Section 5 – The Economy

Strategic Economic Objectives

To realise the economic potential of Norfolk and its people by:

- facilitating the development needed to support the region’s business sectors and clusters, driving economic growth through the enhancement of productivity, skills and education to provide widening opportunities in line with the New Anglia Local Enterprise Partnership Economic Strategy, the Greater Cambridge Greater Peterborough Enterprise Partnership Economic Strategy and this framework;
- fully exploiting the economic opportunities offered by the economic success and global reputation of Cambridge;
- providing for job growth broadly matching increases in housing provision and improving the alignment between the locations of workplaces and homes;
- ensuring effective and sustainable digital connections and transport infrastructure between and within Norfolk’s main settlements to strengthen inward investment; and
- strengthening Norfolk’s connections to the rest of the UK, Europe and beyond by boosting inward investment and international trade through rail, road, sea, air and digital connectivity infrastructure.

5.1 Introduction

Compared to other areas in the UK, Norfolk has generally weathered the economic downturn since 2008 well. This is largely due to its diverse economy which is not reliant on any one sector. County employment levels and Gross Value Add (GVA) have returned to pre-downturn levels. The value of Norfolk’s economy is £18.6 billion.\(^{22}\)

Overall Norfolk’s economy is growing, although growth is stronger in some parts of the County than others. This growth is driven by certain sectors of the economy, mostly concentrated in specific geographic areas, where there are particular strengths and expertise, for example energy, advanced engineering, tech/digital, food and life sciences. Norfolk’s overall employment rates have consistently remained above national levels over the past 10 years (currently by 2.8%) and unemployment rates are currently 2.1% below the national rate at 3.1% - the lowest rates in a ten year period. However, this disguises substantial variation, and the County includes some of the most deprived communities in the Country which have not weathered the downturn so well. The potential impact of Brexit adds uncertainty to future projections.

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\(^{22}\) New Anglia LEP, 2015
There are significant geographic clusters of existing business activity that anchor the Norfolk economy, with a number of these offering significant potential for growth. These key sector/industrial clusters can be summarised as follows:

- Agriculture and Food Processing – Breckland, King’s Lynn & West Norfolk, North Norfolk, Greater Norwich
- Tech/digital Industries – Greater Norwich
- Offshore Energy – Great Yarmouth
- Engineering & manufacturing – King’s Lynn & West Norfolk, Breckland, Greater Norwich, Great Yarmouth
- Financial Services - Greater Norwich
- Health and Life Sciences – Greater Norwich
- Tourism – The Broads, The Brecks, Great Yarmouth, North Norfolk, King’s Lynn & West Norfolk, Greater Norwich

Notwithstanding these clusters and our economic strengths, the challenge going forward is the Norfolk economies high level of dependency on lower wage, lower-skill sectors such as food production, agriculture and tourism. This is reflected in productivity levels per head which are significantly below the national average. This; coupled with low levels of investment, relatively poor infrastructure and skills attainment, impacts on potential future economic growth.

Many districts have their own economic development strategies, and there is a good record of collaboration on specific economic development projects. This Framework provides the opportunity to lay the foundation for developing strategy and such cooperation going forward.

The UK government published a green paper Building our Industrial Strategy in January 2017\(^23\). It was the subject of consultation until April and no formal response to the consultation has yet been published. The overarching aim and ambition of the Industrial Strategy is to provide a long term framework to build on our areas of competitive advantage, to close the gap between our best and worst performing areas, and make the UK one of the most competitive places in the world to start or grow a business. The strategy identified 10 key separate but linked pillars of the strategy and recognised the importance of place in shaping and delivering the Industrial Strategy.

The overarching strategy for Norfolk set in the context of the New Anglia LEP area is set out in the Strategic Economic Plan (SEP) which was published in 2012\(^24\) (Please note the King’s Lynn and West Norfolk area is also covered by the by the Greater Cambridge Greater Peterborough Local Economic Partnership Strategic Economic Plan\(^25\)). This set a number of ambitious targets regarding jobs numbers, new business start-ups, housing delivery, and productivity by 2026. Progress against these targets was monitored in an Impact Report on the SEP published in July 2016\(^26\), summarised in Table 6 overleaf:

\(^{25}\) see [http://www.gcgp.co.uk/local-growth-strategy/](http://www.gcgp.co.uk/local-growth-strategy/)
Table 6: Summary of Progress against SEP targets (New Anglia Area)

