

Business & Property Committee

Item No.

Report title:	Economic Development update
Date of meeting:	18 January 2018
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact Economic Development contributes directly to the delivery of the new Norfolk and Suffolk Economic Strategy, as well as the County Council's corporate objectives.	

Executive summary

This report provides an overview of the work of the Economic Development (ED) team for the committee. Although not a statutory service, ED plays a key role in local economic growth.

Economic development, when done well, provides the environment for jobs and the economy to flourish and removes the barriers to inclusive economic growth. This report gives an overview of the national policy context for economic development - including the Autumn Statement, Industrial Strategy and Brexit. It also considers local policy (the Norfolk and Suffolk Economic Strategy, adopted in October) and initiatives to drive growth. These local initiatives are mapped to the themes of the Strategy in the report (with case studies in the Appendices) and include:

- Business support and inward investment activity
- The management of significant EU funding programmes and influencing activity to ensure that successor funding programmes deliver a good deal for Norfolk
- Plans to develop a Norfolk Investment Plan, outlining to Government the contribution that Norfolk can make to national growth
- Exploiting grant funding opportunities, funding infrastructure to unlock growth
- Initiatives to build Norfolk's skilled workforce, such as a trial Apprenticeship Training Agency project and the Integrated Health & Employment Service

Recommendations:

Members are requested to:

- Note the ongoing work of the Economic Development team and identify any areas for further consideration**

1. Summary

- 1.1 The Chairman of the Business and Property Committee requested an overview of the work of the Economic Development team (ED) for committee. This is split into two reports on the agenda for this meeting:

- An update on the work of ED (this report)
- An update on inward investment and sector development activity (elsewhere on this agenda)

This is timely, as the Norfolk and Suffolk Economic Strategy (NSES), the overarching strategy for the two counties, has just been adopted by the New Anglia Local Enterprise Partnership (NALEP) and local authority partners. The themes of

the strategy will shape ED's work, going forward, and are reflected in some of the section headings of this report.

2. Evidence - National Policy and implications for Economic Development

2.1 'No Stone Unturned'

As a reminder of the economic context, local government was seen as a key agent in promoting economic growth in Michael Heseltine's '*No Stone Unturned*' paper. This acknowledged that local government was one of the few parts of the public sector actively promoting local growth, in two ways:

- Providing an environment in which jobs and inclusive economic growth can flourish
- Removing barriers to economic growth.

2.2 Autumn Statement, 22 November 2017

The following key points are relevant to ED:

2.2.1 Business

- a) Investment of £21m over the next four years to expand **Tech City UK's** reach – to become '**Tech Nation**' – and support regional tech companies and start-ups. Regional hubs will include Cambridge and the thriving clusters in both Norwich and Ipswich are already recognised in the 2017 Tech City report.
- b) An expansion of the 100% business rates retention pilot in London, which is now planned to cover all the London boroughs as well as the Greater London Authority. The County Council was unsuccessful in its own bid to become a business rates retention pilot.
- c) £500m to be invested in a range of initiatives including Artificial Intelligence (AI), 5G and Broadband. In our response to the consultation earlier in the year we made a case for Norfolk to pilot 5G, and that remains a key aspiration of the County Council.

2.2.2 Employment

- a) **Changes to Universal Credit** – removing the seven day wait, so that entitlement starts on the day of application; increasing the amount that can be advanced before payment begins; and ensuring those already on Housing Benefit continue to receive their award for the first two weeks of their Universal Credit claim.
- b) To support these changes the Government will roll out Universal Credit more gradually between February 2018 and April 2018, and roll-out to all jobcentres will be complete in December 2018. These changes have implications for **Norfolk's Integrated Health and Employment Service**, covered in the Skills and Employment section of this report.

2.2.3 Strategic sites and housing

- a) A new **Land Assembly Fund** will receive £220m in 2019/20 and £355m in 2020/21. The new fund will enable Homes England to work alongside private developers to develop strategic sites. With a number of very large strategic allocations in Norfolk, this fund could play an important role in speeding up delivery.
- b) An average of £210m per year will be spent between 2018/19 and 2020/21 to accelerate the building of homes on small, stalled sites, by funding on-site infrastructure and bringing brownfield sites back to use. Similarly, this could help speed up delivery particularly if it is available for very small sites to support the

SME sector.

- c) The **Housing Infrastructure Fund (HIF)** will be increased by £215m in 2019/20 and £710m in 2020/21. As mentioned in 4.3.1, the County Council and district councils are awaiting the outcome (expected by end January) of submissions to the current HIF bidding round.

2.3 **Industrial Strategy, launched 27 November 2017**

2.3.1 The Strategy follows on from the Green Paper earlier in the year and outlines plans to boost UK productivity, bolster businesses and encourage private investment in key growth sectors. Its high level aims are:

- Achieving growth across Britain and its regions
- To take account of Brexit in driving forward the economy
- Addressing **four ‘Grand Challenges’** - global trends that will shape our rapidly changing future and which the UK must embrace to ensure we harness all the opportunities they bring:
 - artificial intelligence – putting the UK at the forefront of the artificial intelligence and data revolution
 - clean growth – maximising the advantages for UK industry from the global shift to clean growth
 - ageing society – harnessing the power of innovation to help meet the needs of an ageing society
 - the future of mobility – becoming a world leader in the way people, goods and services move around.

Each Grand Challenge represents an open invitation to business, academia and the voluntary and community sector to work with Government to innovate, develop new technologies and ensure the UK seizes these global opportunities.

- Improving productivity by focusing on **five ‘foundations of productivity’**: **ideas, people, infrastructure, business environment and places.**
- The elements of the Plan are outlined below, while the contribution Norfolk can make to deliver the Industrial Strategy, via the Norfolk Investment Plan, is covered in 3.2.

2.3.2 Ideas – to create the world’s most innovative economy, by:

- Increasing R&D investment by 2.4% by 2027
- Increasing the rate of R&D tax credit to 12%
- Investing £725m in the Industrial Strategy Challenge Fund, to capture the value of innovation.

2.3.3 People - to create good jobs and greater earning power for all, by:

- establishing a technical education system that rivals the best in the world and to stand alongside our world-class higher education system
- Invest an additional £406m in maths, digital and technical education, helping to address the shortage of science, technology, engineering and maths (STEM) skills.
- Create a new National Retraining Scheme that supports people to re-skill, beginning with a £64m investment for digital and construction training.

2.3.4 Infrastructure – a major upgrade to the UK’s infrastructure

- Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing and digital infrastructure.
- Support electric vehicles through £400m charging infrastructure investment and an extra £100m to extend the plug-in car grant.
- Boost digital infrastructure, including £176m for 5G and £200m for local areas

to encourage roll out of full-fibre networks. The County Council is keen for Norfolk to become a pilot area for 5G, not least because this will help address the 5% of households that won't be covered by the Better Broadband for Norfolk Superfast rollout programme.

2.3.5 Business environment - the best place to start and grow a business

- Launch and roll out sector deals, – partnerships between government and industry aiming to increase sector productivity. The first deals are in life sciences, construction, artificial intelligence and the automotive sector.
- £20bn investment in innovative and high potential businesses, including through a new £2.5bn investment fund (run by the British Business Bank). This will be important, to replace access to the European Investment Bank, which has loaned funding to the likes of Anglian Water and Abellio over recent years (mentioned below in Implications of Brexit for Norfolk).
- Review actions that could be effective in improving the productivity of SMEs

2.3.6 Places – prosperous communities across the UK

- Agree local industrial strategies that build on local strengths and deliver on economic opportunities – led by combined authority mayors where they exist across England, LEPs elsewhere. Ministers want to agree the first local industrial plans by 2019.
- The Norfolk and Suffolk Economic Strategy has only just been developed and adopted (by Norfolk County Council on 16 October), so should readily lend itself to adaptation as a Local Industrial Strategy.
- Create a new Transforming Cities Fund, providing £1.7bn for intra-city transport; this will fund projects that drive productivity by improving connections within city regions. We will seek to work with Greater Norwich Partnership colleagues to understand the implications of and opportunities for this funding for Norwich.
- Provide £42m to pilot a Teacher Development Premium, for professional development for teachers working in areas that have fallen behind. The DfE have made contact to begin a conversation early in the New Year on the impact for Norfolk.

