is availability of a technically-specialised workforce.

Culture and tourism

64. Norwich's culture is a fundamental part of its identity and an essential element of the city's national and international reputation. The city's cultural credentials are impressive – it has a vast array of unique heritage assets, five theatres, networks of artists and creative entrepreneurs and a wide-ranging programme of local, national and international events. Norwich is also the only city in England that has been awarded UNESCO City of Literature status. The city is ranked 5th in the UK (outside of London) for the number of day visitors (17.7 million) it attracts but it needs to increase the amount (£572.69 million per annum) that these visitors spend. For example, spend in

Brighton and Hove is £639.74 million per annum, higher than that of Norwich while the number of day visitors to Brighton and Hove is lower than Norwich at 10.3 million.

65. More can be done to promote the city's creative and cultural assets to ensure that Norwich is able to compete with other major cities as a cultural and creative hub. The positioning of the city as a major cultural player requires investment which would generate far greater returns to the city in terms of increased employment, independent business growth and tourism development. The new 5-year Norwich Business Improvement District (BID) for the city centre will go some way to promoting Norwich as a key visitor destination for cultural and leisure tourism. Tourism is identified by the New Anglia Local Enterprise Partnership (NALEP) as one of its nine key growth sectors, NALEP is developing a strong tourism strategy to engage a wide range of partners in activities to increase visitor numbers, length of stay and spend.

Enterprise

66. Enterprise plays a key role in creating a dynamic and flexible economy. Economic growth in Norwich has been generated mainly by existing businesses and indigenous business formation rather than as a result of large inward investment. In the form of new entrants to the market place, enterprise enhances productivity by raising competitive pressures and maintaining a healthy level of business 'churn'. The level of enterprise can be quantified by rates of business start-ups and closures and the overall stock of businesses. Important entrepreneurial activity also occurs within existing firms, for instance the launching of new products or through entering new markets – however, this activity is not so easily measured.

67. Santander's UK Town and City 2013 Index places Norwich 19th out of 74 towns and cities for enterprise based on a number of measures. However, it uses the Primary Urban Area (PUA) definition of the city which includes all of the Broadland local authority area and is therefore likely to underestimate the vibrancy of the urban enterprise environment.

68. Over the period 2005 to 2010, the number of new businesses formed in the Norwich local authority area fell (by 17%) broadly in line with the national picture. Despite this year's fall, Norwich continues to have the highest number of new business starts of all Norfolk and Suffolk districts. In 2010, the Norwich local authority area was home to around 4,480 active businesses, around 9% of which were new business start-ups. Over the year to 2010, Norwich saw a lower rate of new business start-ups than took place nationally but the rate of business closure in Norwich was also lower.

69. In Norwich, just 58% of new businesses that had formed in 2007 were still trading after 3 years – lower than the national rate but also an indication of business churn and entrepreneurial activity. It may be that these new businesses were based in sectors recognised as having lower survival rates, for example in retail, restaurants or finance. Unfortunately survival rate data by sector is not available at the local level.

70. Santander's UK Town and City 2013 Index gives slightly better survival rates for the city although the figure is based on a city definition which includes all of the Broadland local authority area.

Company size

71. It is recognised that as a whole, Gt. Britain's economy is less dominated by micro-firms than other EU economies. Correspondingly, larger companies play a more prominent role.

72. This is particularly marked in Norwich which has a higher than average proportion (18%) of all company size bands of more than 10 employees - around 3.6% of firms in Norwich employ more than 50 people compared to 1.9% nationally.

73. Figure 3, on the following page, shows the higher percentages of larger companies and correspondingly lower levels of micro businesses in Norwich compared to the situation at the national level. It should be noted that although just 2.1% of companies employ more than 100 people (1.5% nationally), these large firms employ 51% of the workforce (42% nationally).

74. An alternative measure of company size is the level of a company's turnover. This measure - shown in Figure 4 on the following page – confirms the dominance of large firms in Norwich. The city has a relatively high percentage of higher turnover firms: 66%, of companies have a turnover in excess of £100,000 compared to 58% at the national level and 12% have a turnover of more than £1 million compared to 9% at the national level