<table>
<thead>
<tr>
<th>SEP Headline</th>
<th>Target (to 2026)</th>
<th>Net Progress 2012 to 2016</th>
<th>% of target achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>95,000 more jobs</td>
<td>32,300</td>
<td>34%</td>
</tr>
<tr>
<td>Businesses</td>
<td>10,000 new businesses</td>
<td>4,980</td>
<td>49.8%</td>
</tr>
<tr>
<td>Housing</td>
<td>117,000 new houses</td>
<td>18,850</td>
<td>16.1%</td>
</tr>
<tr>
<td>Productivity</td>
<td>Close gap with national (7.8% in 2012)</td>
<td>0.2%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

The Impact report showed that over £200m of private sector investment has been unlocked in the region. Whilst progress regarding total numbers of jobs and businesses was on track to exceed the targets set, further effort was needed if housing and productivity targets were also going to be reached. It is expected that measures to assist in the delivery of these objectives will be brought forward as part of the production of the new Economic Strategy. This will involve a further review of the ambitions, identification of underpinning metrics and targets which will align with the themes and interventions of the new strategy. The new Economic Strategy is expected to be published in the autumn 2017 and consultation should overlap with that of the NSF. It is envisaged that the two documents will be mutually supportive.

The Norfolk Local Authorities are committed to strengthened collaboration and focus on new initiatives and interventions to help nurture economic growth in higher value, knowledge based sectors across Norfolk. These include new multi-site Enterprise Zones led by the New Anglia LEP, the new Cambridge-Norwich Tech Corridor, innovation centres at King’s Lynn and Hethel, and energy related Enterprise Zones across Great Yarmouth and Waveney.

Supporting the growth of Norwich Research Park for example, and other key Enterprise Zone sites, will help to grow knowledge jobs in key sectors and enhance the commercialisation of research. A greater focus on supporting digital entrepreneurs will also help strengthen the growing cluster of tech/digital creative enterprises in and around Norwich’s city centre, and strengthening supply chains in the manufacturing, engineering and energy sectors will enhance business sustainability and employment growth.

The DCLG household forecast reproduced above in section 4.2, Table 2&3 suggests that there will be an annual growth in households of approx. 3,200 households per annum across Norfolk through to 2036. Yet the housing needs assessment set out in table 9 in section 6.3 below commits the Local Authorities to making provision for a least 4,000 new homes per annum over the same period (excluding additional housing for the City Deal). Although a minor element of this difference may be accounted for because of housing backlogs caused by historic under-delivery, the largest factor is the expectation of economic development that has been built into the needs assessments. The methodologies used to calculate housing needs effectively make some allowance for job and productivity growth in future being in excess of current levels. Therefore it is recognised that additional economic interventions will be needed in order to deliver the objectives identified within this framework.

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27 As a result of the strong performance in business start-ups this target has now been increased to 15,000
The development of this framework has, pending completion of the new Economic Strategy, concentrated on identifying strategic sites, possible further interventions and cross boundary working that will need to be taken forward to deliver the shared objectives that have been agreed.

5.2 Strategic Employment Sites

Strategic employment sites have been agreed through joint activity on economic development and inward investment. They are all located in the growth locations identified in New Anglia LEP’s Strategic Economic Plan and are targeted at the SEP’s key sectors. Therefore it is crucial to facilitate a step change in our economy and the focus of promotional activity.

Together they form a package of sites that provides a comprehensive offer for inward investment and strategic growth, a number of which have Enterprise Zone status. The number and availability of these sites gives Norfolk an economic advantage in attracting certain types of inward investment. In addition, as a result of their scale and type, these sites have additional potential through existing and planned close cross-boundary working. By their nature some of these sites form part of wider functional economic areas which span district/county boundaries, increasing potential for joint collaboration to enhance economic growth.