2.4 Implications of Brexit for Norfolk

2.4.1 The negotiators of the European Union and the United Kingdom Government have put out a joint statement that confirms that both parties have reached agreement in principle across the following three areas under consideration in the first phase of negotiations:

- Protecting the rights of Union citizens in the UK and UK citizens in the Union
- The framework for addressing the unique circumstances in Northern Ireland
- The financial settlement.

2.4.2 More generally, there are a number of implications of Brexit for Norfolk and Norfolk County Council, which fall into three broad areas:

- a. Future of funding
- b. Place-based impact (business and communities)
- c. Laws affecting councils

These issues form the three main workstreams of the Local Government Brexit Sounding Board, on which the County Council is represented. Looking at each of these in turn:

a) Future of Funding

i. General

- The financial settlement mentioned above includes a methodology for arrangements for continued participation of the UK in the programmes of the current Multiannual Financial Framework (MFF) until their closure and foresees UK participation in Union annual budgets to 2020.
- The East of England Brussels Office estimates that Norfolk and Suffolk have accessed the following totals of EU funds since **2007**:
- EU investment bank - **£1.9bn**. Projects include Anglia Water waste water capital expenditure and rolling stock for Abellio, the rail operator.
- EU Structural & Investment Funds (ESIF) - **£143.75m** (currently worth **£72m+** to Norfolk, excluding direct payments to farmers).
- Research & Development - **£91.8m**
- TEN-T transport – **£126m**
- Grants deliver economic growth by supporting businesses, research and development, skills, innovation, low carbon and the environment.

ii. **European Structural and Investment Funds (ESIF)**

- As part of the Phase One Agreement it has been confirmed that the UK will continue its involvement with ESIF until 2020 – good news for the County Council's Corporate Bid Team.
- The UK **Shared Prosperity Fund** will replace the ESIF, in due course, and the Government's intention is for growth to be more inclusive and less South East focussed. A Green Paper is currently awaited and is driven by the Brexit negotiation timetable.
- We want to ensure Norfolk continues to receive its fair share of economic growth funding, so the principles of successor funds were agreed with Economic Development Sub-Committee in January 2017. They were also submitted to the LGA, to feed into Government negotiations.

iii. **Remaining EU funds - (for cross-border, inter-regional ['INTERREG'] or transnational activity)**

- Currently, in England the governance of INTERREG (European Territorial Cooperation) is led largely by DCLG. This means they take the lead in most decisions such as project selection, and overall Programme Strategy.
- Given that in England the LGA is currently lobbying for more local control of the replacement for EU funding, there is an opportunity for Local Authorities to have more say in;
 - How much funding is provided to Cross Border Working
 - What sectors/activities the funding will be targeted at
 - Which projects get selected
 - Conditions for taking part in the programmes
 - Shaping future EU funding streams
 - There are many areas of future potential cooperation that are beneficial to our residents and businesses, and local authorities should have the option to continue supporting transnational and cross border co-operation. We will keep the Committee updated on developments, as they occur.

b) Place-based impact – business

i. **Trade**

- Approximately **53%** of all Norfolk's **exports** are to Europe, totalling £2.1bn – compared to **50%** nationally. **Machinery & transport** is the largest element of goods exported, representing **35%** of total value
- Approximately **63%** of all our imports are from Europe, totalling £6.5bn – compared to **55%** nationally. Again, **Machinery & Transport** is the largest

element of goods imported, representing **38%** of total value

- The loss of co-ordinated VAT and Customs formalities with Europe urgently needs to be prepared for, with the head of HRMC stating it could take 5-7 years to set up a streamlined import/export system and that 130,000 businesses would be at risk when they need to deal with Customs for the first time.
- Merger regulations are also a crucial concern for the multinational organisations that are especially common in the offshore energy industry.
- It is possible that additional port capacity might be required to handle trade, should congestion occur at existing ports of entry. Great Yarmouth and King's Lynn seaports and Norwich Airport might have a bigger role in handling freight in the future – especially perishable imports.
- The UK is to have its first new major Agriculture Act since 1947, outlining how the Government intends to change agriculture after we leave the Common Agricultural Policy in 2019. The Bill is intended to provide stability to farmers as we leave the EU and protect the natural environment. We will keep the Committee informed, as these proposals come forward.

ii. **Workforce, skills shortages** (*figures from NALEP and HMRC*)

- The largest sector impacted is **manufacturing**, with EU nationals representing an average of **31%** of that sector's workforce
- **26%** of the **permanent agricultural workforce** is from the EU and anecdotal evidence indicates this would be far higher if seasonal migrants were included
- Significant elements of the offshore energy, manufacturing and research sectors are suffering skill shortages and are supplemented by higher skilled EU nationals.
- **9.7%** of the **total permanent employment** in Norfolk is made up of EU nationals
- For the past 3 years Norfolk has seen 6000+ registrations of EU nationals looking for work each year. However the net impact of this is low and employment rates of UK nationals have been constant.

c) **Laws affecting councils (legal implications for the County Council)**

There are implications for a range of services, including Trading Standards, Environment and Procurement. Most hinge on the fact that although much EU legislation may be lifted and transferred into UK law, much of that law refers back to EU institutions, with whom our future relationship is uncertain. Each Council service is engaged, via its own trade body – eg the British Measurement and Testing Association, for some of the work of Trading Standards – in influencing future policy for their area of work.

3. Local policy and economic growth initiatives

3.1 Norfolk and Suffolk Economic Strategy

The Norfolk and Suffolk Economic Strategy (NSES) is the framework for economic growth in both counties to 2036. This strategy will shape the work of the Economic Development team, as did the previous Norfolk and Suffolk Strategic Economic Plan. It was approved and adopted by the LEP Board and all partner councils (Norfolk County Council on 16 October).

3.1.1 NSES Priorities and Targets

The tables below shows the key ambitions, themes and priority places in Norfolk in the Strategy. Five year delivery plans, focussed on the themes and ambitions are in

the process of being developed.

Table 1: Priorities

Ambitions, with investment focussed on...	Major themes...	‘Priority places’* for Norfolk...
<ul style="list-style-type: none"> • The place where high growth businesses with aspirations choose to be • An international-facing economy with high value exports • A high performing, productive economy • A well-connected place • An inclusive economy, with a highly skilled workforce • A centre for the UK’s clean energy sector • A place with a clear, ambitious offer to the world 	<ul style="list-style-type: none"> • Our offer to the world • Driving business growth and productivity • Driving inclusion and skills • Collaborating to grow • Competitive clusters, close to global centres 	<ul style="list-style-type: none"> • Norwich and the Greater Norwich area • The Norfolk and Suffolk Energy Coast (including Bacton and Gt Yarmouth) • The Norwich – Cambridge Corridor, connecting two global centres of research • The A47 Corridor, from Great Yarmouth to King’s Lynn • King’s Lynn and the A10 and rail corridor to Cambridge

* places where the evidence shows there are the greatest opportunities and commitment for continued growth.

Table 2: NSES Targets

Indicator	Target growth rate	Result (all by 2036)
GVA	2% annual growth	Grow our economy by £17.5bn in real terms
Productivity	1% annual growth	GVA per hour of £39
Jobs	0.5% annual growth	88,000 net new jobs
Businesses	2% annual growth	30,000 new successful businesses
Housing	Meet the objectively assessed need	140,000 new homes
Inclusive Growth: Median Wages	1.7% annual growth	£200 more per week
Inclusive Growth: Employment rate	Consistently higher than national average	A higher proportion of people engaged in the labour market than across the UK
Inclusive Growth: Skills	Increase NVQ3+ qualifications by 1.4% average (over each 5 year period)	66% of the population with NVQ3+

The following paragraphs identify key project activity that is being undertaken by the Economic Development team, under some of the NSES priority theme headings. It should be noted that many activities could be described under more than one theme.

