

Norfolk County Council

Great Yarmouth Energy Sector Business Facilities: Demand and Needs Assessment

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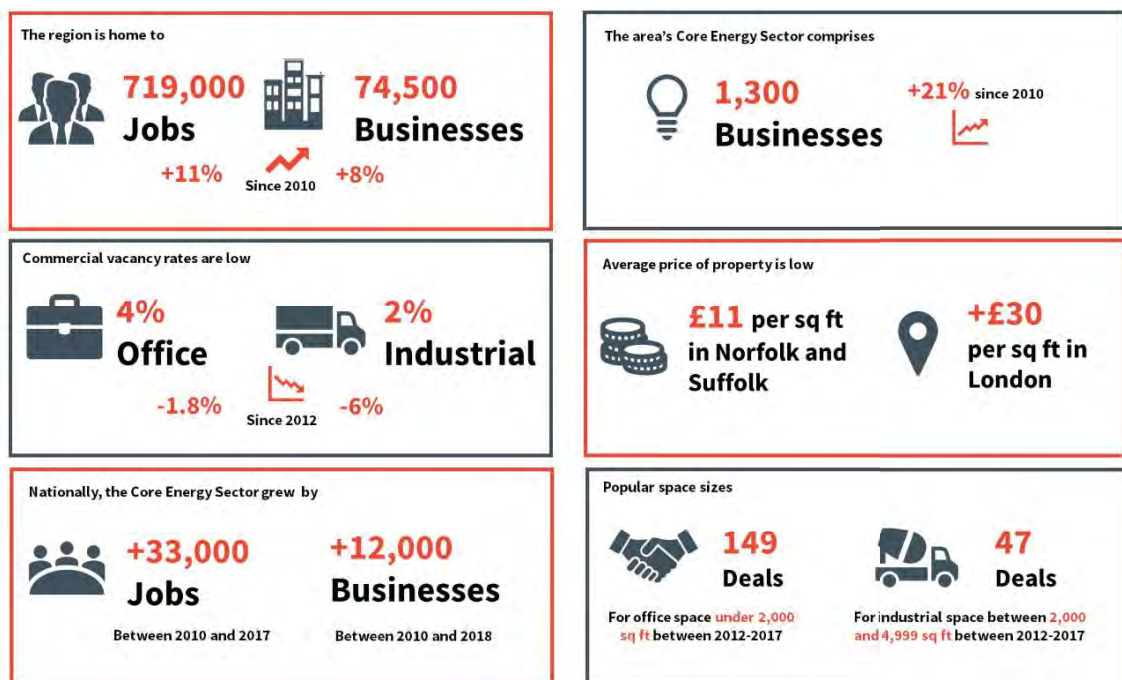
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Executive Summary

- i. Great Yarmouth is one of the UK's main offshore energy centres, utilising its strategic location and port facilities to service the oil and gas industry. There is an opportunity to futureproof this position by capitalising on the recent growth of the offshore renewables sector. To ensure this opportunity is realised, Norfolk County Council, Great Yarmouth Borough Council and the New Anglia LEP are proactively seeking to raise the area's profile by creating facilities which are likely to attract investment.
- ii. These plans are being progressed through a masterplan which is being developed by WSP. This will outline the optimum design and specification for a shared Operations and Maintenance (O&M) facility in Great Yarmouth. Through the masterplanning process, commercial viability will be tested, timelines and regulatory hurdles will be considered and funding sources identified.
- iii. The masterplan is underpinned by this demand study which aligns design proposals with the growth needs of the energy sector. It considers demand at international, national and local scales and is based on analysis of primary and secondary data. This report is accompanied by a complimentary Foreign Direct Investment (FDI) assessment which outlines key international trends and considers the ability of Great Yarmouth to attract inward investment.

Figure 1.1 Statistical Summary of Results



- 1.2 This study shows that there is some demand for shared O&M developments to be brought forward in Great Yarmouth. The Core Energy Sector is experiencing strong growth at national and regional scales and some relevant organisations expressed an interest in new space. This is complemented by low commercial vacancy rates and falling floorspace in the region. If the masterplan is conscious of mixed opinions from operations and supply chain

businesses about design and operations, Great Yarmouth can take advantage of the current and future opportunities presented by the growth of the sector.

International Trends

- iv. International investment into the UK could lead to increased demand for facilities in Great Yarmouth. The UK has performed well in terms of attracting FDI, with high levels of inward investment from the USA, Europe and Asia. The East of England is yet to fully benefit from FDI to the same extent as other regions, performing poorly in relation to FDI projects and new jobs created. Despite this, there were 68 FDI projects involving the renewable energy sector in the UK in 2017-18. Developments which enhance the attractiveness of Great Yarmouth could help to boost the FDI competitiveness of the East of England as a whole.

National Trends

- v. The growth of the Core Energy Sector nationally suggests that there could be demand for new facilities across the country. There has been a significant growth in the number of businesses and number of people in employment within the sector - between 2010 and 2018, there was an increase of 12,000 Core Energy Sector businesses and between 2010 and 2017 an extra 33,000 people in employment.

Regional Trends

- vi. Regional sector analysis reveals that Norfolk and Suffolk have a specialism in the Core Energy Sector, indicating that there could be demand for new sector-specific developments. The region's Core Energy Sector is on a positive growth trajectory, experiencing a 21% increase in the number of businesses between 2010 and 2018. This means that the region now has a higher concentration of Core Energy Sector businesses than the national average. Business growth is supplemented by an increase in the number of people employed in the sector which grew by 10% between 2010 and 2017.

Regional Commercial Market Trends

- vii. The region's healthy commercial market illustrates demand for new office and industrial developments in Norfolk and Suffolk. Key findings include:
 - **Low vacancy rates** – in 2017, office and industrial vacancy rates in Norfolk and Suffolk were lower than the England average
 - **Lower rental prices** – Norfolk and Suffolk have lower rental prices on average than other areas in the South East of England
 - **Fall in floorspace** – there has been a net fall in the amount of available industrial and office floorspace since 2012
- viii. Market trends show that most demand for office space in the region is for developments which are under 20,000 sq ft. Similarly, the most popular industrial development size was between 2,000 and 4,999 sq ft, with demand tailing off for developments with a footprint over 20,000 sq ft.

Regional Growth Potential

- ix. Wider analysis of the region's growth potential demonstrates the area's capacity for absorbing future growth of the Core Energy Sector. Forecasts show that there is projected to be a larger workforce with a changing qualification profile. Education and industry partnerships are shown to be critical for bringing forward the skills required to facilitate the growth of the sector.

Demand for a Multi-User Business Centre

- x. Consultation was undertaken to capture the views of energy sector businesses, their supply chains and industry experts. This indicated demand for the right type of shared developments in Great Yarmouth. The following themes capture the demand for O&M facilities in Great Yarmouth:
- **Timing of proposed development** – multiple large-scale energy sector businesses would consider locating in Great Yarmouth if the right facility became available
 - **Challenges and opportunities** – whilst Great Yarmouth's port rates and connectivity were highlighted as potential restrictions to growth, the skills base and technical considerations make development in Great Yarmouth an attractive proposition
 - **Mixed opinions on shared facilities** – overall consultees responded positively to the idea of shared O&M facilities *if* consideration is made to commercial sensitivity and security
 - **Demand for the right developments** – demand appears to exist for developments which provide an uplift on available office space and offer the ability to house clean and dirty activities at the same facility
 - **Clear steer on aviation and ancillary developments** – whilst aviation facilities can help to attract supply chain companies to the area, other ancillary developments were not deemed essential to the attractiveness of an O&M facility

1. Introduction

- 1.1 Great Yarmouth has been one of the UK's main offshore energy centres for over 50 years. It is now England's largest, with over 400 specialist businesses operating within an extensive offshore supply chain. The key industries operating in the area are displayed below.

Figure 1.1 Key Industries Operating in Great Yarmouth



Source: Hatch Regeneris, 2018

- 1.2 The area operates within a competitive market. There are several other places of national importance, including: Tees Valley (e.g. Hartlepool, Stockton, Darlington, Middlesbrough and Redcar), Humber (e.g. Grimsby, Hull and Immingham), Liverpool City Region (e.g. Liverpool, Sefton, Knowsley and Widnes), South East (Thamesport, Sheerness, Ramsgate, Whitstable, Harwich and Brightlingsea) and Lowestoft.
- 1.3 The last few years have been difficult for the oil and gas industry due to a range of political and economic factors. There are, however, several emerging opportunities for Great Yarmouth particularly related to offshore renewable energy. While the renewables industry has grown at a slower rate than expected over the last decade, the UK market accelerated in recent years as the sector has substantially reduced costs and the government has made more money available for operators.
- 1.4 Great Yarmouth has a number of comparative strengths in offshore renewable energy, including:
- A high concentration of windfarms within 100 miles (e.g. Scroby Sands, Sheringham School, East Anglia Array, Hornsea and Dogger)
 - A range of specialist support businesses (e.g. 3Sun Group, ODE and Seajacks)
 - Presence of globally significant multinationals (e.g. Siemen's wind turbine assembly location and installation facility for the Galloper and East Anglia ONE windfarms)
 - Its classification as one of the government's five Centres for Offshore Renewable Engineering with Lowestoft

- 1.5 This, alongside other emerging opportunities (e.g. around decommissioning), has stimulated investor interest which has come to the attention of Norfolk County Council, Great Yarmouth Borough Council and the New Anglia LEP. In an attempt to capitalise on this, they have developed two proposals to explore as displayed in the box below. The aim is to provide the right type of space required for different types of businesses working within or alongside the energy sector.