Agreement 8 recognises that these Tier 1 sites should be protected from loss to alternative uses such as housing which is consistent with Paragraph 4.18 of the Housing White Paper which proposes that employment sites identified as “strategic” will not be subject to reduced protection from residential development. It is therefore proposed that the Tier 1 employment sites identified in Table 7 are formally recognised as “strategic” employment sites within Agreement 8.
### Table 7: Tier one employment sites, sector, location and size. 2017

<table>
<thead>
<tr>
<th>Site</th>
<th>Supports SEP Key Sector(s)</th>
<th>SEP Growth Location</th>
<th>Land available (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bexwell (Downham Market) – proposed Centre for Advanced Knowledge Engineering (CfAKE)</td>
<td>ICT and Digital Creative</td>
<td>King’s Lynn and Downham Market (A10)</td>
<td>29 ha</td>
</tr>
<tr>
<td>Broadland Business Park area</td>
<td>Financial services ICT &amp; Digital Creative</td>
<td>Greater Norwich</td>
<td>55ha</td>
</tr>
<tr>
<td>- plots on existing BBP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- BBP Laurel Farm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- St Andrews northside, Broadland Gate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Browick Interchange (Wymondham)</td>
<td>Advanced Manufacturing &amp; Engineering, ICT and Digital</td>
<td>Tech Corridor</td>
<td>22 ha</td>
</tr>
<tr>
<td>Food Enterprise Zone Honingham/Easton</td>
<td>Food, Drink &amp; Agriculture</td>
<td>Greater Norwich / Tech-corridor</td>
<td>19ha</td>
</tr>
<tr>
<td>Great Yarmouth Enterprise Zone and Energy Park sites:</td>
<td>Energy</td>
<td>Great Yarmouth and Lowestoft</td>
<td>13.5ha</td>
</tr>
<tr>
<td>- Beacon Park (EZ)</td>
<td></td>
<td></td>
<td>25ha</td>
</tr>
<tr>
<td>- South Denes (EZ &amp; EP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardwick extension (King’s Lynn)</td>
<td>Advanced Manufacturing &amp; Engineering, ICT and Digital</td>
<td>King’s Lynn and Downham Market (A10)</td>
<td>27 ha</td>
</tr>
<tr>
<td>Hethel Engineering Centre and Technology Park</td>
<td>Advanced Manufacturing &amp; Engineering</td>
<td>Greater Norwich / Tech Corridor</td>
<td>20ha</td>
</tr>
<tr>
<td>Nar Ouse Business Park (King’s Lynn) (part EZ)</td>
<td>Advanced Manufacturing &amp; Engineering, ICT and Digital</td>
<td>King’s Lynn and Downham Market (A10 corridor)</td>
<td>17 ha (EZ)</td>
</tr>
<tr>
<td>Norwich City Centre</td>
<td>ICT and Digital Creative Financial Services Tourism and Culture</td>
<td>Greater Norwich</td>
<td>Multiple Sites</td>
</tr>
<tr>
<td>Norwich Airport</td>
<td>Advanced Manufacturing &amp; Engineering</td>
<td>Greater Norwich</td>
<td>75ha+</td>
</tr>
<tr>
<td>- Aeropark</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Southern area (around Hurricane Way)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Airport business park</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norwich Research Park (part Enterprise Zone)</td>
<td>Life Sciences Food, Drink &amp; Agriculture</td>
<td>Greater Norwich / Tech Corridor</td>
<td>45ha (EZ)</td>
</tr>
<tr>
<td>NRP North and South</td>
<td></td>
<td></td>
<td>25ha</td>
</tr>
<tr>
<td>Scottow Enterprise Park</td>
<td>Logistics Energy</td>
<td>Greater Norwich / North Norfolk</td>
<td>26 ha</td>
</tr>
<tr>
<td>Snetterton</td>
<td>Advanced Manufacturing &amp; Engineering</td>
<td>Tech corridor</td>
<td>68ha</td>
</tr>
<tr>
<td>Thetford Enterprise Park</td>
<td>Advanced Manufacturing &amp; Engineering, Food, Drink &amp; Agriculture</td>
<td>Tech corridor</td>
<td>18ha</td>
</tr>
</tbody>
</table>
Agreement 8 - The above list of locations are the Tier One Employment sites and should be the focus of investment to drive increasing economic development in key sectors, and protected from loss to other uses.

This list will need to be kept under review in the light of emerging Economic Strategy priorities and the progress on Local Plans.

5.3 Key Cross-Boundary Economic Issues and Interventions

This section identifies the principal strategic economic matters which need to be addressed in development plans across more than one Local Planning authority’s area. It is not intended to include every economic issue that requires cross-boundary working, but just those of an extensive or special significance from a Norfolk wide perspective.

The role of Norwich

Norwich and its immediate hinterland is the prime economic generator in the County. Its influence, and the policy measures required to make the most of this extend well beyond both the City Council’s boundaries and the existing urban area.