3.1.2 **NSES theme: Our Offer To The World**

- a) A key part of the Economic Development team’s activity is linked to inward investment and a separate report to this committee examines this work in more detail. However, Norfolk’s “offer” is also important to encourage and enable economic growth. Several of our sectors are also our primary offers to attract investment and our decision to prioritise them could well help to support local growth and attract inward investment.

- b) The following paragraphs highlight key examples of our offer. Building on this offer, Norfolk's Chief Executives and Leaders agreed to produce a **Norfolk Investment Plan**, as one of the thematic delivery plans contributing to the delivery of both the Norfolk and Suffolk Economic Strategy, but also the Industrial Strategy. The Investment Plan is covered in 3.2 and will contain elements of the offer below, as well as more specific initiatives to fit with the aims of the Industrial Strategy, such as increasing R&D spend etc.
- i. **Offshore energy.** With £39bn of capital investment in Energy for the East set to take place by 2030, and Gt Yarmouth's status as one of a small number of ports that could accommodate the expanding and complex needs of the offshore renewables industry for manufacturing and operations maintenance, we are already seeking to co-invest with the Government in port infrastructure. Government has already shown its confidence in this area in the shape of the £98m commitment in the Autumn Statement to the Great Yarmouth Third River Crossing. Opportunities include:
- Expanding the space within the port estate to offer more sites with deep water access to support manufacturing, marshalling and assembly. This is in accordance with the recent BVG Associates report which looked at east coast ports capacity and recognised Gt Yarmouth's key role
 - Enabling more decommissioning activity – recently started in earnest by Peterson's decommissioning of the 50m high Shell Leman topside structure.
 - Developing a multi-user operations and maintenance facility
 - Continuing work on the Gt Yarmouth Energy Park project to accommodate supply chain growth.
 - These investments are supported by a concerted promotional campaign, in partnership with local businesses to advertise local supply chain capability, using exhibitions, printed and web media, targeted lead generation and regular dialogue with DIT. This work is supported by having Enterprise Zone Status.
- ii. On the **digital economy**, Norwich has been recognised as a key digital cluster in the past 3 years' Tech Nation reports, including the most recent 2017 publication. Our key assets to attract new investment are:
- Our talent pool, produced by our two excellent universities UEA and NUA
 - The city's diverse and growing ICT cluster, with high business growth optimism, and strong founder 'giving back' culture in support of new start ups
 - An attractive environment with comparatively low business and housing costs compared to Cambridge, for example
 - A critical issue, however is to ensure adequate provision of start-up and grow up accommodation. There are signs the market is starting to become alert to this opportunity but the City and County Councils and the LEP will be looking at what gaps exist in terms of property requirements, as well as the support networks needed in order to nurture and support high growth start-ups. Our support for the tech community locally is provided via events such as Sync the City and NorDevCon as well as through strategic support for the establishment and operation of TechEast, a major LEP wide initiative to bring together and promote the tech communities across Norfolk and Suffolk. We are also talking with partners about establishing a pilots for 5G coverage in the county.
- iii. **Aviation and Aerospace** – the Council has already made a major contribution to support this sector through its support for the new Aviation Academy. Already a successful project, offering excellent degree level training on a live 737-400 aircraft, the centre is now attracting a great deal of interest from other businesses in this sector. Some will take space in the Academy, but we will be

exploring the potential to attract investment onto the Airport Industrial Estate and the nearby development land to the north of the airport which will be opened up next year with the opening of the NDR.

- iv. **The Norwich Research Park** – widely celebrated as one Europe’s largest and most diverse centres of excellence in food, plant, health, environmental, genomic and microbial science. It has taken several steps in the past 1-2 years with the opening of Centrum, the substantial growth of the Earlham Institute, the new £80m Quadram Centre and the award of Enterprise Zone status. We have undertaken lead generation work in the USA, and have engaged closely with DIT’s Life Science leads at a national level. We will be working with the NRP, South Norfolk Council and the LEP to use EZ status to provide the necessary infrastructure to enable more business growth on the park.
- v. **Cambridge Norwich Tech Corridor** – seeks to exploit our proximity to, and synergies with Cambridge – which lies at the heart of a series of high tech growth corridors to the South (M11), north (to Peterborough) and West (to Oxford). We have supported a series of studies to examine the growth opportunities and what is needed to exploit them. Key interventions we are leading on:
 - Demand & need study for the Hethel Technology Park extension, to be followed by a masterplanning exercise in collaboration with Lotus and their owners, Geely.
 - Enabling the growth of Eastern Attachments, a highly innovative and fast growing engineering company, onto our 13 acre site in Attleborough. We will explore supply chain growth opportunities as well as the possibility of accommodating other growing engineering businesses in the immediate vicinity
 - Working with Breckland Council, Motorsport Vision, other landowners and the LEP to enable development at Snetterton and especially businesses attracted to direct access to a racing circuit. A number of leads are being examined currently.
- vi. **Enterprise Zones** – Norfolk has six enterprise zone sites. Some are referred to above specifically but we also work closely with the LEP to enable growth at all of these sites, as appropriate.

3.1.3

NSES themes:

- **Driving business growth and productivity**
- **Collaborating to Grow**
- **Competitive clusters, close to global centres**

Some of the activity described earlier under the Our Offer to the World theme also contributes to these themes. In addition, the team undertakes or supports a wide range of initiatives to support these priorities:

- a) The Agri-tech Growth Fund provides grants between £10,000 and £150,000 to support product development and improve agricultural productivity. We promote the scheme, undertake assessments of projects across Norfolk and Suffolk (for which we earn income), and carry out monitoring. In 2016/17 we supported 9 projects, creating 55 jobs. Between January 2014, and April 17, 22 Norfolk companies have benefitted from the scheme, obtaining R&D grants totalling £579,000, and growth grants equating to: £658,865. The applicants anticipated creating or protecting 77 fte jobs and 132 part time jobs.
- b) We play a key role in the delivery of the LEP’s business support programme, including the grant programmes. We undertake promotion, advocating proposals and assessment of applications. In 2016/17 this led to 345 jobs created overall, from 37 projects.

- c) We instigated a bespoke programme to support the oil and gas sector which was suffering in 2015/16 due to the significant downturn in prices. It focussed on supply chain diversification and 10 businesses were directly supported. Although there are encouraging signs of recovery, gas prices have remained flat compared to oil prices.
- d) We undertake a targeted relationship management programme, in partnership with the LEP and Districts to support our key local major businesses which includes responding to opportunities and shocks. The most recent intervention is with Unilever and Britvic, also working/worked with for e.g. Bernard Matthews, Eastern Attachments, Gardline, Thurne Middleby, Baxter Healthcare and others. These are key interventions as our large and foreign owned businesses account for over half of Norfolk's jobs and a substantial amount of its exports. It is particularly important to explore funding opportunities linked to training or innovation (which is allowable under EU State Aids).
- e) The County Council is seeking to develop a **market town initiative**, whereby the County Council leases or buys shops in selected market towns, to encourage start-ups and support new entrants. This is an attempt to get over the barriers new entrants face, such as high initial set up costs and the reluctance of landlords to accept those with no or little trading history. Further details will be brought to the Committee for discussion and approval.
- f) Financial Industry Group – One of our most important sectors, not just in terms of employment but as a highly productive and value added sector. It is a key driver of the Norwich economy. The County Council established a sector group in 2001 and it has recently rejuvenated the project with the help of Broadland Council. It has expanded membership, deep engagement with the UEA's business school, interest from DIT – for which we have provided extensive sector/product information. We are:
 - developing an effective network of contacts in financial, technology and related professional services firms and organisations in Norwich and Norfolk
 - exploring Degree Apprenticeships, including Executive MBA for future leaders
 - Implementing a new fignorwich.org website,
 - Developing a "Trade Directory" concept for local firms –accessible through fignorwich.org and providing links to their own websites
 - Looking at a Talent Recruitment section within the website for sole use by firms registered in the Trade Directory
 - Running high level conferences and events, designed to attract delegates from outside Norfolk to hear of developments, innovation and technology in financial services.
- g) Greater Norwich Manufacturing Group – established with Broadland Council it brings together the area's major manufacturers with the UEA, a range of manufacturing specialists, the colleges and Hethel Innovation Ltd.
- h) Other programmes we support facilitate business health and their economic growth potential. NCC's Enterprising Libraries service for business has been shaped and promoted by the Economic Development team, and we are founder members, working via our Trading Standards team in support of Better Business for All, an initiative which helps the business community to meet their regulatory requirements, by supporting them via a 'right first time' and 'no wrong door' support programme.