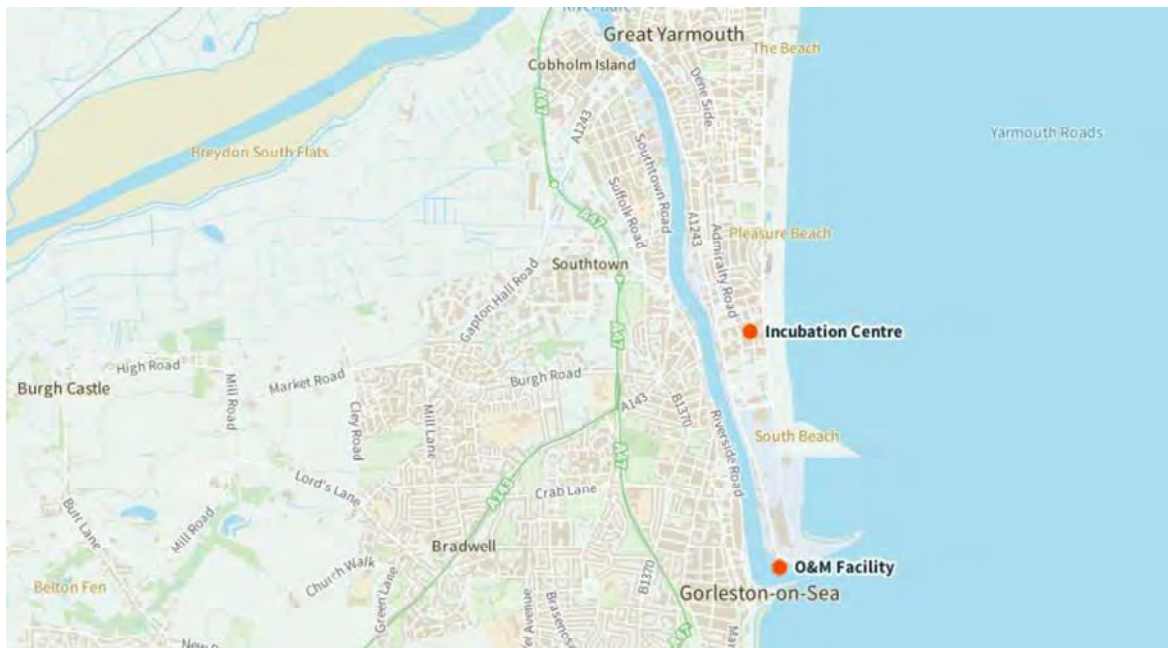
Proposal 1: Operations and Maintenance Facility

- Development of a shared facility to support businesses that operate and maintain offshore energy technologies
- Facility to be used by different businesses at different times and could include supporting features such as offices, workshops, storage space, quay access, car parking etc.
- Suggested location is a site to the east of the River Yare, just off South Denes Road, at the base of the land abutting the estuary (see map)
- The facility should remain in single ownership to ensure it can take advantage of the Great Yarmouth and Lowestoft Enterprise Zone status – this offers: a business rate discount of up to £275,000 over five years, simplified planning and superfast broadband.

Proposal 2: Incubation Centre for Energy Sector

- Development of an incubation centre for start-up businesses focused on the energy sector and its supply chain
- Intention is to build on the regional successes at ORBIS Energy Centre in Lowestoft, Beacon Innovation Centre in Gorleston and Hethel Technology Park outside Norwich
- Potential site owned by Great Yarmouth District Council has been identified for this which is to the east of the River Yare close to Nelson's Monument by Fenner Road (see map)

Figure 1.2 Map of Proposed Development Sites



Contains OS data © Crown copyright and database right 2018

Source: Hatch Regeneris, 2018

Study Scope and Structure

1.6 Norfolk County Council, Great Yarmouth Borough Council and the New Anglia LEP have commissioned WSP and Hatch Regeneris to develop and explore these proposals. The purpose of the overall commission is fourfold:

- To explore the demand for these proposals at international, national, regional and local scales
- To understand the needs and requirements of businesses of different sizes
- To undertake a design, feasibility, financial assessment and masterplan study for the proposals
- To explore the demand and viability to establish a helipad to support the sector

The ultimate intention of the commission is to provide the inputs required to develop a Business Case to justify public sector intervention and investment.

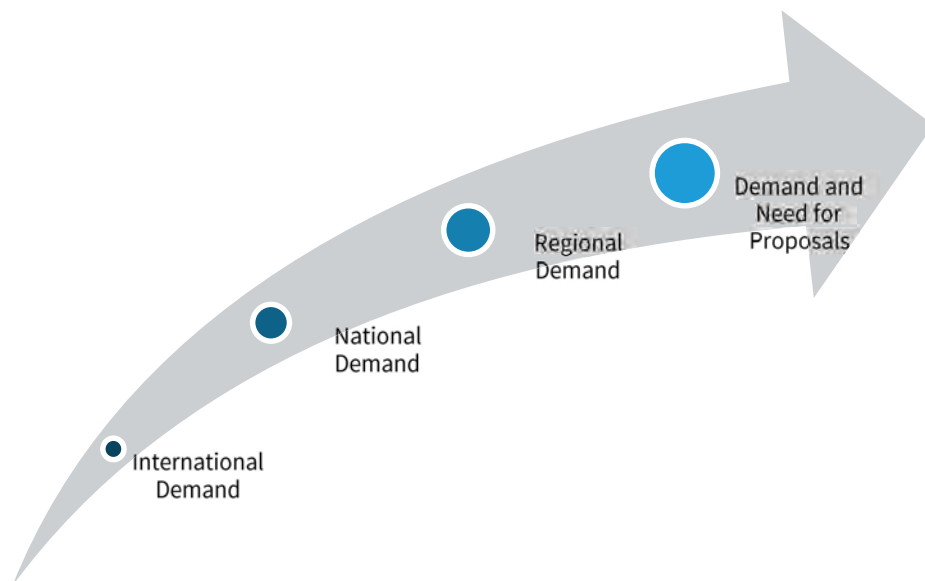
1.7 This report focuses on the first two bullet points set out above. It begins by assessing the strategic context and then considers demand and need at international, national, regional and local scales. It is structured as follows:

- 1) Study Background
- 2) International trends
- 3) National trends
- 4) Regional commercial market trends
- 5) Regional growth potential
- 6) Demand for operations and maintenance facility
- 7) Demand for incubation centre

The first five sections rely on the analysis of data and information from secondary sources and the latter two are based on consultation and survey data collected from relevant businesses.

1.8 A complementary Foreign Direct Investment (FDI) report has also been completed which provides more detail on international/national demand and conditions.

Figure 1.3 Study Approach



Source: Hatch Regeneris, 2018

Sector Definition and Study Geography

- 1.9 The energy sector can be defined using Standard Industrial Classification (SIC) codes. SIC codes are a system used by government and other agencies to classify industry activities and enable the trends and performance of a sector to be analysed.
- 1.10 For this study, we used a SIC code definition of the energy sector from Energy and Utility Skills¹. This was adjusted to focus on the core activities related to the energy sector, which involved omitting activities related to water and waste management. The SIC codes and broad activities used to define the Core Energy Sector for this study are displayed in the table below.

Table 1.1 Activities and SIC Codes Associated with Core Energy Sector

	Description	SIC
Power / Electricity	Production of electricity	3511
	Transmission of electricity	3512
	Distribution of electricity	3513
	Trade of electricity	3514
Gas Transmission and Distribution (Gas T&D)	Manufacture of gas	3521
	Distribution of gaseous fuels through mains	3522
	Trade of gas through mains	3523
Gas Utilisation	Steam air conditioning supply	3530*
	Plumbing, heating and air-conditioning installation	4322*

Source: Hatch Regeneris, 2018; and Energy Utility and Skills, 2014

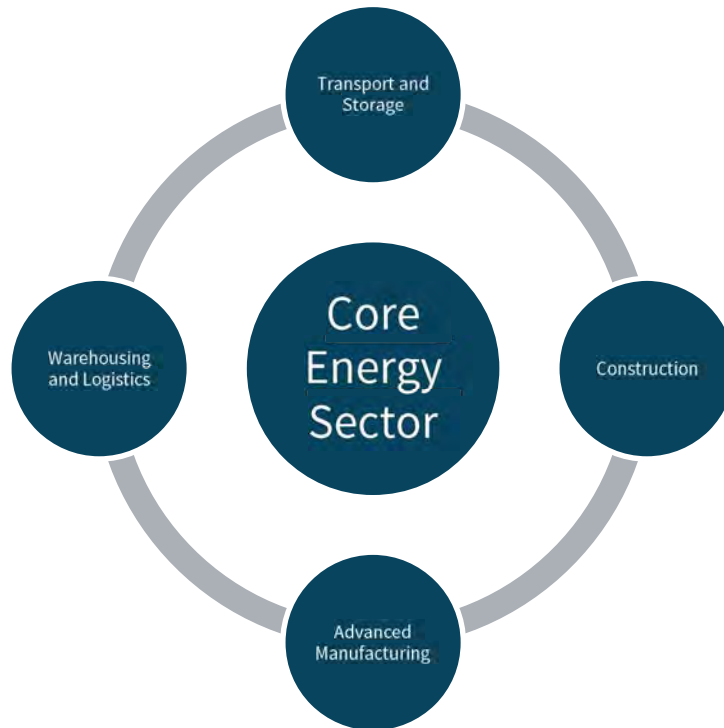
* These SICs are used as a proxy for the Gas Utilisation Industry

- 1.11 National Grid's definition of the Core Energy Sector includes the SICs above but also emphasises the importance of considering a range of supporting activities. As such, we have assessed the performance of other relevant sectors in our analysis, including: Transport and Storage,

¹ Energy Sector Definition: <https://www.euskills.co.uk/sites/default/files/2014%20Skills%20Needs%20Review.pdf>

Warehousing & Logistics, Construction and Advanced Manufacturing. Activities associated with these industries are relevant to the two proposals and contribute to the supply chain of the Core Energy Sector.

Figure 1.4 Core Energy Sector and Supporting Sectors Considered



Source: Hatch Regeneris. 2018

- 1.12 The study geography for the statistical analysis focuses on Norfolk and Suffolk as a combined area due to the east coast's specialism in offshore energy operations and maintenance.
- 1.13 Economic performance of the study area will be compared against the performance of the wider East of England region, as well as the England average. The East of England region comprises the counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk. This will allow the strength of the Core Energy Sector in the region to be benchmarked against suitable reference cases, enabling the identification of local strengths, weaknesses and specialisms.

2. Study Background

- 2.1 This study has been informed by an analysis of relevant research, policy and strategy at national, regional and local scales. A summary of the most relevant information and its importance to Great Yarmouth is provided below.

