Greater Norwich Development Partnership

Greater Norwich Employment Growth Study

Summary of Recommendations

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Key recommendations

Employment Growth Study

Economic future of Greater Norwich

The forecasting work undertaken for this study suggests that the greater Norwich area has a positive economic future, with steady growth in population and employment expected in coming years. Key results from three scenarios in terms of population, employment growth and demand for new housing are presented in the table below:

Key scenario results, 2001 – 2021 (000s)

	Change 2001 - 2021		
	Employees	Population	Dwellings
Baseline Scenario	44.5	63.5	44.2
RSS Dwellings Scenario	39.7	49.4	37.9
Lower Growth Scenario	18.7	50.1	38.2

Overall Focus for Economic Development Strategy

- Need to focus on Norwich's strengths in relation to an attractive environment, knowledge-based industries and strong economic growth prospects.
- There are a number of cross-cutting issues affecting the economy as a whole that need to be addressed, along with projects for development of specific sectors.

Creating a balanced, healthy and sustainable economy

- Promoting growth of sectors with a greater proportion of higher and intermediate level jobs will increase the range of opportunities for under-utilised graduates as well as for those with lower levels of skills.
- Sectors likely to create a larger proportion of intermediate and higher paid jobs include business services, financial services, construction, advanced engineering, and public sector employment. There is also a case for promoting growth of those sectors with a lower proportion of higher and intermediate level jobs, such as in retail or hospitality.
- Deprivation can be addressed by ensuring that the spatial distribution of new employment opportunities takes into account their accessibility to deprived sections of the population. There is a strong case to bring forward constrained brownfield land in the northern city centre (Anglia Square) to provide greater employment opportunities.
- Construction of the Northern Distributor Road will open up new employment areas north of the city.

Improving transport links

- Actions to support the improvement of transport infrastructure will need to focus on regional funding allocations and therefore the sub-regional Integrated Development Programme, as well as on the strategic thinking of national agencies.
- Work needs to be undertaken on an ongoing basis to ensure that substantive evidence to support Norwich's case for transport improvements is gathered and that local partners make a collective approach in representations to regional and national bodies.
- The A11 should be a priority for support due to the significant improvement in travel times to London and Cambridge dualling the remaining section between Thetford and Fiveways will bring.
- Norwich Airport already provides a highly significant asset. There is a need to bring the main businesses at the airport (i.e. principally Norwich International Airport Ltd, but also

FlyBe) into wider partnership discussions. There is potential to develop further routes in particular with the rest of continental Europe.

Changing perceptions of Norwich

There are a range of potential actions that might be undertaken to take forward the joint promotion of Norwich by both public and private sectors together:

- Unite the efforts of different agencies and establish a common branding and co-ordinate marketing campaigns.
- Expand the use of programmes of arts and cultural institutions to raise Norwich's profile.
- Use the Growth Agenda to promote a wider message about Norwich. One possibility would be to reflect the growth agenda in the names of agencies e.g. 'Growing Norwich'
- Explore potential to promote the expansion of Norwich as an exemplar of environmental sustainability e.g. Norwich as an Eco City.

Education, skills and innovation

- Initiatives such as EPIC and the Financial Services Academy and links between UEA and the emerging environmental and life sciences sector at NRP should be sustained and built on over time through co-operation between industry and education institutions.
- Development of further competencies in areas of environmental engineering, or possibly in creating a local retail academy.
- There is a need to ensure that the potential from Norwich's higher education institutions is realised and that the potential spin-out from academia into commercial activities is realised.
- There is scope to develop Norwich's potential to promote innovation in areas not covered by existing initiatives such as the Norwich Bio Incubator.
- Further work be undertaken to develop support in key target sub-sectors not covered by existing work. For instance, support for research into sustainable construction techniques undertaken through the Construction Excellence programme and the efforts of UEA's CRed programme.

Inward investment

- A key focus should be to sustain growth in existing and new indigenous businesses, building on the potential for commercialisation of knowledge in the city and assisting business start-up and growth.
- There are particular niche opportunities where specific plans could be developed in co-ordination with East of England International and UK Trade & Investment, including the re-location of major operations by international financial services firms (e.g. those looking to relocate some functions from London as well as attracting operations of central government departments moving out of London in line with the Lyons Review.

Provision of employment land and premises

- There is a need to ensure appropriate provision of employment land and premises. Bringing forward key employment sites, protecting them from residential development and adopting a flexible approach in managing land supply are key issues.
- Within the Greater Norwich area, there have been shortfalls in the range and variety of industrial land, particularly for smaller firms and those requiring owner-occupation. Norwich, like several other cities needs to address the tension of developing office space within the city and on the city fringes.

Initiatives for rural areas

- The basis for undertaking existing business activities in rural areas should remain in place, in particular, provision of appropriate land and property. Sufficient employment land at existing industrial estates in each of the market towns, as well as for conversion of agricultural buildings for expanding niches of economic activity should be promoted.
- There is scope to take advantage of the opportunities opened up by new infrastructure by continuing and expanding existing business support provision, including start-up grants and training.
- There is a need to ensure that employment growth initiatives centred on Norwich are tied in with rural counterparts, for instance, linking rural and city tourism through ongoing destination management activities or in relation to creative industries initiatives.