i) **EU funding programmes**

The County Council manages a number of programmes that target business growth, particularly in rural areas.

i. **European Regional Development Fund (ERDF)**

- The County Council runs a small project which encourages and supports applications to the European Regional Development Fund (ERDF). ERDF funds wider business support initiatives, such as the Growth Hub support and grants programme, and the work Hethel Innovation do to support innovative tech businesses to start up and grow.
- We work in collaboration with the LEP and Suffolk County Council towards effective spend of the **£38m** available. Approved projects and projects awaiting a funding decision, now account for around **£35m** and ERDF projects have already supported hundreds of SMEs to grow. For example, Hethel's Innovation New Anglia project has supported Ansible Motion, creator of Driver-in-the-Loop simulators for the world's leading vehicle manufacturers, to develop and grow their business.
- Similarly, the Growth Hub has supported new machinery at Great Yarmouth engineering business, ASAMS Ltd, through business advice and an ERDF small grant. Norfolk County Council is a partner in a number of ERDF-funded projects, which are projected to support around 2,500 SMEs with advice and/or grants before the programme ends.

ii. **European Social Fund (ESF)**

- ESF is the skills and employment arm of the European Structural and Investment Funds available for 2014-2020.
- The allocation of ESF funds for New Anglia over the 2014-2020 funding period is **£35.7m**. Currently, **£13.5m** of this funding has been committed to projects, with a further **£9m** of projects currently in the application stages.
- This funding is managed locally by the County Council, in partnership with NALEP and Suffolk County Council. ESF also provides funding for two facilitators to assist in delivery, promote the opportunity to applicants across Norfolk and provide technical assistance to any potential applicant organisations with their applications.
- ESF will fund projects delivering against five Investment Priorities in this area. Alongside Suffolk County Council, the County Council led the work to identify the key themes and priority groups which would benefit from investment. This has led to tenders being issued aimed at individuals that colleagues in Children's Services, Adult Social Care and Public Health support, as well as giving opportunities for organisations in our voluntary and community sector to bid. The priorities ESF focuses on are:
 - Access to Employment for job-seekers and inactive people
 - Sustainable integration into the labour market of young people, in particular those not in employment, education or training
 - Active Inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
 - Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competencies of the workforce
 - Improving the labour market relevance of education and training systems
 - Current projects delivering in our area include:
 - Support for emerging leaders in businesses (case study 2)
 - Support for young people at risk of becoming NEET
 - Social inclusion projects for young people and adults who are currently far away from the labour market
 - Sector skills plans for each priority sector
 - Skills support for the workforce, which supports employers to train and upskills their existing workforce

- iii. **LIFT (Local Investment in Future Talent)**, is a unique **£1.1m** grant scheme supporting small-scale employability and skills projects in rural Norfolk and north Suffolk.

Supported by ESF, with match funding from NCC, South Norfolk District Council and Broadland District Council, LIFT harnesses the local knowledge of the LEADER Local Action Groups as decision makers on grant applications. We will soon be announcing the first LIFT Programme grant, and have a strong pipeline of projects working on applications. Ideas range from support with job skills for people with disabilities, to supported workplace trials for young people from disadvantaged backgrounds, to a training initiative designed to widen access to management skills within a key sector of the local economy.

- iv. The **LEADER** programme contributes to improving the environment and quality of life in rural areas; strengthening the rural economy by helping micro and small businesses to create and sustain employment within the area and to improve competitiveness, particularly in the agriculture and forestry sectors.

v. **Rural Growth Programme**

NCC also works with DEFRA, the LEP and Suffolk County Council to ensure effective delivery of the Rural Growth Programme, with £13m available for rural businesses in Norfolk and North Suffolk. Contracted projects include a new packaging store for Anglia Free Range Eggs in Norfolk, and a production project for Yare Valley Oils. Other food processing, business development and tourism projects are in the pipeline.

- vi. ED also supports the [Norfolk Rural Strategy Steering Group](#), a private-sector led group which works in partnership to develop and support initiatives which enable rural Norfolk to thrive. The Steering Group was behind the £9m LEADER investment in Norfolk and the Digital Divide lobbying group. In November, the Group launched 'Strong Roots: New Growth, a Norfolk Rural Strategy for 2017-2020' and will be meeting shortly to consider how its recommendations can be implemented.

vii. **INTERREG France (Channel) England Programme (FCE)**

- The FCE programme has so far invested **€2.8m** into Norfolk through a number of projects that align with NCC's 'Caring for Your Economy Plan'. These include:
- **Project Go Trade**, which is helping to stop the decline of market towns by creating a unique brand of markets that will attract new visitors to the region, while supporting existing and new market traders to build sustainable businesses. Great Yarmouth will trial the new brand of markets, which will offer a diverse range of good quality products. Local traders will also be supported by introducing digital marketing techniques such as 'click and collect'. The project is expected to attract 32,000 new visitors to Great Yarmouth over 3 years.
- **Project Increase**. Involving Norwich-based housing association, Clarion Housing, Project Increase will develop a new training programme to help social housing residents across the South and East of England to set up their own micro-businesses or achieve other forms of employment. The project will help train 6,000 participants, creating up to 1,100 new businesses and helping a further 2,000 people into employment.
- The FCE programme still has over **€150m** available for new project development that could significantly support both the Norfolk and Suffolk Economic Strategy and the County Council's Investment Plan, including stimulating growth through innovation and supporting people into employment through social innovation projects.

The County Council's Skills Team delivers a range of projects and programmes aimed at:

- a) Helping people move closer to work and into through improving their skills, qualification levels and resilience – this is especially for people who are further from the labour market, who are vulnerable or those facing additional barriers to economic participation.
- b) Assisting businesses to upskill their existing staff to boost productivity and growth. This includes training for In Work Progression and Apprenticeships at all levels.
- c) Ensuring local training providers, colleges and businesses can access funding to pilot new training modules and qualifications in key sectors.
- d) Increasing the take up of apprenticeships across diverse groups of individuals working with schools, business and the voluntary sector. NCC leads and coordinates this work via the Apprenticeships Norfolk Network – the primary objective is delivering growth in the number, level, quality and range of apprenticeships.
- e) The team has had good success in securing external funding and lobbying for central government investment into these areas, which are critical for skills development. We also lead on strategic policy development across the skills and employment landscape in Norfolk and through our management of the New Anglia ESF programme we have been able to ensure that investment is targeted appropriately.
- f) Importantly, the team also responds to emerging issues within the local skills and labour market to safeguard jobs, including apprenticeships, as well as the training offer available across Norfolk to ensure business can continue to grow and develop. An example of this is the response to the roll out of wide ranging Government reforms to Apprenticeships including changes to the funding mechanism and the introduction of the Apprenticeships levy.
- g) These changes present challenges to SMEs and training providers, as they impact significantly both on the cost and availability of training provision, in some cases making it uneconomical to continue to deliver.

This has encouraged larger employers, including Norfolk County Council, to focus on upskilling existing staff to higher or degree level rather than recruiting new apprentices at intermediate or advanced level, as has been the case in the past. The Apprenticeships Norfolk team have worked extensively in schools providing information and advice to young people, their parents and professionals to understand apprenticeships and the opportunities they offer.

We are currently developing a range of new projects to refocus recruitment to 16 to 18 year olds, support more vulnerable individuals into Apprenticeships and address the recruitment issues faced in the service sectors where Apprenticeship vacancies often go unfilled. This includes supporting a trial of an Apprenticeship Training Agency (ATA).

These changes in funding and a renewed focus on quality has also seen the county lose a number of high profile, and established, independent Apprenticeship Training Providers recently including Norfolk Training Services and Anne Clarke Associates.

Norfolk and Suffolk County Councils are also collaborating with New Anglia LEP to work together with the existing provider base to devise a new strategy to combat these structural issues. A workshop took place in early December to identify specific issues and develop an action plan to deliver workable solutions.