National: Industrial Strategy, HM Government

- 2.2 The UK's *Industrial Strategy* was published in 2017. It aims to boost productivity by supporting businesses to create jobs and by increasing the earning power of the population through investment in skills, industry and infrastructure. This is to be achieved via three pillars of activity:
- 1) Strengthening the foundations of productivity
 - 2) Building long-term strategic partnerships with businesses through Sector Deals between government and industry
 - 3) Taking on Grand Challenges
- 2.3 The energy sector and green technology is explicitly referenced within the *Clean Growth Grand Challenge* – the third of the Grand Challenges set out. This is focused on maximising the benefits of the global shift to clean energy and technology. The government has committed to supporting industry with the development, manufacture and use of low carbon technologies, systems and services that cost less than high carbon alternatives.
- 2.4 While a sector deal does not yet exist for renewable energy, the industry is currently working with the government to develop a deal. The renewable industry's vision for the deal includes:
- £48 billion investment in UK infrastructure
 - A five-fold increase in export value to £2.6 billion a year
 - 27,000 skilled jobs across the UK (up from 11,000 today) mainly in coastal areas by 2030
 - £2.4 billion a year reduction in total electricity system costs by 2030
 - Generating one third of the UK's electricity from offshore wind by 2030
- 2.5 The sector's engagement with the government is being led by The Baroness Brown of Cambridge, the UK's Low Carbon Business Ambassador and Vice Chair of the Committee on Climate Change. A prospectus has been compiled and a period of engagement has been entered with the government. Momentum is building and the deal is explicitly referenced as a desirable outcome in the government's *Clean Growth Strategy* (see next page).
- 2.6 If successful, a deal would complement the existing *Nuclear Sector Deal* and the government's *Contract For Difference (CFD)* Policy.

Contract for Difference (CFD)

A (CFD) is a contract between a low carbon electricity generator and the government. The generator is paid the difference between the 'strike price' (a price for electricity reflecting the cost of investing in a particular low carbon technology) and the 'reference price' (a measure of the average market price for electricity). It gives greater certainty and stability of revenues to generators by reducing their exposure to volatile wholesale prices.

The government has already delivered two rounds of CFD funding for operators and plan to deliver a third round in 2019. This presents an opportunity for operators in Great Yarmouth and other parts of the UK. It is expected that an additional round may also be released in 2020 which presents further opportunities.

National: Clean Growth Strategy, HM Government

- 2.7 The UK's *Clean Growth Strategy* was published in October 2017 and speaks directly to the Industrial Strategy. It sets out a series of policies and proposals to accelerate the pace of 'clean growth'. The aim is to deliver the twin objectives of increasing economic growth while decreasing greenhouse gas emissions.
- 2.8 The strategy sets out fifteen broad policies, which are made up of a range of different proposals. Policy areas include:
- Accelerating green growth
 - Improving business and industry efficiency
 - Improving our homes
 - Accelerating the shift to low carbon transport
 - Delivering clean, smart, flexible power
 - Enhancing the benefits and value of our natural resources
 - Leading in the public sector
 - Government leadership in driving clean growth
- 2.9 The most relevant policy area for the energy sector is *delivering clean, smart and flexible power*. More detail on what proposals this includes is set out below.

Delivering Clean, Smart, Flexible Power

Reduce power costs for households and businesses by:

- Implementing the smart systems plan
- Working with Ofgem and National Grid to create a more independent system operator to keep bills low through greater competition, coordination and innovation across the system
- Responding to the forthcoming independent review into the cost of energy led by Professor Dieter Helm CBE
- Publishing a draft bill to require Ofgem to impose a cap on standard variable and default tariffs across the whole market

Phase out the use of unabated coal by 2025

Deliver new nuclear power through Hinkley Point C

Improve the route to the market for renewable technologies such as offshore wind through:

- Up to £557 million for further Pot 2 Contract for Difference auctions
- Working with industry as they develop an ambitious Sector Deal for offshore wind, which could result in 10 gigawatts of new capacity
- Target a total carbon price in the power sector which will give businesses greater clarity on the total price they will pay for each tonne of emissions

Invest around £900 million of public funds, including around:

- £265 million in smart systems to reduce the cost of electricity storage, advance innovative demand response technologies and develop new ways of balancing the grid
- £460 million in nuclear to support work in areas including future nuclear fuels, new nuclear manufacturing techniques and advanced reactor design
- £177 million to further reduced the cost of renewables, including innovation in offshore wind turbine blade technology and foundations

Regional: Norfolk and Suffolk Economic Strategy, New Anglia LEP

- 2.10 The New Anglia Local Enterprise Partnership (New Anglia LEP) is a business-led collaboration between the private, public and education sectors across Norfolk and Suffolk. The LEP published their *Norfolk and Suffolk Economic Strategy* in November 2017, which examines the composition of the local economy, identifies priority clusters, details priority places for investment and sets targets to measure future growth.
- 2.11 The strategy sets out key targets to achieve by 2036:
- Creation of 88,000 new net jobs
 - Delivery of 140,000 new homes
 - £17.5 billion growth in the economy
 - 30,000 new successful businesses
- 2.12 The strategy identifies energy as one of nine key sectors where Norfolk and Suffolk has a competitive advantage. It states:
- “The East of England Energy Zone is unrivalled in the UK for its unique mix of wind power, gas and nuclear energy production. The supply chain has 50 years of experience and expertise, recognised with Enterprise Zone status... The coast around Greater Yarmouth and Lowestoft is at the centre of the world’s largest market for offshore wind. Capital investment in clean energy worth £50bn is planned for the region by 2020, with the development of the world’s largest windfarm in development off the coast, the proposed development of Sizewell C... and opportunities in decommissioning of existing nuclear power facilities and offshore installations”.***
- 2.13 The strategy also sets out several clusters which will be the focus of LEP activity. Clean Energy is identified as one priority, alongside Financial Services and Insurance; ICT, Tech and Digital Creative and Life Sciences and Biotech. A new commercial plan will be put together for each cluster and priorities for investment will be identified. These plans will aim to:
- Encourage new companies and commercial investment
 - Establish global and national links
 - Maximise local supply chain benefits
 - Market the commercial opportunity
 - Develop the ecosystem that enables the cluster to thrive
- 2.14 The strategy also identifies six priority places for intervention, which includes a focus on the Norfolk and Suffolk Energy Coast.

Local: Great Yarmouth Local Plan, Great Yarmouth District Council

- 2.15 The *Great Yarmouth Local Plan* was published and adopted by Great Yarmouth Borough Council in 2013. It provides the basis for future developments in the area and is built upon up-to-date evidence about the economic, social and environmental status of the area. Planning applications are considered against the policies outlined within it.
- 2.16 As set out below, a clear vision has been identified.

Great Yarmouth Local Plan Vision

By 2030, the Borough of Great Yarmouth will be a **more attractive and aspirational place to live, work and play**, with strong links to Lowestoft, the Broads, Norwich, rural Norfolk and the wider New Anglia (Norfolk and Suffolk) Local Enterprise Partnership area.

The distinctive qualities and character of each of the towns and villages within the borough will have been maintained. New development will have been integrated carefully into settlements; respecting local distinctiveness, raising the standards of sustainable design and architectural quality and ensuring the protection, restoration and enhancement of valuable natural and historic resources.

7,140 new homes catering for the needs of residents will be provided in order to give choice of tenure and location. The majority of new housing will have been located in the borough's main towns (Great Yarmouth and Gorleston-on-Sea) and key service centres (Bradwell and Caister-on-Sea), enabling the towns to embrace their roles as the borough's economic and social hubs and providing an enhanced variety of new housing, employment opportunities and essential infrastructure that is of benefit to existing and future residents.

Economic development will have played to the key strengths and resources of the borough with the expansion of the energy sector and port industries. Local and smaller scale businesses will also have had the opportunity to thrive and grow. In addition, the continued attraction of the coast and the Broads, along with a range of high quality year-round tourist attractions and accommodation will have seen the tourism sector continue to flourish. As a result unemployment, including seasonal unemployment, will have been substantially reduced.

- 2.17 *Policy CS6* is focused on the local economy and has a number of targets and objectives relating to the energy sector and the proposals for new facilities in Great Yarmouth. The most relevant include:
- Encouraging the redevelopment and intensification of employment sites
 - Safeguarding local employment areas
 - Supporting port-related development proposals relating to the Outer Harbour and existing river port, in particular cargo handling and other port related activities
 - Encouraging a greater presence of higher value technology and energy-based industries, including offshore renewable energy companies
 - Encouraging the development of small-scale business units
 - Improving workforce skills by working with local education and skills agencies and local business organisations to establish training facilities to enhance workforce skills and by encouraging the provision of new training facilities on employment sites

Implications for Great Yarmouth

- 2.18 These documents and strategies demonstrate that the growth of the renewable energy sector is seen as a priority at national, regional and local scales. There is momentum and appetite to grow the sector and to deliver proposals that support it.
- 2.19 It is also clear that there are several opportunities which are likely to support the development of the renewable energy sector. These include the possible benefits associated with the emerging renewable energy sector deal and further rounds of CFD funding. There are also notable proposals in the *Clean Growth Strategy*, including:
- Phase out the use of unabated coal by 2025
 - £265m investment in smart systems to reduce the cost of electricity storage, advance innovative demand response technology and develop new ways of balancing the grid
 - £177m to further reduce the cost of renewables, including innovation in offshore wind turbine blade technology and foundations
- 2.20 The emergence of a commercial plan for the Clean Energy Sector in Norfolk and Suffolk by the New Anglia LEP represents a good opportunity to plan for and anticipate these opportunities in order to maximise the impacts for Great Yarmouth. If these opportunities are realised it would generate demand for new facilities and developments focused on the sector across the region.

3. International Trends

- 3.1 Inward investment is becoming an increasingly important indicator of an area's future sustainability and economic success. A standalone Foreign Direct Investment (FDI) Foresight report has been produced to complement this study and provides further detail.
- 3.2 Despite future uncertainties such as Brexit, inward investment in the UK has grown significantly in recent years. Since 2007 the number of FDI projects has grown by 32% to over 2,000 projects. The number of new FDI jobs has also increased by 69% to 75,968 in 2017-18. Of this, FDI involving renewable energy projects accounted for 3% (68) of the UK total and 2% (1,620) of new jobs in 2017-18.
- 3.3 The UK is consistently ranked as one of the best places in the world to invest in offshore wind. EY's Renewable Energy Country Attractiveness Index (RECAI) ranks 40 countries on their inward investment and deployment opportunities. The UK ranks at number seven on the 2018 league table, behind China, the USA, Germany, India, Australia and France.