A large part of the county depends upon the vibrancy of the city for employment, services, higher order retail, culture and leisure. It also has an economic importance as a public transport hub. The vibrancy and focus of activity in the city centre also attracts significant numbers of visitors, and helps make the wider area an appealing place to live, work, invest and locate businesses.

The economy of this wide area of influence will benefit from ensuring that the city is accessible; the centre continues to thrive and is attractive to inward investment; and out of centre development complements the overall offer.

The Norwich Northern Distributor Road (NDR) will support the delivery of planned housing and jobs to the north and north-east of Norwich. It will improve strategic access to a wide area of Broadland and North Norfolk. Realising the full range of economic opportunities will benefit from cooperation. The Airport supports the economy of the area including the off shore energy sector.

Broadland, Norwich, and South Norfolk, with Norfolk and the Broads Authority, are working through the Greater Norwich Development Partnership (GNDP) on the planning of the area.

The Norwich Area Transportation Strategy (NATS) identifies the transport improvements needed over the next 15+ years. The NATS Implementation Plan (agreed 2010, updated 2013) sets out a range of transport measures with their intended phasing for delivery over the short to medium term. Both are due to be updated.

Cambridge to Norwich Technology Corridor

The corridor from Norwich to Cambridge, identified in Fig.6, includes a cluster of existing tech businesses and strategic employment sites. It provides the potential for significant economic development, particularly as connectivity has improved with full dualling of the A11 between Norwich and Cambridge. The corridor also benefits from the Norwich to Cambridge railway line. These opportunities need to be supported and exploited to maximise economic benefits.
The corridor is identified as a key growth corridor in the New Anglia LEP’s Strategic Economic Plan and the Greater Cambridge Greater Peterborough EP are also part of the Cambridge Norwich Tech Corridor Initiative partnership. The Cambridge Norwich Tech Corridor initiative has been established to maximise the economic benefits of this high quality location for technology based businesses with its world class universities, research institutes and long established tech businesses. The partnership will capitalise on the talent pool, emerging sectors, low cost space, high quality environment, infrastructure networks and a fast growing economy to deliver innovation-led growth and investment.

In Norfolk the corridor extends through Norwich, South Norfolk and Breckland, and then into Suffolk and Cambridgeshire.

Figure 6: The Tech Corridor between Cambridge and Norwich, 2017

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28 See http://www.techcorridor.co.uk/ for further information
A47 Corridor

The A47 crosses the county and, directly or indirectly, affects all Norfolk’s districts, parts of Suffolk and Cambridgeshire. The current limitations of the A47 act as a brake on economic growth, hindering investment, adding business and commuter costs, cause disproportionate accident and safety issues and contribute to the ‘peripheral’ image of Norfolk. Improvements to the road will unlock jobs, increase GVA and attract additional private investment all along its length.

The A47 Alliance comprises of representatives from all Local Authorities, the business community, MPs and stakeholders along the whole of the trunk road route between Peterborough and Lowestoft. The Alliance is working to make the case for improvements and to secure the necessary investment to implement these. Partners will need to consider how best to cooperate to realise the economic potential of improvements.

At Wisbech the emerging Garden Town proposal may result in up to 12,000 additional homes (on top of the 3,550 homes already allocated in the Fenland Local Plan) effectively doubling the size of the town. This is linked to a potential new rail connection which would put the town within commuting distance of Cambridge and Peterborough. The existing allocation relating to East Wisbech is incorporated into the emerging plan.

Offshore Energy Sector / Ports of Great Yarmouth & Lowestoft

The ports of Great Yarmouth and Lowestoft are successfully developing their role in the huge growth in offshore wind generation and major planned gas field decommissioning in the southern North Sea, building on 50 years’ experience in offshore energy.

These two ports, in close proximity, together form a strategically significant economic (and infrastructure) resource, generating employment and supply chains of regional significance. The sector is also supported by businesses and facilities, such as Norwich Airport, in Greater Norwich. The critical mass of facilities, infrastructure and businesses helps the area compete with areas elsewhere, including on the other side of the North Sea.

Through close cooperation, the relevant public bodies were successful in bidding for an Enterprise Zone (EZ) covering six sites in Great Yarmouth and Waveney to strengthen and build the offshore energy sector in the area. The two Norfolk sites in Great Yarmouth are South Denes and Beacon Park.