- h) Apprenticeships Norfolk Network, a partnership of over 100 organisations managed by the team provides support to providers through information and networking opportunities, quality improvement activities and a regular forum to

discuss and share emerging developments in national policy.

- i) Putting employers in the driving seat of skills provision and upskilling the existing workforce is the rationale behind skills deals. The team managed the first successful Skills Deal 'Fabric First' an innovative project focussing on Passive Haus construction techniques.

The project was selected as the winner for the Constructing Excellence East of England Awards for Sustainability and as regional winners were nominated in the National Constructing Excellence Awards Finals.

Continuing the theme of supporting businesses to access the skills they need both now and in the future a series of Sector Skills Plans are being developed, the team has been instrumental in supporting their development, engaging with key stakeholders and promoting and supporting employer involvement. We will work to ensure alignment of private and public sector resources around clear priorities capitalising on national and local policy, for example the budget announcement on the National Retraining Scheme, committing £76 million to train adults to work in the construction and digital skills sector.

- j) In responding to themes within the NSES, the team will be involved in a number of work streams aimed at developing our people and their skills and supporting business to continue to grow and thrive within the economy.
- k) In focussing on skills development, particularly in our existing workforce, we are developing the New Anglia Growth Hub Skills Portal, working collaboratively with Suffolk County Council and the LEP. We recognise that employers have an essential role to play in preparing our current and future workforce for the opportunities and challenges ahead and that we need to make it easy for them to access, understand and navigate the support, information and resources available to help them do so. Employers are involved in the consultation to ensure that the portal meets their needs.
- l) The need to support the development of leadership skills, a contributing factor to low productivity, is a common thread running through the completed Sector Skills Plans. Building on the current ESF Emerging Leaders project we are working with key stakeholders to develop further programmes and initiatives including Higher Education, enabling businesses to access the high level skills required.
- m) Members have received a paper previously articulating our ambitious plans for tracking the impact of aligning employment and health interventions for the first time in Norfolk whilst providing a pool of talented people from which businesses can recruit.
- n) We are supporting the creation of the Institute of Technology (IoT) within the region, to achieve a step-change in provision of technical education at higher levels. Linked to the national reforms of technical education it will increase the supply of technical skills that our economy needs to maximise productivity now and in the future.
- o) Working with schools we are developing new ways of enabling young people to continue to have access to the information, advice and the support they need to secure an apprenticeship whilst also supporting SME's to access the benefits an apprentice can bring and reducing the bureaucracy.
- p) Promoting progression through apprenticeships including higher and degree levels, ensuring sufficiency of the offer and supporting businesses to understand how they can maximise the benefits of the Apprenticeship Levy in developing their workforce will create a coherent system and provide employers with choice and flexibility in pathways
- q) NCC is working collaboratively with colleges, training providers and third sector organisations to deliver the principles of the Youth Pledge through the County Provision Network. The expansion of the Norwich for Jobs initiative to phase 3,

the creation of the ATA and the IHES (described above) will also drive forward these ambitions. Working with colleagues in Children's Services we will continue to support capacity building within the system whilst seeking opportunities for external funding

- r) The New Anglia Youth Pledge Marque recognises organisations who are committed to supporting the future workforce, better aligning skills with enterprise and in turn growing our economy, we aim to significantly increase the number of organisations holding this award increasing opportunities for young people to access the workplace in a variety of ways.

3.1.5 **NSES theme: A well-connected place (infrastructure priorities)**

- a) ED works closely with the Infrastructure Development Team to make the case for competitive grant funds for economic growth, including New Anglia's Growth Deal allocation and bids to Housing Infrastructure Fund, which was recently boosted in the 2017 Autumn Statement. This is to ensure that the county's infrastructure requirements are developed hand in hand with economic growth plans, particularly those linked to strategic employment and housing sites.

Members received an update on infrastructure projects and their contribution to economic growth, at their meeting of 8 September 2017, specifically covering the Third River Crossing and Long Stratton Bypass.

In addition, EDT Committee endorsed the Norfolk Infrastructure Delivery Plan (NIDP) at their meeting of 10 November 2017.

- b) The NIDP reflects our ambitious plans to overcome our infrastructure constraints. The County Council has successfully worked with partners to take forward and develop a range of projects including:
- **Norwich Northern Distributor Road (NNDR).** The final section of this road will open in March 2018. It has been funded by a combination of government grant and local contributions including from the LEP's growth deal and local authority funds. As well as supporting economic growth across the wider Norwich area, the NNDR more directly supports the delivery of the largest urban extension in the country with around 13,000 new homes in the Growth Triangle and up to 140ha of associated employment land. We are now taking forward feasibility work on the Norwich Western Link, which would connect the distributor road to the A47.
 - **Great Yarmouth Third River Crossing.** The county council invested over £1m of its own money on early stage design and development work and has recently been successful in securing a contribution of up to £98m from government towards its delivery
 - **Sustainable transport projects in our urban centres and market towns:** We are currently delivering around £15m of infrastructure improvements funded by Growth Deal, to bring forward housing and jobs growth in our urban areas and market towns. We are also rolling out Network Improvement Strategies across our market towns, and developing transport strategies in our urban areas, to identify the constraints and barriers to growth and what might be needed in the longer term to bring forward growth
 - Successfully securing grant funding from government through the National Productivity Investment Fund for **Hempnall Crossroads on the A140**, which will directly release 1,800 houses at Long Stratton, and be the start of the Long Stratton Bypass.

c) **Infrastructure funding**

In addition to working with the Infrastructure Development Team to make the economic case for infrastructure improvements, for funding streams such as the LEP's **Growth Deal** allocation, a key contribution of the ED team is to manage the process for allocating funds from the **annual business rates pool**.

The aims of the pool agreement are to contribute to the delivery of the Norfolk and Suffolk Economic Strategy, unlocking barriers to jobs, housing and skills growth. ED, on behalf of Norfolk local authority chief executives and leaders, manages the process for bringing forward proposals for them to agree, and monitors the resulting delivery programme.

Funds have just been allocated for the period November 2017-November 2018, for early stage development work, detailed technical work and strategic/capital schemes. Norfolk Leaders committed **£3.74m** of funds to support a range of projects across the county and, as part of the process, the County Council successfully bid for crucial funding for:

- Developing a strategic outline business case for the Norwich Western Link Road
- Undertaking an analysis of existing and future transport issues within Great Yarmouth in order to develop a Great Yarmouth Transportation Strategy. The strategy will facilitate significant growth and is vital to support the successful delivery of the Great Yarmouth Third River Crossing
- Carrying out a review of the transport infrastructure in Dereham, as part of a wider strategy to address the sustainable growth of Norfolk's market towns. The BRP funding is being matched by traffic work Dereham Town Council are also commissioning, to address the relatively high degree of complexity of the issues to be resolved.

3.2 Norfolk Investment Plan

- 3.2.1 As mentioned earlier, an investment plan for Norfolk is being devised, to make the case to Government of the economic potential of our key growth locations and sectors and the contribution they can make to achieving the goals of the Industrial Strategy.

We have plenty of space for business to grow and a golden opportunity to put Norfolk at the top of the Government's agenda and secure vital investment to help us reach our potential. In addition to the promotion of our strong sectoral offer, mentioned above, current ideas in development, focussing on the Industrial Strategy 'foundations of productivity' include:

3.2.2 Research & Development (R&D)

- a) Increase the take up of R&D grant spend in the county, through a project that looks at bringing research institutions, business, the public and voluntary sector together to access funds that are simpler to operate, and local management can ensure local needs and attributes are understood. The Innovate UK process is heavily weighted against the sort of high performance niche engineering we have in Norfolk - we need funds devolved to LEP level to manage our own, local, Innovation Programme.
- b) The NRP Translational Fund, to which NCC contributed, achieved considerable success in spinning out start-ups from the research park. The Fund has allocated over £1.6m to 37 projects from across the Park and has already led to:
- Eight new companies (four already established and trading)
 - Five additional patent filings (already in the drafting stage)
 - Twelve potential licensing deals (two evaluation licences already in place)
 - Four new service or consultancy offerings (one already in operation)
 - Increased availability of research results to external users (two projects have already delivered this)
 - Additional investment of £723,000 being raised for projects
- and it has promoted cross-institutional working on the Norwich Research Park.