Table 3.1 Sources of Inward Investment

	2016/17 Projects	2016/17 New Jobs	2017/18 Projects	2017/18 New Jobs
Total	2,265	75,226	2,072	75,968
United States	557	24,607	514	26,570
Germany	100	5,802	127	9,357
India	127	3,999	120	5,659
France	131	5,831	94	5,054
Japan	116	3,511	116	2,878
Nordic & Baltic	146	4,417	138	2,537
Australia & New Zealand	127	2,197	95	2,474
Netherlands	53	2,048	56	2,292
Spain	70	1,789	54	2,229
Canada	72	1,788	85	2,114
China & Hong Kong	160	3,326	125	2,063
Italy	99	1,482	95	1,343

Source: UK Department for International Trade, 2018

- 3.4 In terms of source markets, the United States continues to provide the most projects and new jobs. Six of the top 12 sources for UK FDI lie outside of the EU – although Scandinavia, France and Germany are also all major opportunity markets for the UK.
- 3.5 This inward investment into the UK culminated in 94 FDI projects and created 2,235 jobs in the East of England in 2017-18. Equating to 2.9% of new FDI jobs nationally, this measure makes the East of England one of the least competitive regions for attracting inward investment.
- 3.6 Great Yarmouth itself has a number of strengths and weaknesses which will influence its attractiveness for FDI. These strengths need to be celebrated and weaknesses, where possible, need to be overcome.

Table 3.2 Great Yarmouth's Strengths and Weaknesses for Inward Investment

Strengths	Weaknesses
Deep water port access	Remoteness compared to other big city ports with urban attractions, airports and universities
Proximity to North Sea wind farms	Access to wider road and rail network for the rest of the UK
Proximity to North Sea oil and gas assets	Lack of profile
Availability of commercial development sites	Often not considered as a business location
Existing supply chain of offshore related companies	Limited city or regional support activity
Committed public and private partnership working	Perceived skills issues

Source: Breeze FDI, Great Yarmouth FDI Report

Implications for Great Yarmouth

- 3.7 The strong recent FDI performance of the UK reinforces its ability to secure inward investment. While the East of England performs poorly in terms of attracting inward investment, new developments could help to enhance the region's attractiveness to multinational companies. It is positive that the UK is seen as one of the most attractive places in the world to invest in offshore wind.

4. National Trends

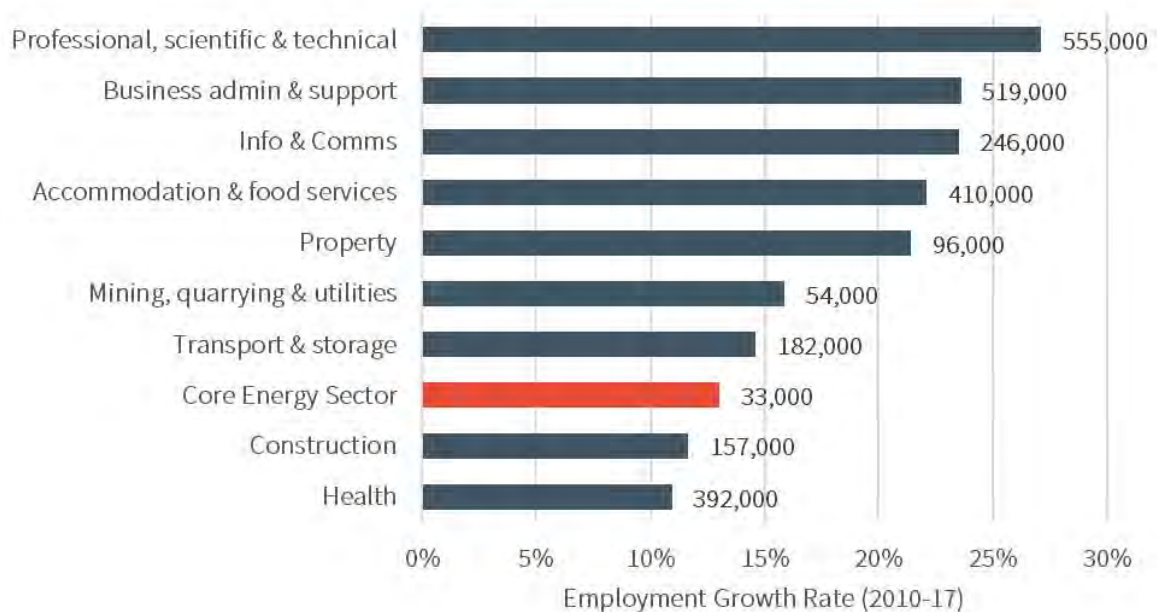
Economic trajectory

- 4.1 Since 2009, the UK economy has experienced eight consecutive years of growth, with gross domestic product (GDP) growing by 1.4% during 2017. Looking ahead, the Office for Budget Responsibility's (OBR) latest outlook anticipates marginal growth in 2018, before slowing down for 2019, and then picking up again modestly for the subsequent three years. Previous forecasts projected that the UK's decision to leave the European Union would slow growth. However, recent economic performance has been better than expected.

Employment

- 4.2 In 2017, there were approximately 30.6 million individuals in employment across Great Britain². Amidst political and economic uncertainty, the UK's labour market has proved to be relatively resilient. The 4% unemployment rate is currently at a record 44-year low and has been on a downward trend since 2011 when unemployment was at 8.5%. Since 2010, an additional 2.7m (or +10%) jobs were created in the economy. The chart overleaf illustrates the top 10 sectors which have contributed most to that growth.

Figure 4.1 Top 10 Fastest Growing Sectors by Employment Between 2010-17



Source: ONS, BRES, 2018

- 4.3 Between 2010-17, the fastest growing three sectors were related to professional services which accounted for 49% of total employment growth in Great Britain (Professional, Scientific and Technical; Business, Administration and Support; Information and Communications). **The Core Energy Sector, as defined in this study, was the eighth fastest growing. Over the period, 33,000 jobs were created within the sector equating to an overall a growth rate of 13%.**

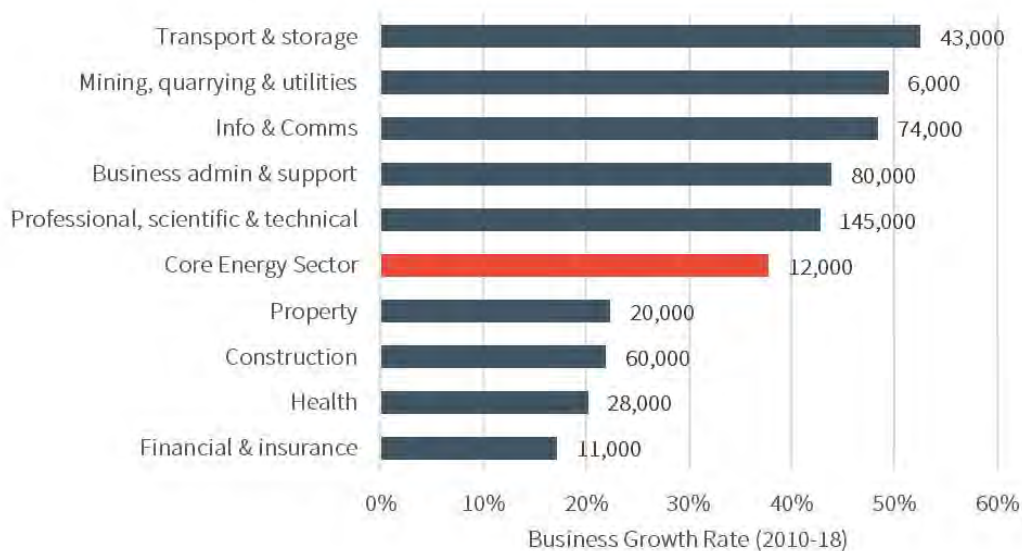
² Analysis can only be completed at the Great Britain level

- 4.4 Sectors that contribute to the Core Energy Sector's supply chain also experienced employment growth. For example, employment also grew significantly in Transport and Storage (+182,000) and Construction (+157,000) between 2010 and 2017.

Business growth

- 4.5 The total number of businesses in Great Britain grew by 22% to 3 million between 2010 and 2018.
- 4.6 Transport and Storage was Britain's fastest growing sector, growing by +53% (an overall rise of 43,000 businesses) and the Construction sector was eighth (an overall rise of 60,000 businesses). **The Core Energy Sector was the sixth fastest growing sector, with an extra 12,000 new businesses established between 2010 and 2017.**

Figure 4.2 Top Ten Fastest Growing Sectors by Business Growth 2010-18



Source: ONS Business Count, 2018

Implications for Great Yarmouth

- 4.7 The Core Energy Sector has grown significantly in terms of employment and businesses at the national scale between 2010 and 2017. This is a positive trend that may drive demand at local scales. Great Yarmouth is well positioned to take advantage of this.
- 4.8 The growth of other relevant industries such as Transport and Storage and Construction should also be viewed as significant as these are important to the success of the Core Energy Sector.

5. Regional Trends

- 5.1 While Great Britain has seen significant growth in the Core Energy Sector, it is important to understand how this translates locally.
- 5.2 There are 74,500 businesses and 719,000 individuals working in Norfolk and Suffolk. The region's economy has grown since 2010, with 11% more businesses and 8% more people employed in the area. Growth rates have been less pronounced than in the East of England as a whole (+20% business growth and +13% employment growth over the period) and national (+24% business growth and 10%+ employment growth) levels.
- 5.3 **The Core Energy Sector in Norfolk and Suffolk employs 6,500 people and is home to 1,300 businesses (2% of area's total). Both the number of individuals in employment (+10.5%) and businesses (+23%) have grown significantly since 2010. The concentration of Core Energy Sector businesses in the area is 1.2 times greater than that of England indicating that it is a specialism.**
- 5.4 Sectors related to the Core Energy Sector have also shown strong growth since 2010:
- **Transport:** the number of individuals in employment and businesses grew by +13% and +19%, respectively.
 - **Warehousing & Logistics:** in 2010, there were 650 businesses in the study area and by 2018 this has grown to 1,200.
 - **Construction:** employment and business growth of +8% and +11%, respectively.
 - **Advanced Manufacturing:** there were 11% more businesses in the advanced manufacturing sector in 2018 than in 2010
- 5.5 Aside from experiencing strong growth, the Core Energy Sector and its supporting activities have a higher concentration of businesses and workers in the study area than in England as a whole. This can be explained by businesses operating in the same industry being more likely to locate close to one another, which in turn fuels further clustering. Compared to the England average, there are:
- 1.2x more businesses in the region operating in the Core Energy, Advanced Manufacturing, and Warehousing sectors than in England; and
 - 1.1x more construction and transport businesses and individuals.