Great Yarmouth Borough Council, Norfolk County Council, Highways England and the New Anglia LEP have cooperated closely on developing the road transport infrastructure to support the growth of the offshore energy sector in Great Yarmouth, with particular focus on bidding for a third river crossing, to provide direct access to the Port from the trunk road network, rather than through the heart of the town as at present, and improving the A47 link to the rest of the country.

Norfolk Coast, the Broads and the Brecks

The economic benefits of the Coast, the Broads and the Brecks include not only their attraction for tourism and recreation, but also their contribution to quality of life, and hence the attractiveness of Norfolk as an area to live, work and to locate a business. The economies of these areas are dependent on businesses, infrastructure and environmental protection in surrounding areas. This is particularly the case for the Broads Executive Area, where the Broads Authority boundary is very tightly drawn.
In order to maximise the economic benefits a number of issues require coordination across planning authority boundaries, including coastal change, erosion and flooding; environment, landscape and habitats; as well as tourism and recreation itself. By working together the relevant authorities can ensure complementary measures, and maximise potential economic benefits.

All the Norfolk coastal districts, together with the Broads Authority (part of which is on the coast), Waveney District Council in Suffolk, and the Environment Agency have worked together on one or more of the three Shoreline Management Plans covering the Norfolk Coast, developing understanding of the technical and political challenges involved, and coordination of efforts to address these.

The quality, importance and diversity of the Coast, Broads and Brecks’ environments is evident in numerous national and international designations, including habitats and species (SACs, SPAs, Ramsar, & SSSIs) and protected landscapes (Norfolk Coast Area of Outstanding Natural Beauty and the Broads “National Park”). The planning authorities help protect and manage these assets with Natural England and a wide range of environmental and community organisations. Ensuring that new development can proceed without harm to protected habitats and species is a particular challenge, and through joint working and cooperation a better understanding of the potential impacts (especially relating to housing and recreation) is being developed, and new ideas and best practice for monitoring and mitigating any impacts are being shared.

**A10 corridor**

The A10, and parallel rail line from King’s Lynn to Cambridge (passenger and freight), provides a strategic transport corridor. The section from King’s Lynn to Downham Market is identified as a growth location in the New Anglia SEP. To realise the growth potential of the A10 Corridor there is a need to improve journey times, reliability of services and enhancement of operational capacity. Cambridgeshire County Council have commissioned studies of the economic potential and transport options for the route north of Cambridge. A feasibility study is underway to strengthen the case for the Ely area improvements (road and rail) to enable more frequent rail services to operate in future; while longer peak hour trains should be able to run from King’s Lynn by the end of 2018. A new Cambridge North railway station recently opened enabling improved access to jobs in the businesses on the north side of Cambridge for Norfolk residents once longer trains are up and running. There is potential for large-scale job growth in the corridor at Downham Market’s Centre for Advanced Knowledge Engineering (CfAKE); while the largest housing allocation in the west at West Winch/North Runcton requires the completion of the West Winch Relief Road and Hardwick junction improvements to be fully developed.

**Agreement 9 -** The emerging Local Plans for the area will include appropriate policies and proposals to recognise the importance of the above cross boundary issues and interventions.
5.4 Strategic Principles of Economic Success

It is clear that Local Authorities will need to continue to work collaboratively with one another, LEPs and businesses in order to deliver the step change in economic performance that is necessary to deliver the shared objectives. Among the measures that are thought likely to be necessary at this stage are:

Supporting future economic growth
- supporting the development of businesses in identified priority sectors, including building on and making links with established and emerging clusters, and the provision of land and premises;
- facilitating physical regeneration and enhancement projects in areas of deprivation, involving the local community in the process;
- encouraging international trade and supporting increased inward investment.

Education and skills
- supporting the creation, expansion and enhancement of education establishments, including further education, technical institutes and universities to increase the level of skills in the workforce; and
- enhancing the quality of the natural and built environment to ensure that the area remains attractive for its quality of life, and as a location for business.

Connectivity
- supporting employment allocations that minimise travel distance and maximise the use of sustainable transport modes;
- ensuring that investment in strategic transport infrastructure demonstrably supports economic growth, and also ensuring that economic strategies and Local Plans support the case for investment in that infrastructure; and
- enhancing the provision of infrastructure to enable digital connectivity that will facilitate economic growth.

Further work on this section of the Framework is expected to be done over the summer when evidence being produced to inform New Anglia LEP’s economic strategy and the Greater Cambridge Greater Peterborough EP’s economic strategy is able to be taken into account.