We would seek to request an allocation from the Challenge Fund, so that we could continue the pipeline of projects, building on the success of the previous programme, as well as add value to projects already supported.

3.2.3 Innovative economy

- a) **Energy Innovation Centre.** In terms of innovation in the energy supply chain, there is scope in aspects such as the size of turbines. Great Yarmouth is well placed to benefit from this. We will work with partners, including Government, to develop this offer.
- b) **Manufacturing.** Productivity Institute at UEA. A study is ongoing at the moment with the manufacturing sector in Norwich. There are a number of areas of focus including degree level Engineering and manufacturing skills; and leadership and management skills and training in a manufacturing context.
- c) **Aviation Academy Phase 2.** The County Council has committed to supporting Phase 2, as part of a partnership, to bring new aviation and aerospace related investment to Norfolk. The offer will be different from Phase 1 and is going to be industry supply chain focussed. The study will cost around £30k. This is part of our offer to Government, although there may be an ask around the £12m building.
- d) **Hethel Technology Park (HTP).** The masterplan for HTP will be produced by Easter 2018. We need support from Government to overcome power constraints on the proposed site, and we need to engage at a high level with Geely to ensure our respective plans are complementary.
- e) **Food processing.** The food processing consortium around the national centre for food processing in Lincolnshire is working very well. There is potential to develop a sister cluster in West Norfolk, which also has strong food processing credentials. There may be an ask around bringing the two sides together and servicing the dialogue. This would fit with the Government's aims to grow more, more efficiently, with less labour.

3.2.4 Infrastructure

- a) Whilst we have been successful in securing and delivering the infrastructure schemes described in 3.1.5, we could be more effective at developing and delivering projects if we had greater certainty about making the initial investment into their feasibility: if we were more certain that there would be funding for delivery the county council and its partners would be more confident about making the initial investment into the feasibility of the projects, identifying potential solutions and getting them to a point where they are shovel-ready for delivery.
- b) To do this we need **longer term planning and commitment to transport improvement.** Our evidence base supports our potential to grow – we are very well placed functionally and physically, extending the Oxford–Cambridge Arc to link with Norfolk, and strongly support the East-West rail network. It is therefore vital that Government's physical infrastructure plans recognise the role of local strategic priorities in unlocking growth and enabling companies to compete, such as key road and rail improvements:
 - roads: the A47 included in the Highways England Roads Investment Strategies;
 - support for the 3rd River Crossing at Great Yarmouth;
 - the Norwich Western Link and the Long Stratton Bypass
 - rail: improvements at Ely and Trowse
- c) **We want to establish an infrastructure fund to accelerate the delivery of vital major transport and utilities infrastructure,** with a model whereby the energy company repays when power is required. This Fund would contain an

element of grant funding, as well as loan funding from Government, so an element of it would be revolving.

- d) To unlock the future of low cost, clean energy supply for transport we need to be able to **access grant funding for the necessary infrastructure**, such as **charging points for electric vehicles**, and guaranteed longer-term funding for their running and maintenance costs until the market is sufficiently mature.
- e) As mentioned earlier in the report, and in our Green Paper response to Government, we will make the case to be a **pilot area for 5G**, to evidence the benefits in a large rural area, which has 'not spots' that do not have the critical mass to access Superfast broadband.

3.2.5 **People** (also see 'meeting the needs of an ageing society' – 3.2.7.a)

a) Tech skills.

It is critical for businesses to have access to highly trained employees able to use technology to improve business efficiency, innovate and compete with other areas.

Across all of Norfolk's sectors the Local Authority is supporting the creation of Sector Skills Plans to identify the key activities and interventions required to boost digital skills. The ICT and Digital sector plan will take into account the growth potential along the Tech Corridor, however it is also an underpinning sector with reach into the majority of other areas, devolution of the Adult Education Budget would create additional flexibility to address some of these skills gaps at the lower levels.

In order to ensure that local residents are able to compete for opportunities within an increasingly digitised economy it is important that colleges, employers and training providers work collaboratively to secure investment for the right courses.

Employer engagement with this agenda is critical and we would like to see public investment into a sector matched by employer investment into the skills and qualifications of its workforce providing a welcome boost to skills levels, graduate placements and apprenticeships.

- b) Link academic qualifications with work experience – increasingly employers require significant work experience and report that graduates are not yet ready for the workplace despite qualifications. By increasing the number of courses which offer work placements and industry opportunities alongside more apprenticeships at advanced and higher level students are enabled to develop their in work experience alongside qualifications. Additionally, devolution of the areas Adult Education Budget would ensure that qualifications offers are better aligned to the needs of our local businesses.
- c) Seek to link funding for the teacher development premium to Norfolk's key sectors.
- d) We want to ensure that the skills system works for every Norfolk resident including those who have challenges moving into work, or remaining in work. To achieve this in line with the needs and expectations of our local businesses and key sector we would like the ability to commission national and local DWP employability programmes to fit our local demographics and geography – we need to continue to support our least active residents and support an ageing workforce to compete in a modern labour market.
- e) In order to grasp the opportunities of technology developments, we will need to develop the skills of our residents. As mentioned earlier, we are working with the LEP to secure an **Institute of Technology** for Norfolk and Suffolk that will develop a strong network of partner colleges in both counties to support the future needs of our key sectors and our residents.

3.2.6 **Business environment**

Leadership and Management training for SMEs. Locally our business community recognised a lack of training to encourage their existing staff to move up into leadership roles. Using our local allocation of European Social Fund a consortium of colleges created a programme which allowed businesses to design bespoke training to match their needs. Moving forward we would like to scale up this offer making Norfolk businesses more aware of the opportunity and facilitating business growth in this way.

3.2.7 In terms of the Industrial Strategy's **four grand challenges**, the consortium arrangements and scale of the response required by Government means that formal responses are likely to be at LEP level. However, Norfolk can make a significant contribution to the four themes of the challenges and we will be exploring potential propositions with partners:

- a) **Clean Growth.** This challenge aims to put the UK at the forefront of high efficiency agriculture, using robotics on farms, drones etc. Transforming food production will be one of the Industrial Strategy Challenge Fund Programmes and we will work with our partners in the recently refreshed Norfolk Rural Strategy to explore opportunities.
- b) **Artificial intelligence and big data.** Working with partners such as UEA, we could look at trialling driverless cars.
- c) **The future of mobility.** We will be examining what it really means to be a smarter county – looking at the changing nature of energy sources and how we can maximise the use and recapture of energy from intelligent road surfacing, to create more sustainable places.
- d) **Meeting the needs of an ageing society.** Ageing populations create new demands for technologies, products and services and this is clearly an opportunity for a county like Norfolk, which has one of the fastest growing populations of over 65s in the country. There is a real opportunity for re-skilling older people and keeping them in work – both for their benefit and that of the local economy; also, investment in technology in care homes ('tech-driven care'), linked to training on how to work the technology. The ask is the link to the national training scheme to re-skill people.

3.2.8 We will develop our Norfolk Investment Plan proposals in conjunction with key stakeholders and bring them to Business & Property Committee for review on 14 March, then Policy & Resources Committee on 26 March, ready for the new financial year.

4. **Financial Implications and options**

4.1 For 2018/19, just under £0.175m is available for economic project activity, of which £75,000 is ring-fenced for the County Council contribution towards the New Anglia LEP. This is being supplemented by reserves of £147k per year, which run out at the end of 19/20 and enable the Council to support inward investment, sector development activity and a small number of projects such as the production of the Rural Strategy.