Figure 3

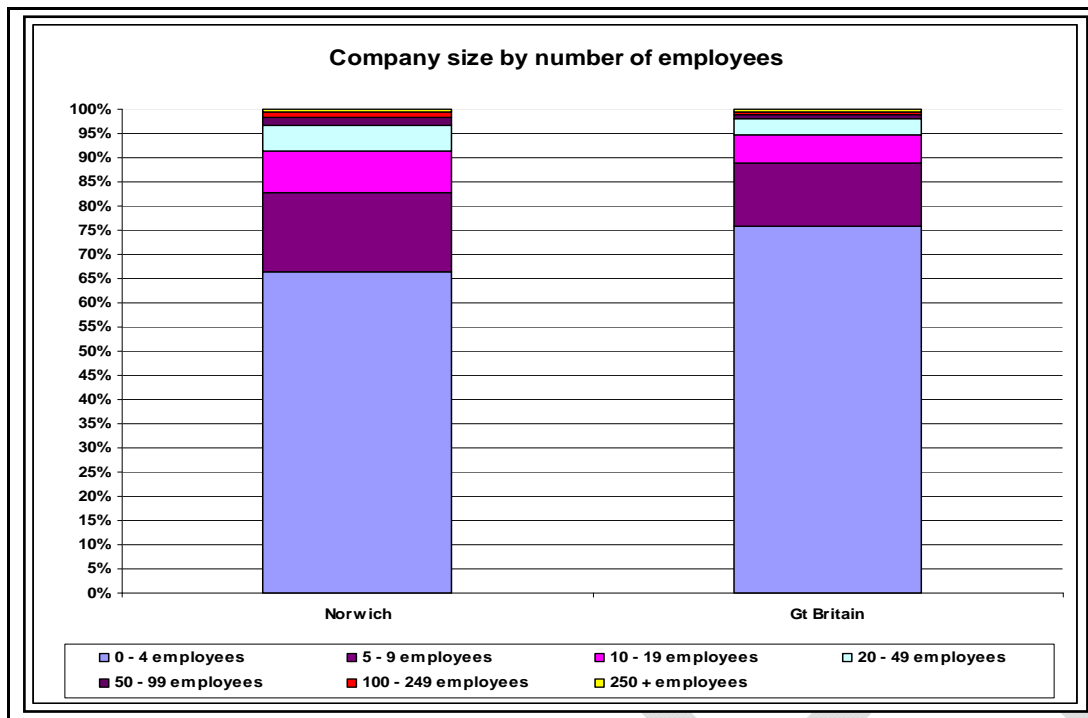
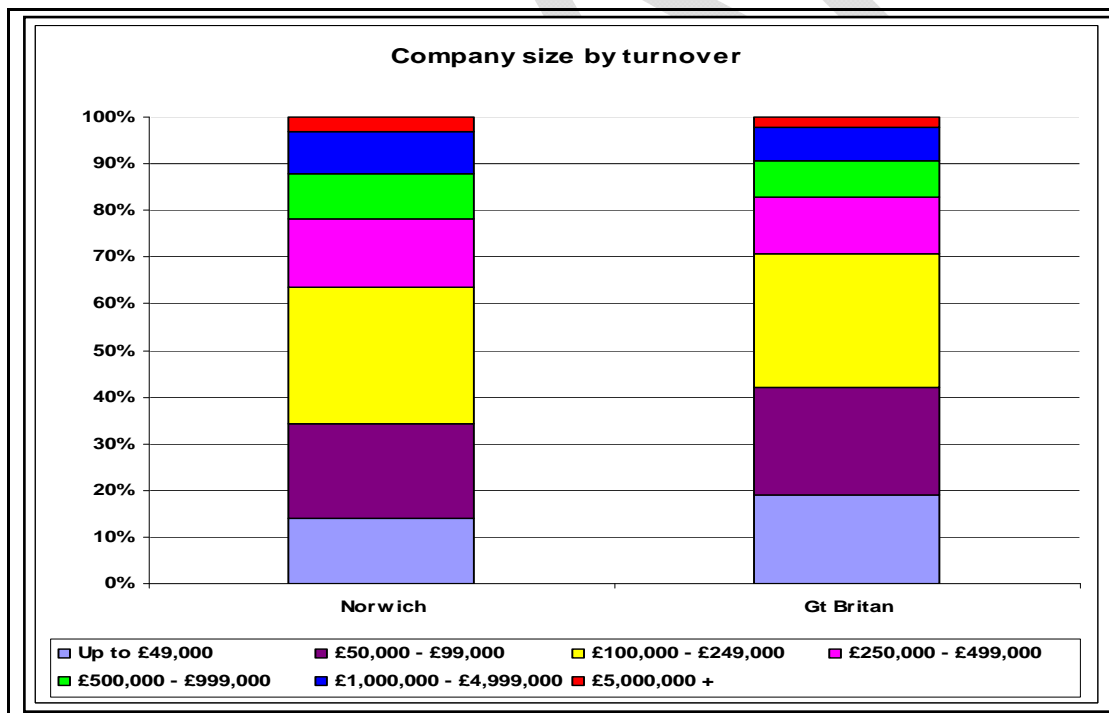


Figure 4



Premises/employment land

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

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

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

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

79. The threat to the vibrancy of the city centre is further exacerbated by national policy - recent amendments to the General Permitted Development Order further complicate the situation. As of May 30th, for a period of 3 years, it will be permitted development to change the use of an office to residential uses. The stated aim in the JCS of increasing office development in the city centre is further threatened due to this amendment as there will be no control over the loss of offices.

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

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

Infrastructure and environment

82. The city's infrastructure and environment is an integral part of the conditions for sustainable economic growth in Norwich - this includes transport, housing, communications and digital infrastructure, energy supply and resilience to climate change. Creating the conditions to improve our infrastructure and enable growth is a real challenge in an environment of restricted public sector funding - it is important that we find a balance between long-term investment to promote growth and short-term savings. Delivering the infrastructure necessary for sustainable economic growth will require the development of innovative local investment solutions that engage with private sector investors and bring forward new methods of delivery. The Community Infrastructure Levy (CIL) will provide finance for infrastructure improvement and the Local Investment Plan and Programme (LIPP) sets out the programme for these improvements.