Sectoral initiatives

Science-based industries

- Accelerate plans to broaden the focus of NRP to house a greater amount of commercial activity. Expansion plans should be implemented, including initiation of CPO procedures if necessary to acquire land.
- Step-up efforts to attract inward investment by linking marketing and promotion efforts to development of new research programmes at Norfolk & Norwich Hospital or other research institutes.
- Build on UEA's strong position in environmental sciences and fill gaps in existing support for innovation and the commercialisation of knowledge e.g. engineering.

Creative Industries

- There is scope to establish a single site one stop shop for creative businesses to focus on the provision and dissemination of knowledge and movements in technology.
- Further development of 'hard' infrastructure underpinning the sector e.g. fast broadband network based on the Soho Net model, and the supply of affordable start-up space.
- Further work on graduate retention by creating interfaces between established creative businesses and graduates from the Colleges and University. A mentoring or business angel scheme for the sector should be instituted to provide support for those considering starting a business.
- Encouragement of greater links between the creative industries sector and other sectors in greater Norwich to establish more presence on the national and international stage.

Tourism

- Continued financial support for destination and tourism marketing in the greater Norwich area. This is a key priority action in particular because of the need to link city and market town/rural area tourism promotion.
- Implementation of the heritage and economic regeneration projects proposed by HEART. Continue to move forward with HEART's work to place the city on the UK's candidate list of UNESCO World Heritage Sites, developing a formal bid linking the city of Norwich and the Broads.
- A review of links between marketing measures undertaken by different agencies to identify areas for leverage and common focus should be undertaken.
- Build on Norwich's cultural and architectural heritage and creative industry strengths by developing an ongoing programme of linked events across different sectors including museums, theatre, festivals etc.

Construction

- Promote the development of a skilled labour force from the indigenous population, which will also help create greater numbers of intermediate and higher level jobs locally.
- Continue to support existing construction initiatives such as the Build Norfolk Network focusing on supply chains, and Constructing Excellence, developing links with higher education institutions and schools.
- Link locally-based construction firms with sustainable construction expertise available at UEA. This can be achieved by moving from information exchange activities of the kind currently promoted by CRed to more involved joint working on demonstration projects or feasibility studies.

Advanced Engineering

- Scope for ongoing discussions with further and higher education institutions to see if provision of appropriate courses for apprentices and graduates can be introduced.
- Support growth by making space available for the development of a technology park at or near the existing Hethel Engineering Centre.

Financial Services

- Existing activities to support the industry in Norwich including the work of the Financial Industries Group and the establishment of the Financial Services Academy are should be supported into the long-term.
- There is further scope to increase employment in the city through the growth of existing companies and through inward-investment attraction, notwithstanding current issues affecting financial services industries at national and international level.
- Efforts both to maintain existing jobs and attract new ones will be supported by wider promotion of the city as a financial services location.

Retail

- Confirm the extent to which it is desirable to allow retail provision and employment to expand to its maximum potential, and how much additional retail floorspace to accommodate.
- Further consideration of how the diversity of the retail offer in The Lanes and other areas of the city centre can be supported through planning policy, and how independent traders can be protected and supported in order to retain Norwich's distinctiveness.
- Potential to support skills through establishing a retail academy in Norwich should be investigated.

Food sector

- The Food Hub proposal developed in line within the context of the RES provides a good opportunity to capitalise on existing advantages and should be implemented.
- There is scope to broaden the Food Hub's activities by investigating other opportunities to create a food cluster initiative, bringing R&D institutions including the Institute of Food Research and the Norfolk & Norwich Hospital, together with food processing and educational institutions.
- There are projects linking the sector with the rural development agenda e.g. Produced in Norfolk initiative, which should continue to be supported and expanded.
- Sector development through links to the wider retail, heritage and tourism offer e.g. Norwich Food Festival.

Sites and Premises Study

Office floorspace trends and take up

- The local office market in Norwich comprises around 4 million sq ft of stock. The market for Grade A space is currently concentrated on business parks such as Broadland Business Park and Gateway 11, in Wymondham.
- Trends most recently are towards the larger uses seeking space on a commercial basis, while owner-occupation remains popular for many local users. This position puts greater emphasis on the role of developers in providing a supply of premises than in the past and on the viability of developments, which is influenced by rental levels and the confidence in long term rental streams.
- Based on anticipated lease expiries and changing occupiers it is thought that there is significant latent demand for city centre space.
- Current pipeline of 85,000m2 will contribute space for at least 4000 – 8,000 jobs. Given expected employment growth and other opportunities on business parks and around the market towns, it seems likely that take up will increase as take up will include relocations of existing city centre occupiers seeking more modern space as well as employment growth.