4.2 There are a range of initiatives that NCC could support if core funding or joint funding becomes available.

4.3 While ED has relatively little discretionary funding at its disposal to create impact, the team explores all options to secure external funding. As mentioned in 3.1.5.c, ED works closely with the Infrastructure Development Team to devise bids for competitive infrastructure funds, such as the **annual business rates pool** and **Growth Deal**, to contribute to the delivery of the Norfolk and Suffolk Economic Strategy. The paragraphs below cover a range of funding to enable the County Council to forward fund infrastructure that should lead to business growth:

4.3.1 National funds for infrastructure

- **Growth Deal** - Norfolk has secured over £64m since 2015 from the Local Growth Fund and Local Transport Body funding allocations, funding projects such as the Aviation Academy, College of West Anglia what, Norwich Area what, Great Yarmouth and Thetford Transport Strategy packages of measures, as well as Better Broadband for Norfolk.
- **Housing Infrastructure Fund** - the County Council, in conjunction with Broadland District Council led on a bid to the Housing Infrastructure Fund for the Norfolk East Growth Triangle. The **£70m 'Forward Funding' bid** is for **8,000 homes** and forms part of the largest urban extension in the country (13,500 homes). District councils also submitted seven 'Marginal Viability bids, totalling £59.8m, seeking to unlock 13,200 homes. If all schemes received funding, this would unlock 21,200 homes in total and would increase Norfolk's build-out rate from 3,500 dwellings per year to 6,500 – a rate we need to achieve over the next 10 years, in order to meet local plan targets. The results of the bids should be known by the end of January.

4.3.2 Use of Enterprise Zone business rates to fund infrastructure

- This is a major area of work. The fundamental attribute of Enterprise Zones (EZ) is the ability for the local partnership to retain 100% of the business rates collected or payable in relation to development undertaken on the site for a period of 25 years.
- There are six sites in Norfolk (two in Gt Yarmouth (comprising part of the Space to Grow EZ) and four elsewhere in Norfolk (comprising part of the Space to Innovate EZ)). The four Space to Innovate sites are the Norwich Research Park, the Nar Ouse site in King's Lynn, Egmore and Scottow.
- Part of the rates income (the proportion varies for each site) is allocated to unlock the site, or to enhance or accelerate development. As this investment is required prior to development actually taking place it is necessary to borrow against future income. The County Council has already undertaken some investment in Gt Yarmouth, with more planned there as part of the Norfolk Investment Plan. Investment is also underway at Scottow and plans are under discussion at the NRP.
- Careful analysis of current and future rates income is undertaken in order to ensure any investment will be repaid. Investments will be made in stages, built up as development occurs and income grows.
- All investments are undertaken in accordance with the approved Development Plan for each site, of which we are signatories. Expenditure, and repayment plans are subject to Memorandum of Understanding between the LEP, the relevant district and the County Council.

5. Issues, risks and innovation

5.1 This report provides an overview of the work of the Economic Development team, and it is looking to support the Norfolk and Suffolk Economic Strategy, going forward. A local delivery plan will be developed across the themes of the Strategy, in preparation for our 2018/19 planned objectives.

5.2 In light of budget reductions, and to maximise opportunities, ED will continue to focus on innovative and creative ways to work with partners to secure external funding to ensure sustainable growth across the county.

6. Background

[Norfolk & Suffolk Economic Strategy](#)

[Update to B&P Committee on Major Infrastructure Improvements, 8 September 2017](#) (p31)

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix A: Case Studies

A1. East of England Energy Zone Stand at Offshore Wind 2017

A group exhibition stand under the 'East of England Energy Zone (EEEZ)' branding was organised by Norfolk County Council, Great Yarmouth Borough Council and Waveney District Council for the Offshore Wind Energy 2017 exhibition.

The biannual exhibition organised by Wind Europe - the European trade association for wind energy was hosted in London for the first time and combined with RenewableUK's Annual Offshore Wind Exhibition & Conference.

The event attracted 420 exhibitors and 6,500 visitors from 50 countries.

The 48sqm custom-build stand supported ten local companies and partner organisations to exhibit, including the following organisations from Great Yarmouth: Clarkson Port Services; East of England Energy Group; Gibb Tools & Supplies; Peel Ports; Rhenus Logistics (Lowestoft & Great Yarmouth); SSCS, Venko Offshore Limited (Great Yarmouth)

Although the EEEZ sponsoring authorities have organised group stands at international oil & gas exhibitions for several decades, this was the first custom-build group stand to be organised at an international offshore wind exhibition.



Outcomes

- From the responding exhibitors, the following outputs were recorded:
- **91** enquiries taken
- **196** new contacts made
- **£2.2m** estimated value of contracts
- **9** jobs created
- **60** jobs sustained
- **6** new companies enrolled with SCORE (grant applications to follow)
- The EEEZ team promoted opportunities in the area for investment and relocation and the supply chain and took **24** enquiries, including from a large multinational interested in opening a prototyping manufacturing facility in the area (a visit to the region has since been hosted).

A2. Dutch Ambassador Visit to Norfolk, 19 and 20 October



His Excellency the Ambassador of the Kingdom of the Netherlands to the United Kingdom of Great Britain and Northern Ireland, Mr Simon Smits, based in London, visited Norfolk on 19 and 20 October. Norwich and the Netherlands have an extensive trading history and the trip celebrated trade and investment links between them.

This autumn saw the official opening of Norwich's £12m International Aviation Academy – the first academy of its kind in the world, with over 100 students beginning their training this year in the state-of-the-art facility. Dutch company KLM UK Engineering is a key partner in the academy, alongside Norfolk County Council, New Anglia Local Enterprise Partnership, City College Norwich and the University of East Anglia.

The Dutch Ambassador's visit helped to promote positive messages and celebrate trade and investment links between Norfolk and the Netherlands, particularly in light of uncertain times in a post-Brexit environment.

The visit included:

- A tour of Great Yarmouth port
- Visits to Dutch firms based in Great Yarmouth, including Petersons.
- The formal presentation, by the Ambassador, of a bequest of more than €300,000, from Dutch musician Dick van der Ven, to the University of East Anglia's Music Centre and unveiling of a plaque for at practice rooms, named after the musician
- the Sainsbury Centre for Visual Arts
- Saxon Air, ONE, the Aviation Academy and KLM Engineering, at the airport
- A business lunch for Dutch companies, organised by the Netherlands British Chamber of Commerce (NBCC).
- A private viewing of the Castle Museum's Rembrandt exhibition, which the Ambassador opened.

Following the visit, there is an appetite and an invitation for a return trade mission to the Netherlands. This would also link well with the 'Doing Business in the Netherlands' event Norfolk Chamber are holding in March 2018. The County Council will therefore seek support to arrange such a trade mission, bringing together Norfolk and Suffolk Chambers of Commerce, DIT, EEEgr, local authorities across Norfolk and Suffolk and the LEP, to agree the format. The Netherlands Chamber of Commerce and Dutch and British embassies have also offered their support to help with arrangements, particularly hosting and organising b2b events at The Hague.

A3. – Department of International Trade Tour of Great Yarmouth/Lowestoft Energy Sector



In December, the Department of International Trade's (DIT) EEI (Environment, Energy and Infrastructure) sector specialist team visited Great Yarmouth and Lowestoft. DIT is responsible for ensuring inward investment delivery across the UK as well as trade and export activity and effective account management of existing FDI (foreign direct investment) companies in the UK, supporting them to grow.

Norfolk County Council led on the agenda, which aimed to help central government better understand the opportunities for FDI in Great Yarmouth and Lowestoft. This was timely, with the announcements of a proposal to for a £30m investment in Great Yarmouth port, as well as commitment from Government for funding towards Great Yarmouth's 3rd River Crossing, which will help alleviate industrial traffic and also make the port area a more attractive location to invest. This is in line with the funding arrangement for Lowestoft's third crossing over Lake Lothing.

The tour included:

- An overview meeting at Orbis Energy
- Presentations on the energy sector: oil & gas, decommissioning, offshore wind, biomass, solar, nuclear); EEEgr and the Special Interest Groups; key infrastructure projects impacting the energy sector in Norfolk and Suffolk.
- Site visits, to hear about investment and growth plans, as well as opportunities for investment. This included Peel Ports Great Yarmouth, Petersons' decommissioning facility, Seajacks, Proserv, East Coast College and Sebmarmine SLP.