Figure 5.1 Study Area's Economic Composition

Sector		Businesses				Employment			
		UK Business Count				BRES			
		2018		% change between 2010-18		2017		% change between 2010-17*	
		No.	%	LQ	%	No.	%	LQ	%
Industrial	Manufacturing	3,900	5%	1.1	-4%	68,050	9%	1.2	0%
	Advanced Manufacturing	1,300	2%	1.2	11%	23,600	3%	1.0	-3%
	General Manufacturing	1,900	3%	1.1	-10%	23,200	3%	1.0	2%
	Creative and Media Manufacturing	350	0%	0.8	-27%	4,550	1%	1.5	-14%
	Food Manufacturing	350	0%	1.4	18%	16,750	2%	1.8	8%
	Utilities & Waste	450	1%	1.1	23%	7,350	1%	1.0	1%
	Core Energy Sector**	1,300	2%	1.2	21%	6,500	1%	1.0	10%
	Construction	9,050	12%	1.1	11%	38,750	5%	1.1	8%
Support Industries	Transport	2,300	3%	1.1	19%	23,900	3%	1.1	13%
	Warehousing & Logistics	1,200	2%	1.2	80%	9,500	1%	0.7	-11%
Local Services	Retail	9,650	13%	1.1	1%	89,700	12%	1.1	0%
	Wholesale	3,100	4%	1.0	-7%	27,750	4%	0.9	-7%
	Visitor Economy	6,850	9%	1.1	11%	77,200	11%	1.1	23%
Professional Services	Professional and Financial	11,800	16%	0.8	19%	75,200	10%	0.8	9%
	Business Support	5,150	7%	0.9	27%	55,550	8%	0.9	41%
	Other Service	2,750	4%	1.1	5%	12,550	2%	1.0	-9%
Public Admin, Education & Health		6,900	9%	1.1	17%	183,300	25%	1.0	5%
All Employment and Businesses***		74,650	100%	1.0	11%	718,900	100%	1.0	8%

Source: ONS, BRES 2017; and ONS, UK Business Count 2017

Note: LQ cells > 1.0 have been shaded green. Location Quotient quantifies the concentration of the industry in the region compared with the nation as a whole. The higher the LQ score, the greater the level of specialisation compared to the national average

*A scaling factor has been applied to 2011 data due to BRES methodological changes in the way they count employment numbers. The figures should be strictly treated as an indicator of trends and not for their absolute value

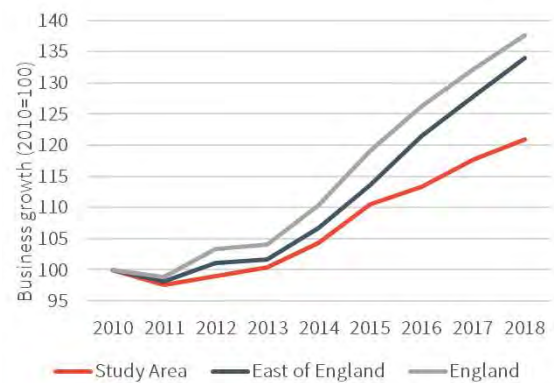
**Due to the inclusion of the "Steam and Air Conditioning Supply" and "Plumbing, heat and air-conditioning installation" as a proxy for the Gas Utilisation industry the Core Energy Sector is defined to be bigger than the Utilities and Waste sector.

***A sum of the column will lead to double counting due to cross cutting of sector definitions in identify specialised sectors

- 5.6 Employment in the Core Energy Sector has increased, peaking in 2014, and growing by 10% between 2010 and 2017. Until 2017, employment growth performance in Norfolk and Suffolk outpaced the England average.
- 5.7 While the number of businesses in the Core Energy Sector have grown steadily since 2010 in Norfolk and Suffolk, this has not matched the higher growth rates of the East of England or England.

Figure 5.2 Employment Growth in the Core Energy Sector 2010-17 (Indexed 2010=100)

Source: ONS, BRES 2018

Figure 5.3 Business Growth in the Core Energy Sector 2010-18 (Indexed 2010=100)

Source: ONS, UK Business Count 2018

Implications for Great Yarmouth

- 5.8 National growth of the Core Energy Sector is reflected through strong regional growth in Norfolk and Suffolk. The significant growth in the number of businesses means that Norfolk and Suffolk are now specialised in the sector. Businesses tend to want to locate in clusters, especially where there is a strong supply chain. This means that high business concentrations in the region could drive current and future demand for sector-specific developments in the region.

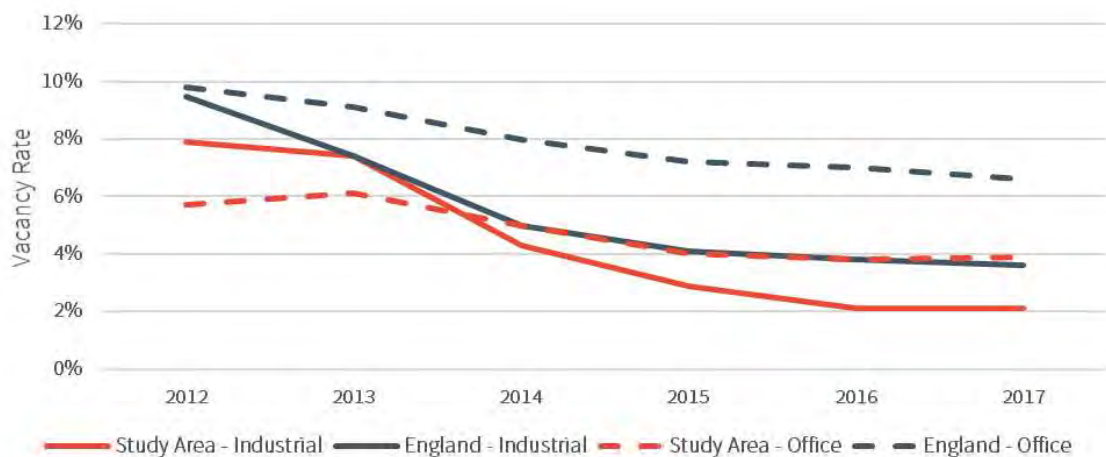
6. Regional Commercial Market Trends

Market Trends

Vacancy Rates

- 6.1 Vacancy rates for commercial space in Norfolk and Suffolk have fallen significantly since 2012. **The vacancy rates for industrial premises in the study area fell to 2% in 2017, a fall of 6% since 2012.** This is lower than the England average which had a vacancy rate of 3.6% in 2017.
- 6.2 Similarly, office vacancy rates have fallen in the study area over the last five years. **Between 2012 and 2017, office vacancy rates fell by 1.8% in Norfolk and Suffolk to 4% in 2017.** Again, this is notably lower than the England office vacancy rate average which stood at 6.6% in 2017.

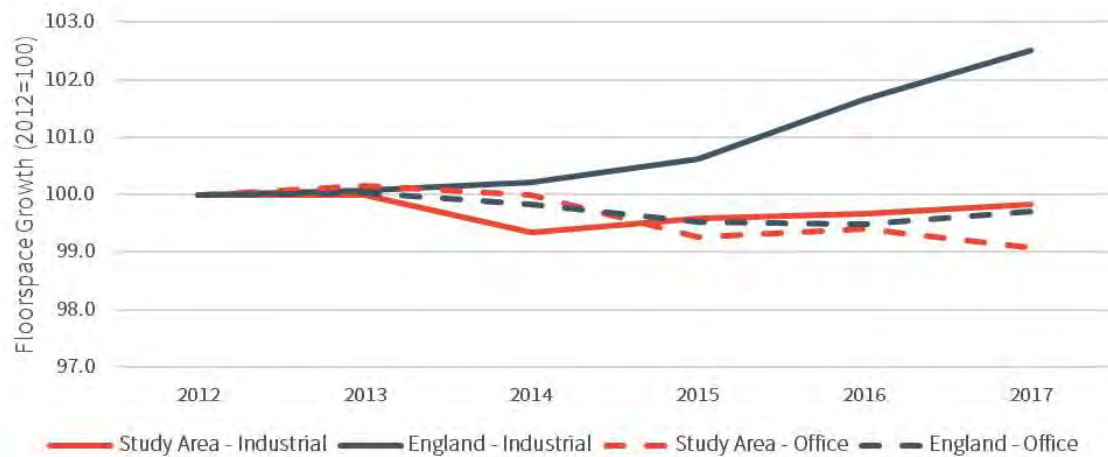
Figure 6.1 Office and Industrial Vacancy Rates (%) 2012-2017



Source: Co-Star, 2018

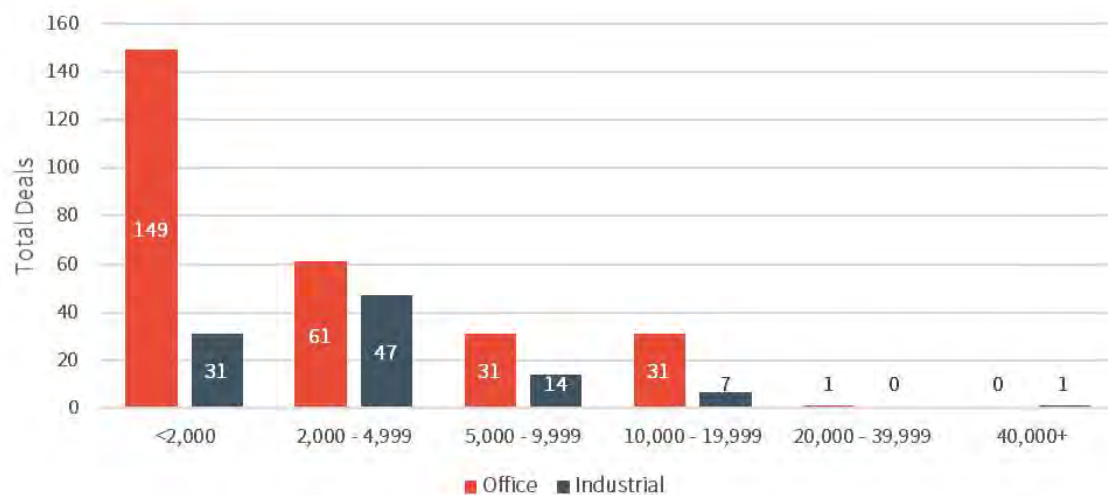
Floorspace

- 6.3 While vacancy rates have fallen substantially since 2012, the amount of available commercial floorspace has stagnated in Norfolk and Suffolk. **Indexed industrial floorspace illustrates that over the period, the study area has seen a net reduction in the amount of available floorspace.** This is the opposite of the national trend which has seen a net gain over the same period.
- 6.4 Additionally, there has also been a **net loss of office space in Norfolk and Suffolk over the last five years.** This is a trend mirrored nationally, with the England average also showing a net loss of office space over the period.