Industrial and warehouse floorspace trends

- The industrial market has remained strong in Norwich, with capital growth and total returns hitting their highest levels in over a decade. While the market is cooling off from the high volume of transactions recorded in 2006, there is still some activity left in the current cycle. Prime yields have softened during 2007 from 6% to 6.25%.
- Provision of industrial premises should be based more on take up rates and less on employment trends.
- Recent market commentaries suggest availability of just 5% of the existing stock, a situation which has been confirmed by consultees in this study who have consistently suggested that there is a shortage of industrial space.

Existing land and premises provision

- There is no case for the wholesale de-designation of any of the existing employment sites for other (non B group) uses. All sites are in active use and excepting the most recent allocations largely occupied, with low vacancy levels mostly associated with natural churn rather than lack of demand. Indeed this suggests to us that sites deserve strong policy protection, especially to the ring road sites and newer larger allocations.
- There is a relative lack of a range of available ready to use sites, with the main current opportunities of this kind only at the Broadland Business Park.
- It is also notable that the city centre still contains significant long term capacity, particularly at Whitefriars, Duke Street and in the longer standing office areas as identified. However this will depend on the protection of some sites for offices against competing retail and housing uses.
- The Norwich Research Park is one of the greatest areas of potential and of significant on a regional and national scale. It therefore deserves higher priority in terms of achieving the assembly of land and realisation of infrastructure.
- There is case for developing a new north city employment hub. This should seek to realise the economic potential of the airport and in the longer term benefit from the proposed northern distributor road.

- Provision for creative industries needs to be focused in the City Centre, a creative quarter or potentially around a university campus/science park.

Future land requirements

- Under the Baseline Forecast an additional 250 hectares of employment land will be required by 2026, comprising 126 hectares of B1 allocation for office space, and 124 hectares for B2 and B8 industrial uses.
- Under the RSS Dwellings forecast, an additional 229 hectares of employment land will be required by 2026, comprising 118 hectares of B1 allocation for office space, and 111 hectares for B2 and B8 industrial uses.
- We recommend that to allow some scope for margin for error that the higher Baseline Forecast is adopted as the basis for allocation of employment land in the Joint Core Strategy.
- Overall we have identified the soundness of existing allocations and the absence of any better alternatives. We therefore consider that the primary option should involve existing allocations.

Options for future provision

- There are issues in terms of the split between industrial and office uses on many of the sites in greater Norwich. Many of the existing sites have included both offices and industry and thus few have a dominant industrial or office use. This should be clarified as the competitiveness of the sites may be put at risk by the overall mix of uses. This might be resolved by more detailed frameworks produced in partnership with site owners. However, in some cases the distinctions between B uses are becoming more blurred.
- Our assumption is that the primary industrial sites will remain the existing ring road estates together with sites such as Longwater, the Airport and most of the more rural sites, including Wymondham. We discount remaining land at the Broadland Business Park as a significant industrial site because of the dominance and high values of office space in relation to industry. If this assumption is accepted this means that the greater Norwich area still offers sufficient land in these existing allocations, together with the Airport to meet future demands which are estimated to be in the region of only 85 hectares if all new take up was on new sites.
- In relation to offices the overall floorspace requirement is estimated to be in the region of 300,000 sq m. We would recommend this be distributed most obviously as follows:

  - Norwich City Centre and the wider central area 100,000 sq m

  - Norwich Research Park 100,000 sq m, based on a floorspace plot ratio of 1:4

  - Broadland Business Park 50,000 sq m

  For the remaining 50,000 sq m, we suggest there are a number of options including:

  - Further space in the city centre and/or

  - New allocations of business parks associated with housing allocations.

  - Greater use of Longwater as an office park
- Overall release of new sites needs to be carefully phased to avoid undermining existing and city centre sites. However, the approach seems to provide a balanced approach with main allocations in the city centre and the Research Park. This is the case because we consider that the city centre and the Research Park will appeal to different occupiers and thus will not compete or undermine one another.

Gaps in supply

- There should be greater provision specifically targeted at smaller and start up businesses. The characteristics of this provision would include:

  - Flexible ownership arrangements including opportunities for owner occupation and owner developments through to short and flexible tenancies

  - Opportunities for shared services e.g. IT, reprographics, meeting rooms etc

  - Access to finance, business support and professional services

  - Attractive environment

- This could be addressed by a combination of the rural sites and market towns (playing to the strengths of their environments) together with the provision of new business centre space adjacent to Norwich City Centre, possibly in locations such as Anglia Square, the City Trading Estate and Heigham Street etc.

- Although we have accepted the existing allocation and contingency area in the South Norfolk Local Plan, we would suggest that a highly proactive approach is needed to ensure its delivery. There are ownership issues at the Research Park to be resolved which we do not think will be achieved without strong measures, including possible use of CPOs. The Park should also be a priority for public resources. In addition, as the forecasts have suggested, growth is likely to involve substantial growth in research and development as part of the broad business services category.

- There is a need to ensure that the communities of Norwich are able to engage and benefit from future employment growth. There is a need to strongly promote the development of new opportunities in the north and we have identified the Airport as the strongest driver for this growth.