DIT feedback was that they were very impressed. Key messages they took away:

- We have a strong diverse offer
- There is fantastic support for inward investment and a great sense of co-operation between key partners
- Oil and Gas
 - Trend is to move from expansion of existing business to smaller business, supporting cost reduction through innovation; companies want to be located close to HQ sites as they feel it allows better marketing opportunities and access to redundant assets
 - Marketing that emphasises the growth of local opportunities and markets will net greatest return
 - Due to market downturn in Aberdeen, Great Yarmouth and Lowestoft may not be offering as much of a competitive cost base offer as currently thought
- Offshore wind:
 - The O&M (operations & maintenance) opportunity is clear for Great Yarmouth, and crucial this is secured in the next few years

- Demonstrating port and quay side capacity can really help swing the balance. DIT will work with NCC on further information on the local capacity.

DIT would like to do a feature article on their visit to Great Yarmouth and Lowestoft for their next departmental bulletin, which goes out to all DIT staff (HQ Whitehall, sector posts across UK and overseas posts).

We will be working with DIT EEI team to increase the pipeline of projects for the energy sector in Norfolk and Suffolk.

A4. Science in the City – ‘Genome 10k’ - Norfolk County Council enhances an inward investment opportunity



Hundreds of the world's top researchers and academics came to Norwich at the end of August for the biannual Genome 10K conference and the annual Genome Science meeting. This was a prestigious event in the international genomics calendar and the first time the joint conference has been held in the UK - hosted by the Earlham Institute on the Norwich Research Park (NRP). **380** delegates attended, from **44** different nationalities. Most came from the USA, but there were delegates from as far afield as Australia.

Norfolk County Council, along with the rest of the Greater Norwich Partnership and the NRP, worked with event organisers to showcase research capabilities, the substantial knowledge base and the many assets and investment opportunities that Norwich has to offer. Our team provided networking facilities throughout the conference using specialist software to ensure all participants could make new contacts and network effectively.

In particular, the Greater Norwich partners hosted a reception at Norwich Castle, providing delegates with a VIP tour of the Nelson exhibition; and separately, a dinner at The Halls, which included a talk by Peter Wilson, MBE and former CEO for Norwich Theatre Royal. Economic Development will monitor post event feedback and outcomes, but delegates have already commented on this 'unique welcome', which provided a sense of the wider location, its assets, context and liveability.

Norwich Research Park Stand, led by NCC Economic Development:



A5 Sync the City



Cllr Keith Kiddie, speaking at Sync the City 2017 in November 2017

Growing Norfolk's Digital Sector

Sync the City was an initiative led by the UEA and Sync Norwich, a local digital tech business community. They came to us as the first supporters of the project and to seed fund the first year, in partnership with HP who were providing us services. This seed funding was crucial as it demonstrated the effectiveness of the concept and allowed private sector sponsorship to come in and support the years that followed. Norfolk County Council has maintained funding at a reduced rate for the years that have followed and it has been crucial in supporting other initiatives such as inclusion in the Tech Nation reports and sector visits from DIT.

Sync the City is a 54 Hour event that brings together budding entrepreneurs with experienced business mentors and technology expertise, during which groups of entrepreneurs, developers, business managers, marketing gurus, graphic artists pitch ideas for new startup companies.

Candidates form teams around those ideas and develop a working prototype and demo, and present to a panel of judges.

This is more than a Hackathon. It's a three day frenzy of start-up building that could win those competing up to £4,000 in cash prizes (£3,000 judges' winner and £1,000 people's choice), as well as sales training from Sandler Training and one year associate membership of Norfolk Network.

The winning idea for 2017 was a lone working App, called '**Lonesafe**'. Lonesafe was voted by the judges to have the most viable business and technically impressive software. The winning pitch can be viewed here:

<https://www.youtube.com/watch?v=8aNbRnYIffE>

In addition, the Cab app, '**Viacab**', received a lot of praise from the panel. It is worth watching their presentation, as it truly shows how large the black cab interest is in Norwich and it does look like something that is going to come forward in the next few months through the support of the cabbies:

<https://www.youtube.com/watch?v=OTApQXfNYow>

The community choice went to '**Unwind**', the stress based app for those that need reassurance to overcome stressful situations.

There were some fantastic and interesting ideas that came forward, all the pitches can be viewed here: <https://www.youtube.com/watch?v=BC94mDCbEEk>. Presentations:

1. **Social Pocket** – an AI-driven assistant to tag images according to popular terms, driving clients towards businesses.
2. **Lonesafe** – The lone working app that reduces the management & reporting of lone workers and makes lone working safer for everyone.
3. **Kinder** – Matching businesses to vetted local charities to better distribute corporate social responsibility efforts.
4. **Markit** – Online clothing filter service, ensuring only clothes that fit are shown to you and experimental augmented reality software to see how they fit at that size
5. **Fallback** – A device that is discrete and would alert people if someone has a fall
6. **Joili Good** – A social platform designed to bring people together to tackle loneliness
7. **Menjo** – a digital memory book for people with dementia, using video, sound, pictures and text to help trigger positive memories for those afflicted.
8. **Homeless app** – Partnership with shops to provide frequent business rewards to homeless people rather than the customer
9. **Footprint** – An online platform to do a deep search of the web to flag potential things or issues that could cause contention or you would want removed.
10. **Unwind** – the stress app for those that need help keeping motivated
11. **Pup crawl** – a pub crawl app that helps design the best pub crawl based on your drinking and venue preferences
12. **ViaCab** – The black cab uber system that allows someone to hail a cab from anywhere in the city, seeing how far away the cab is and the cost before you buy

A6: Developing Skills in Health and Social Care

This project has been born out of the barriers and issues which were identified as part of the Health and Social Care Sector Skills Plan delivered earlier in 2017. NCC chairs this group and was in a strong position to shape and influence the shape of future ESF tenders. The issues identified were all issues NCC faces in delivering its Health and Social Care agenda including:

- The recruitment and retention of younger staff
- The recruitment and retention of qualified nurses
- The lack of leadership and management at a senior level.

All of these factors led to high levels of staff turnover and an inability to successfully recruit to vacancies. This project addresses all three of these barriers directly through the training of current staff in leadership and management of healthcare businesses creating more effective and influential leaders within the sector, and also through guiding participants to establish a plan that they can use to further their skills development and career.

Indirectly, identifying a visible career pathway for the sector will encourage more people to see the sector as one of opportunity and progression rather than one of low paid, low skilled and stagnant jobs. This should in turn increase the number of people choosing to start careers in health and social care.

The project is currently at the first stage of applications, with a decision to be made by the DWP in January 2018 as to whether it progresses to a full, second stage application. If both stage applications are successful, the project will start delivery in June 2018 and run until April 2021. During this time it will have engaged with over 5000 employees within the sector.

Once the ESF tender was released the facilitators in Economic Development supported the colleagues in ASC to design a project spanning Norfolk and Suffolk matched to investment from both Local Authorities in order to draw down several million of additional funding. Training providers, Norfolk colleges, and health organisations were also involved. A decision on the Stage 1 application is expected in January 2018.

A7: Skills Support for Emerging Leaders



Skills Support for Emerging Leaders is an ESF project in New Anglia which has been co-financed 50% by the Skills Funding Agency. It is managed by The College of West Anglia, who are working in partnership with the six other general FE colleges in the New Anglia LEP area. The seven colleges have come together to form the New Anglia Colleges Group and will be delivering the project as a partnership across Norfolk and Suffolk.

The project provides SME organisations with a training needs analysis carried out by an experienced assessor in discussion with the employer, which is free of charge, to identify business skills needs and ensure they meet the aspirations and vision of the business. This process should then identify skills gaps for employees who are showing potential to progress to team leader, supervisor or management positions.

The project will then assist the employees in to training, which can be in the form of accredited units from technical or management qualifications, or can be a bespoke programme designed with the help of the employer. Employees will be offered the opportunity to develop their skills including leadership and management, supervision, information management, marketing and customer service.

The support provided by this project is available to employed people aged 19 and over, working in SMEs registered in New Anglia. The project has a value of £250k, and is set to run until 31 March 2018. By this time it will have enabled the dedicated support of up to 140 young emerging leaders across the New Anglia LEP area.