Figure 6.2 Office and Industrial Floorspace Growth (Indexed: 2012=100)

Source: Co-star, 2018

Deals

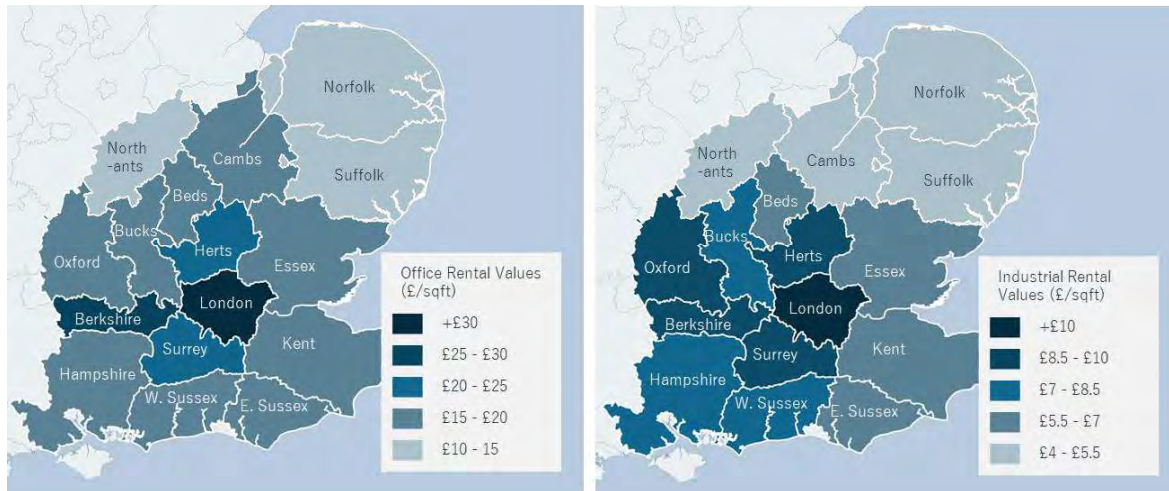
Figure 6.3 Total Office and Industrial Deals by sq ft, 2012-2017

Source: Co-star, 2018

- 6.5 Office space in Norfolk and Suffolk appears to be in demand. **Smaller office spaces (under 5,000 sq. ft.) have been most popular, with 210 deals completed in the region between 2012 and 2017.** There was also some demand for office space up to 19,999 sq ft, however there was limited demand for larger office developments (only 1 deal was completed for office space over 20,000 sq ft between 2012 and 2017).
- 6.6 There also appears to be demand for industrial space. **The most popular industrial space size in Norfolk and Suffolk was 2,000 – 4,999 sq ft with 47 deals completed between 2012 and 2017.** There was also some demand for spaces ranging from <2,000 to 40,000 sqft, however there was limited demand for larger space (1 deal was completed for industrial space over 20,000 sq ft between 2012 and 2017).

Retail Values

Figure 6.4 Average Commercial Rental Values by Region (Office: Left; Industrial: Right)



Source: Co-star, 2017

- 6.7 Mapping of the average commercial rental values show that the study area is currently significantly cheaper than most of the South East. In Norfolk and Suffolk, office rental values are an average of £11 per sqft, which is significantly cheaper than London where the average price is over £30 per sq ft.
- 6.8 Similarly, industrial rental values are cheaper in Norfolk and Suffolk compared with many Counties the wider South East. In the study area, industrial rental values average at £4 per sqft, which is higher than other areas along the east coast such as Essex (£8 per sqft).

Significant Sites

- 6.9 Great Yarmouth has a wide range of industrial and commercial areas including two Enterprise Zones (EZ), Beacon Park and South Denes, which are considered key employment sites for businesses in the Core Energy Sector or its supply chains. The district also benefits from Assisted Area Status and is designated as a Centre for Offshore Renewable Engineering.

Beacon Park – there is a growing presence of high-tech and light industrial operations businesses. The 16.7ha site, home to 22 businesses, offers a range of bespoke design and build opportunities for growing companies, in addition to high-quality, ready-built offices and workshops for businesses seeking immediate occupation.

South Denes and Outer Harbour – the 58.8 ha site is Great Yarmouth's largest industrial area and provides important space for port-related industries and services. Its strategic location, next to the North Sea, means it is uniquely placed for companies to take advantage of the vast potential of the offshore wind energy industry. Furthermore, the EZ is close to the Great Yarmouth Energy Park. The proposed O&M facility would fall within this area.

Implications for Great Yarmouth

- 6.10 The low commercial vacancy rate, diminishing floorspace and number of commercial deals suggests that there could be demand for new office and industrial development in Great

Yarmouth. This demand may be influenced by businesses seeking to take advantage of cheaper rents in Norfolk and Suffolk compared to other areas in the wider region.

- 6.11 While there is most demand for small to medium office premises in the region, there is less demand for very large office facilities. Similarly, there is most demand for a range of sizes of industrial space with the exception of very large sites.

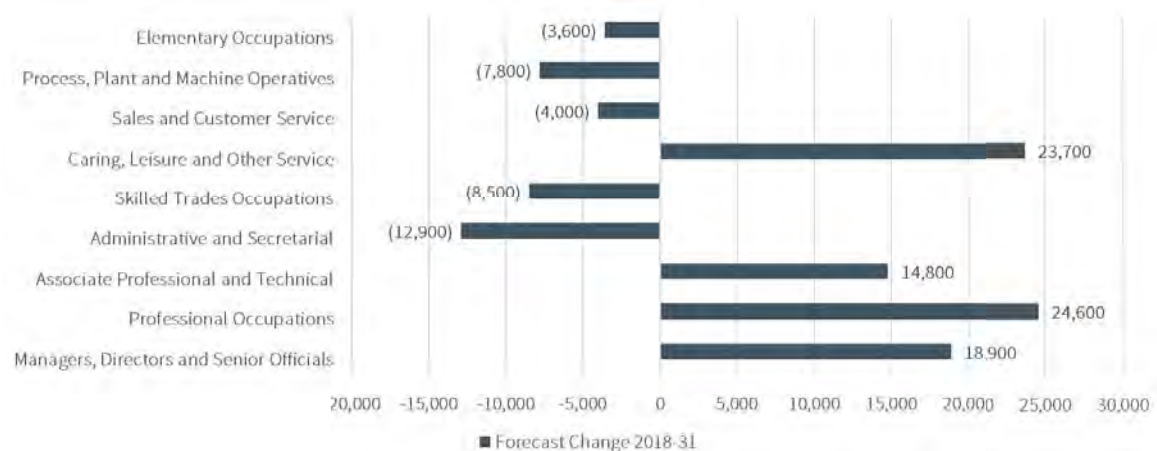
7. Regional Growth Potential

- 7.1 Due to the strong performance of the Core Energy Sector in Norfolk and Suffolk in recent years, it is important to understand wider regional growth potential and whether future growth can be accommodated within the study area.

Employment Growth Projections

- 7.2 The East of England Forecasting Model (EEFM) projects that by 2031, employment will increase by 5.53% in the New Anglia LEP area. This forecasts an overall increase of 45,000 people in employment in 2031.
- 7.3 Using the EEFM, it is also possible to assess the proportion of this growth forecast to be absorbed by Great Yarmouth. This mirrors wider regional employment growth, forecasting 6.13% growth by 2031. This equates to an additional 2,400 people projected to be in employment in the Borough by 2031.
- 7.4 The East of England Forecasting model also projects the changing occupation profiles of the New Anglia LEP area. Several occupational groupings are projected to shrink by 2031. The most significant changes will be in the 'Administrative and Secretarial' and 'Skilled Trades' occupations which are forecast to fall by 12,900 and 8,500 jobs respectively. A projected increase in the number of higher-level 'Associate Professional and Technical' and 'Professional Occupations' could service the future growth of the energy sector.

Figure 7.1 New Anglia LEP Occupational Change Projections (2018-31)



Source: East of England Forecasting Model, 2018

Note: Categories have been condensed from 25 sectors into 9 along the lines of best fit

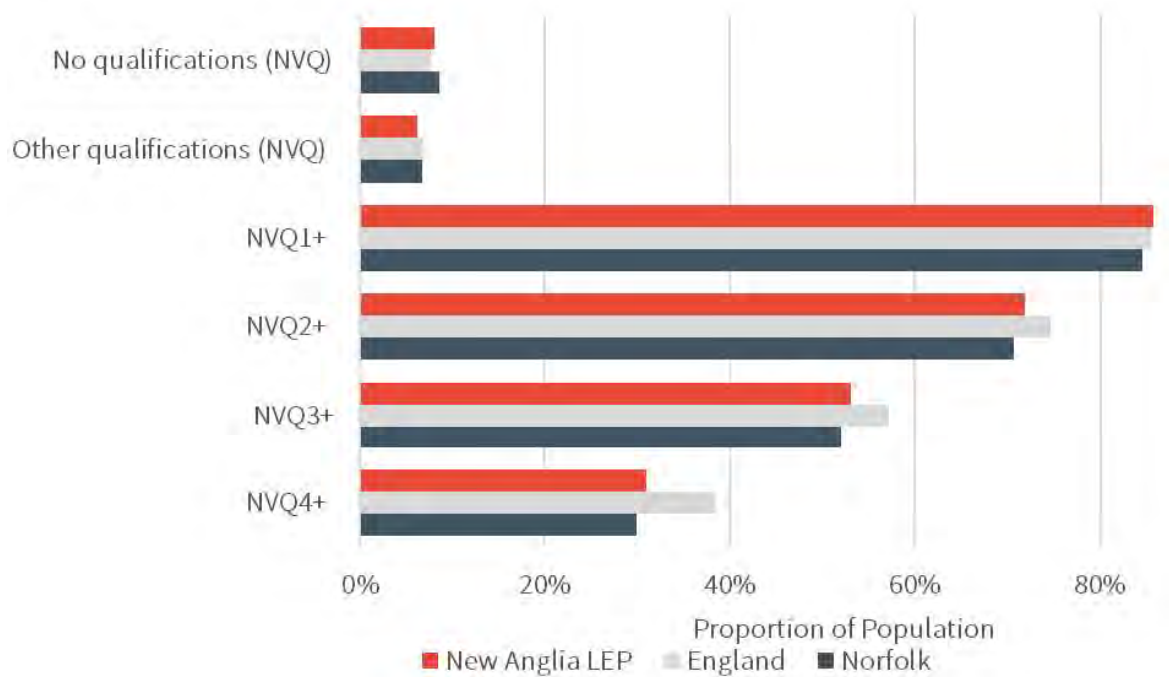
Skills and Universities

Qualification Profiles

- 7.5 Overall, the region's qualification profile reflects the national picture with some slight variances. **The New Anglia LEP area has a lower proportion of residents with NVQ Level 4+ qualifications (30.9%) than the England average (38.3%).** New Anglia LEP (8%) and Norfolk

(8.6%) have a marginally higher proportion portion of people with no qualifications compared with the national average (7.6%).

Figure 7.2 Qualification Levels by Percentage of the Population



Source: Annual Population Survey, 2017

Higher and Further Education

- 7.6 Despite the relatively low NVQ Level 4+ qualifications figures within the region, **Norfolk and Suffolk have several established Further and Higher Education Institutions** which could support the growth of the energy sector locally and nationally.

Table 7.1 HE/FE Institutions and Relevant Courses

HE/FE Institution	Relevant Courses
The University of East Anglia (UEA)	UEA has a range of Undergraduate and Postgraduate courses which can support the growth of the sector. These include: • BEng and MSc Energy Engineering with Environmental Management – these courses were established following strong support and demand from industry. Working with practicing engineers, the course covers wind turbines, micro-hydro schemes, nuclear power and biofuels • BEng and MEng Engineering – these are flexible engineering courses which can cover mechanical, electronic, electrical and energy engineering In addition to these taught programmes, UEA has several primary PhD and studentship research themes relating to the sector. This includes a focus on low carbon and renewable energy systems.
The University of Suffolk	The University of Suffolk offer flexible programmes and qualification levels. This includes vocational Higher National Diplomas (HND) and Higher National Certificate (HNC) courses which can provide key pathways to both employment and Higher Education. Qualifications related to the energy sector include: • HNC in Engineering (Operations Engineering) – this course offers a foundation in the key elements of operations engineering including engineering mathematics and engineering science BEng in Operations Engineering – degree level qualification open to students with a relevant HND. Sector specific modules include turbomachinery and power generation
East Coast College	East Coast College has campuses in Lowestoft and Great Yarmouth. Courses include: • Energy Skills Foundation Programme (NVQ Level 2) – this pre-apprenticeship course aims to introduce students to the main engineering disciplines required within the energy industry to enable informed career choices. • Level 3 apprenticeships in a range of sector-related industries such as 'Marine Engineering' and 'Engineering Maintenance' • Range of offshore wind Basic Safety Training modules including 'Offshore Wind Emergency Response' and 'Marine Transfer Training'. In 2017, the college received £10m New Anglia LEP funding to develop a new Energy Skills Centre which will focus on technical training at NVQ level 3, 4, 5 and 6.

Source: Hatch Regeneris, 2018

- 7.7 The region's education provision is **supplemented by engaged industry groups which coordinate and articulate the wider skills needs of local energy businesses**. These groups are actively working with HE/FE providers to support curriculum development and delivering the sector's long-term talent requirements.

The University of East Anglia's links with industry

UEA has developed strong links with the local energy sector. This industry-HE collaboration has begun to engender a locally-sourced talent pipeline for business and enhanced employability opportunities for graduates. The University is working closely with 3sun; a company based in Great Yarmouth which provides support to the offshore energy industry with training and inspection services. This has generated work placements and permanent graduate entry level positions.

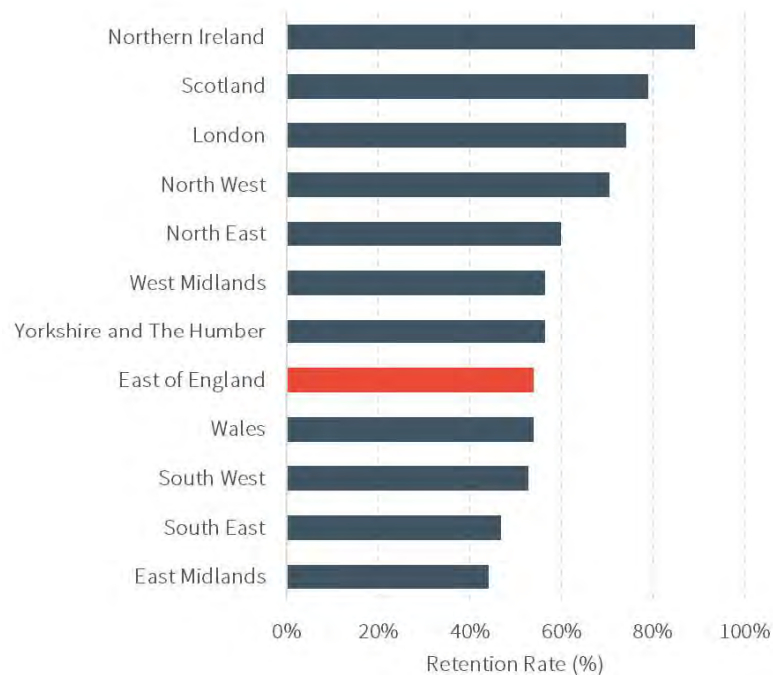
Local energy businesses have also been proactive in developing the local talent pipeline in partnership with UEA. Scottish Power are currently operating out of Lowestoft in preparation for the installation of Europe's largest wind farm, East Anglia ONE. As part of wider investment in the region, Scottish Power have sponsored scholarships for UEA's MSC Engineering students.

Much of this **collaboration is facilitated through the East of England Energy Group's (EEEGR) Skills for Energy Board.** EEEGR seek to ensure alignment between HE curriculums and the needs of industry. Through a nuanced understanding of the industry's skills requirements, EEEGR are working to address the shortage of high-calibre graduates working in energy engineering.

There is the potential to consolidate these positive developments with a new Institute of Productivity and an engineering centre at UEA in the future. UEA's Engineering students are currently based in the Mathematics faculty meaning the region's closest dedicated Engineering Department is located at the University of Cambridge.

Graduate Retention

Figure 7.3 Graduate Retention Rate



Source: HESA, 2017

- 7.8 Despite strong links between industry and education providers, the number of students staying within the East of England post-graduation is relatively low. **46% of graduates from East of England Universities find employment outside the region.** This is significantly lower than areas such as London, where around three quarters (76%) of students stay to work post-graduation.
- 7.9 Analysis of graduate destinations shows that the **East of England is losing over a quarter (26%) of its graduates to London.** Whilst over half (54%) of graduates stay within the East of England to work, there is clear potential to retain a greater number of graduates within the region which can be realised through the growth of the Core Energy Sector.

Figure 7.4 Regional Graduate Retention

Region of Employment	Region of HE Provider											
	East Midlands	East of England	London	North East	North West	Northern Ireland	Scotland	South East	South West	Wales	West Midlands	Yorkshire and The Humber
East Midlands	44%	3%	1%	2%	2%	1%	1%	2%	2%	2%	6%	8%
East of England	8%	54%	6%	3%	2%	1%	1%	7%	4%	2%	4%	4%
London	16%	26%	74%	11%	7%	3%	7%	26%	19%	9%	12%	9%
North East	1%	1%	0%	60%	1%	1%	1%	1%	0%	0%	1%	3%
North West	4%	2%	1%	6%	71%	2%	2%	3%	2%	5%	5%	10%
Northern Ireland	0%	0%	0%	0%	1%	89%	1%	0%	0%	0%	0%	0%
Scotland	1%	0%	0%	1%	1%	1%	79%	0%	1%	0%	0%	1%
South East	8%	9%	12%	4%	3%	1%	2%	47%	14%	8%	7%	4%
South West	3%	2%	2%	2%	2%	1%	2%	8%	53%	12%	5%	2%
Wales	1%	0%	0%	0%	2%	0%	0%	1%	2%	54%	1%	0%
West Midlands	9%	2%	1%	2%	5%	1%	1%	3%	4%	6%	56%	3%
Yorkshire and The Humber	6%	1%	1%	9%	5%	1%	1%	2%	1%	2%	2%	56%

Source: HESA, 2017

Sector Skills Needs

- 7.10 Employment profiles and education levels can be contextualised by aligning the regional profile with the skills requirements articulated by industry. The Energy and Utilities Skills Partnership published a Skills Needs Review for the sector in 2014. Whilst wider than the Core Energy Sector in its remit, the review revealed some key skills issues:
- Skills shortage vacancies reported to be most common in Skilled Trades, Professionals and Associate Professionals occupation grouping
 - Technical and Practical Skills were highlighted as skills that most need improving
 - Poor engagement between universities and employers
- 7.11 Consequently, the projected occupation profile changes within Norfolk and Suffolk combined with stronger industry and education relationships could mean that the region can facilitate and absorb future new growth within the sector. There is also a clear opportunity to overcome some of the identified skills issues.

Implications for Great Yarmouth

- 7.12 Norfolk and Suffolk's employment numbers are projected to grow significantly. This is supplemented by a projected shift towards higher level professions which is likely to make the area attractive to business and could create demand for Energy Sector developments.
- 7.13 Established industry-provider collaborations can ensure that Great Yarmouth has the skills required to service proposed developments. Through enhanced employment opportunities catalysed through the growth of the Energy Sector, there is clear scope to retain greater numbers of graduates within the region.

8. Demand for Operations and Maintenance Facility

8.1 To assess sector demand for the proposed O&M facility, consultations were undertaken with a range of Tier 1 companies, supply chain companies and industry experts. Through this, a rich qualitative picture has been constructed which demonstrates demand for the right developments to be brought forward in Great Yarmouth. This represents an evolving picture based on the consultations held to date. Detailed conversations were held with the following organisations:

- **Innogy** - established Tier 1 company, Innogy Renewables UK operates more than 1.1GW of renewable energy capacity through a significant offshore operation. Great Yarmouth was the assembly and installation port for Innogy's Gallop Offshore Wind Farm
- **Scottish Power Renewables** - Tier 1 company with the rights to construct up to four offshore wind projects off the coast of East Anglia. Scottish Power has recently begun construction on the Operations and Maintenance facility to service the East Anglia ONE windfarm in Lowestoft
- **Vattenfall** - Swedish-owned Tier 1 which has been active in the UK for ten years. Undergone significant business diversification in recent years and have recently agreed a deal with Peel Ports to locate their Norfolk Operations and Maintenance base in Great Yarmouth
- **E.ON** - In the UK, E.ON's renewables focus is on onshore and offshore wind. Locally, they are currently based at Scroby Sands in Norfolk which was the UK's first consented offshore windfarm and generates enough energy to power over 40,000 homes
- **Peel Ports** - operating multiple ports across the UK, Peel Ports Great Yarmouth is England's premier offshore support port with capabilities to handle a range of offshore support vessels. Peel are also the long-term lease holder of several of the areas identified for development in Great Yarmouth
- **Proserv** - company providing a range of support services to clients in the oil and gas and renewables sector. Proserv are currently operating out of the Orbis Centre in Lowestoft.
- **3Sun** - engineering company supporting the oil, gas and renewables sector in Great Yarmouth. 3Sun also have a range of individual companies focused on testing, installation of turbines
- **The East of England Energy Group** - industry representative group for over 300 members across the region covering energy producers to supply chain companies
- **4C Offshore** - specialist offshore energy and market research consultancy

Figure 8.1 Consultation Key Themes



Timing of proposed development



Challenges and opportunities



Mixed opinions on shared facilities



Demand for the right development



Clear steer on ancillary developments

Source: Hatch Regeneris, 2018

Timing of proposed development

8.2 A central theme running through the consultations was the opportunity presented by the sector's growth trajectory. The following large-scale projects were identified as exemplars of growth during the consultation process:

- **Sofia Offshore Wind Farm** – In 2015, Innogy received consent for a new windfarm off the coast of the North East of England. This project has an installed capacity of up to 1200 megawatts, making it Innogy's largest project to date
- **East Anglia TWO, THREE and FOUR** – As part of the East Anglia Array, three additional consented wind farms will be located 30 miles off the coast of East Anglia. Scottish Power Renewables will be actively looking for locations to service these developments
- **The Crown Estate's Offshore Wind Extensions** – several sites off the east coast (including the Galloper offshore wind farm) satisfied the Crown Estate's assessment criteria to increase capacity. This is likely to drive significant additional investment in the sector within the region

8.3 Whilst consultees could not commit to Great Yarmouth as a location for future developments at this stage, **all relevant consultees said that they would consider Great Yarmouth should the right development become available at the right time.** This demonstrates a potential nascent demand for Operations and Maintenance (O&M) facilities in the near future.

- 8.4 There are several factors influencing consultees' choice of location. **The main consideration for Tier 1 operators is the location of the windfarm and the ease of undertaking O&M.** Vattenfall also referenced the quality of the local labour market to be a critical factor in their decision-making.
- 8.5 Despite the opportunity this could unlock for Great Yarmouth, significant competition was identified at various sites along the east coast, most notably at Lowestoft, Grimsby, Hull and Hartlepool. Lowestoft was highlighted by consultees as being an exemplar location due to its advanced Offshore Wind capacity. However, it was also noted that **Lowestoft is potentially now at capacity and businesses are looking elsewhere for expansion.**

Challenges and opportunities

- 8.6 All consultees were positive about the strength and potential of the offshore energy sector in Great Yarmouth, however it was also stated that more could be done to raise its national profile. **Two consultees pinpointed Vattenfall's decision to locate in Great Yarmouth to be a major boost for the town's O&M profile which could attract other companies in the future.**
- 8.7 Consultations revealed that from a technical perspective, there was confidence that Yarmouth is a competitive location to service offshore energy operations. **Vattenfall cited Great Yarmouth's steaming time and ease of berthing servicing vehicles as important reasons for their decision to locate in the area.** Other consultees referenced Great Yarmouth's proximity to where the nation's energy demand is concentrated (London and the wider South East). This was cited as important because less energy is lost in transmission.
- 8.8 **On the proposed development site, consultees noted the potential opportunity associated with proximity from time to field.** One consultee believed that this could save a significant amount of technician time which can drive efficiencies and represent an attractive option for operators. Additionally, Peel Ports said that the location of the proposed development means that the space would not interfere with other existing port operations.
- 8.9 Despite this, there were some concerns about Great Yarmouth's connectivity. **Logistics (road and rail) routes were highlighted as being particularly poor,** however it was conceded that this is a region-wide (rather than Yarmouth specific) issue. Consultees did note that efforts are being made to address transport connectivity locally. One consultee made specific reference to the benefits to be delivered by the Third River Crossing over the River Yare which is due to open in 2023.
- 8.10 Whilst most consultees were restricted in their response due to commercial confidentiality considerations, one interviewee **expressed concerns over Great Yarmouth's port rates.** It was asserted that this could hinder the competitiveness of Great Yarmouth compared with other ports along the east coast.

Mixed opinions on shared facilities

- 8.11 Consultations exposed the changing attitudes and lack of sector consensus in relation to sharing facilities with other operators. Whilst one consultee said that they would not favour a shared, purpose-built facility, four others said that the changing demands of the sector mean that they would now **consider sharing facilities if it delivered cost savings and other associated efficiencies.**
- 8.12 Two respondents that were open to sharing facilities also noted the need for masterplanning to be considerate of individual security requirements. Vattenfall cited proximity to competitors

and conflicts of interest as key reasons why they opted against a shared facility. Therefore, consultees reinforced the importance of the development incorporating individual workshop **space to store and secure equipment and office space design which ensures commercial sensitivity is protected.**

- 8.13 If this design can be delivered, interviewees noted several benefits to be achieved from sharing facilities and making more sustainable use of sites. Primarily, **efficiency savings around facilities management.** One consultee noted that their business currently spends a significant amount of time on contracting and contract management of facility management services and would welcome this being coordinated centrally.

Demand for the right development

- 8.14 Aside from the strategic projects which could service demand for this facility in the medium to long term, two other consultees stated that they are likely to be actively looking for new premises in the short to medium term. The drivers for these businesses considering other options were lease expiration and space constraints at their current facilities. Whilst consultees were currently exploring alternative options, both said that **they would consider a new facility in Great Yarmouth if it were priced competitively and could meet their expansion demands.** If the sample size was extended to a wider pool of consultees, this could reveal additional expansion or relocation aspirations which could further inform the demand for new developments
- 8.15 Consultees had differing views about what should be incorporated within the proposed development. One consultee believed that this development should **partly seek to address Great Yarmouth's lack of quality office space, whereas a design which is too storage focussed is unlikely to generate a significant uplift in employment numbers.** This perspective is aligned with the commercial market data which highlighted the high levels of demand for office space in Norfolk and Suffolk.
- 8.16 Several consultees noted that facilities which linked warehousing and office space with water and increased SOV berthing capacity would be attractive. **It was noted that the proposed development site presented a unique opportunity locally to house clean and dirty activities on one site.** For one other consultee, it was crucial that the masterplan considers how the site can be flexible and sustainable to adapt with the changing needs of the industry.
- 8.17 Despite overall positivity for the proposed development plans, there were also mixed views about how construction of the site should be prioritised. **All consultees favoured a non-phased development which included warehousing and office space alongside SOV/CTV berthing being brought forward at the same time** (if given the option). Consultees noted the importance of service vehicle berthing for attracting operators into the office and warehousing facilities. However, one consultee also stated that phasing concerns could be mitigated if managed effectively. Therefore, phasing would need to be close together and potentially overlap to ensure that momentum and interest in the development is maintained.

Clear steer on aviation and ancillary developments

- 8.18 Consultations demonstrated that whilst on-site aviation facilities could enhance its competitiveness against other ports, it is only likely to benefit a handful of operators. Consultees referenced the benefit of reduced servicing times and not having to transport staff long distances. This was stated as an issue with the old heliport in Great Yarmouth which was deemed to be too far away from where it was required meaning that time savings were diluted. Despite

this, **one consultee noted that aviation facilities could have positive economic impacts as it could help to attract helicopter supply chain companies to the area.** Conversely, when Vattenfall looked at the potential for aviation facilities, it opted to use pre-existing regional facilities (namely Norwich Airport). Additionally, two other consultees commented on the size of the site, suggesting that it already looks fairly constrained to house adequate aviation facilities.

- 8.19 Whilst Great Yarmouth was viewed to be lacking in conferencing facilities generally, **consultees questioned the wider demand to justify the construction of purpose-built conferencing facilities.** Consultees noted that capacity restrictions at the Orbis Centre means that Norwich is the only viable location in the region to host conferences. However, this was caveated by one consultee stating that even facilities at the Orbis Centre are poorly utilised currently.
- 8.20 Although most consultees stated that ancillary developments such as hotel facilities near the site could enhance competitiveness of the development, it is not essential for its success. Primarily, the reason stated for this was the fact that Great Yarmouth **is already relatively well served for hotels, reducing demand for similar new developments.**

Figure 8.2 Summary of Consultation Messages



Source: Hatch Regeneris, 2018

9. Demand for Incubation Space

- 9.1 There is also potential to assess demand for incubation space proposals in addition to proposals for O&M facilities. This could include surveying energy sector businesses and their supply chains in existing incubators within the region to assess potential demand.
- 9.2 Consultations suggested that **there could be demand for energy sector-related incubation space in Great Yarmouth for less mature operators.** Scottish Power Renewables noted multiple benefits of being based at the Orbis Centre at Lowestoft. While they have now outgrown the need for incubation, Scottish Power said that being located close to other developments facilitated business growth through access to important sector stakeholders and increased opportunities for project collaboration. Other consultees stated that an Orbis-style facility in

Great Yarmouth would represent an attractive proposition if it could recreate a good working environment which provides support to small companies.

- 9.3 While such space is evidently beneficial to smaller operators and supply-chain companies, consultations demonstrated that additional incubator space is **unlikely to enhance the attractiveness of O&M facility proposals**. Additionally, other consultees highlighted recent office developments in Great Yarmouth as evidence that public sector intervention may not be required to bring forward new office space. Haven Bridge House was cited as evidence that an incubator facility might not be required in Great Yarmouth as it is already housing energy companies such as Aker Solutions.
- 9.4 A business survey could supplement the feedback received in consultations. This would provide a snapshot of demand for incubator facilities and would begin to quantify nascent demand. Norfolk County Council will decide whether they wish to progress plans for incubator facilities in due course.



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