Business & Property Committee

Item No.

Report title:	**Key economic sector developments in Norfolk – Inward Investment Activity**
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 Norfolk and Suffolk Economic Strategy, and the County Council's corporate objectives.

Executive summary

This report gives an overview to members of this Council's approach to attracting and retaining investment. It shows the county's performance in attracting Foreign Direct Investment, how we are organised, with whom we work and proposed changes in the future, as a result of our European Regional Development Fund project, expected to start in April 2018.

There is a specific focus, in the Appendix, on our approach to attracting investment linked to offshore energy, particularly renewables, as well as some other key sectors.

Recommendations:

- Members are requested to note the contents of the report and identify any areas for further consideration.

1 Proposal

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

- An update on the work of the Economic Development Service (previous item on agenda)
- An update on inward investment and sector development activity (this report), in light of the adoption of the new Norfolk and Suffolk Economic Strategy (NSES), which has inward investment priorities at its heart:

2 Evidence

2.1 **Scope of Inward Investment**

a. The Department of International Trade (DIT), formerly UK Trade and Investment, is responsible for inward investment, international trade and the attraction of international capital into real estate, regeneration and infrastructure. The following activities are included within their remit:
   - developing, coordinating and delivering a new trade and investment policy to promote UK business across the globe
   - developing and negotiating free trade agreements and market access deals with non-EU countries
   - negotiating trade deals (focused on specific sectors or products)
   - providing operational support for exports and facilitating inward and outward investment

- identifying and promoting regeneration and infrastructure opportunities

b. Whilst the remit hasn't changed since the change from UKTI to DIT, the emphasis has, with the Department focusing much more on future trade deals and responding to the major changes and challenges that Brexit will cause to the UK's exporting capability.

c. DIT have 1200 overseas posts in place and during the past year, 88 ministerial visits have taken place across 44 global markets. The national Invest in Great Britain campaign is fronted by the Invest in GREAT website which includes comprehensive information about setting up in the UK and also provides in depth information about UK industries and the regional strengths and opportunities.

d. DIT is also keen to work with local partners on developing 'sector propositions' across LEP areas, based on specific sector strengths and competitive advantages. Many of the New Anglia LEP growth sectors align with the national priority sectors. Norfolk and Suffolk County Councils, with New Anglia LEP, are also engaged with the DIT Investment Services Team, when required, to help support the needs of FDI clients in key sectors.

2.2 **Past performance**

a. Inward investment outcomes for 2016-17, for Foreign Direct Investment, (FDI) saw 11 projects in Suffolk and 10 in Norfolk involving a total of 855 jobs (including new and safeguarded jobs), an increase on the previous year, which is positive. Interest is particularly strong from Asia Pacific countries and the Americas.

b. This is consistent with the UK's performance as a whole in that year, which saw an increase in jobs and projects. But the recent Ernst and Young survey looking at the attractiveness of the UK as an investment location highlights some worrying trends that may severely reduce the volume and value of inward investment into the UK.

   Other parts of Europe are catching up, (our share of investment fell from 21% to 19%) and they are taking a greater share of higher value added, knowledge based investment. UK is securing only half as many projects as Germany.

   The UK also lost to Germany the leadership position it achieved for the first time last year in attracting FDI from the group of 24 target high-growth markets. The UK's share of European R&D projects also fell sharply, from 26% to 16%, meaning the UK's share was its smallest since 2011. With UK FDI projects from software also slipping slightly despite an increase in the sector across Europe, these results do raise concerns over the UK's future appeal to investors in key future growth sectors. Expectations of future success may need to be modified.

2.3 **The Current Delivery Model for Inward Investment in Norfolk**

a. The current service delivery model in Norfolk involves a Memorandum of Understanding (MoU) between New Anglia LEP and the County Council. The enquiry handling, systems, process and web based promotion is at a County level with District Councils engaged as required and the contact with DIT is generally via the County Council. This was established at the outset, partly due to the county council's historically having that remit even during the RDA era and partly as the LEP had limited resource available. Broadly, the roles can be described as:

   New Anglia LEP

   - Strategy (NAES) and Sector Propositions
   - Strategic Relations e.g. DIT, developers, industry etc
   - Site Development/Promotion, eg EZs
   - East Branding

County Council (ED Team)

- DIT Enquiry Handling and Liaison
- Reporting and Monitoring
- County Systems, Processes and Websites
- County Brands and Sector Brands e.g. Energy
- Sector propositions, product research and presentation
- Some business contact, especially major businesses or those central to key sectors

District Councils (EDOs/Planners etc)

- Local Business Contacts, Intelligence and Data
- Enquiry Responses
- Planning, Site Development
- City/District Area Brands (some degree of web presence)

b. Across each level of the 'partnership' there exists a range of specialist expertise, knowledge, relationships and contacts. This breadth of knowledge has proven to be flexible and adaptable on many occasions. Valuable knowledge, experience and perspectives to attract and retain business investment. The local intelligence, connections with local businesses and 'on the ground' support from Local Authority officers is particularly important.

c. New emerging and cross sectoral opportunities will increasingly span wider geographic areas and initiatives such as the Cambridge Norwich Tech Corridor should help realise some of these wider opportunities through strengthening links with the Cambridge tech cluster (and beyond). The following sections discuss the delivery model in more detail.

2.3.1 Marketing and Branding

a. The marketing and branding of locations can attract a range of views and opinions. To date there has been limited coordination of marketing effort across Norfolk – and indeed it has been modest in terms of overall expenditure. However, there are examples of a more collaborative approach – for example in the promotion of Enterprise Zone sites under the Invest East banner, and the cross county promotion of Gt Yarmouth/ Lowestoft/ Wells under the East of England Energy Zone brand.

b. A *spatial* dimension makes it easier to promote specific locations such as Greater Norwich and/or a *sectoral* dimension for specific sites e.g. life sciences at NRP or automotive engineering at Hethel. There are also examples of brands that connect multiple sites but linked to key sectors – examples include the East of England Energy Zone, Cambridge-Norwich Tech Corridor and the Space to Innovate Enterprise Zone.

c. Working with the LEP and Suffolk CC there will be a more strategic approach to branding and marketing via a 'nested branding' model to enable a more coordinated and enhanced 'offer'. This is part of a proposed, more proactive approach moving forward.

d. The current inward investment approach is more reactive than proactive, largely due to limited resources. But there are examples of more proactive, sector based approaches to new lead generation as described in 2.3.3 below.

e. There has also been a more coordinated effort in promoting new site development and investment opportunities across Norfolk and Suffolk over the past 3 years with strong attendance at MIPIM UK in 2015, 2016 and 2017 from both Suffolk and Norfolk under the East branding (alongside specific city, town and County brands) and increasing promotion of the Enterprise Zones.

2.3.2 **International Strategic Relations**

a. Forging and developing international links with other regions of the world will become even more important in the future to help boost trade and inward investment. From a Norfolk perspective, there are currently a range of activities taking place at various levels to build relationship with other parts of the world. These relationships may take various forms and at a multiple levels and might have a particular social, education, research or business dimension for example. Examples of activity currently underway include:
   - Trade Mission to Netherlands, planned for spring 2018: partners include Norfolk County Council, Suffolk County Council, Norfolk and Suffolk Chambers of Commerce, New Anglia LEP, Netherlands British Chamber of Commerce, DIT, British and Dutch Embassies. This follows on from the Dutch Ambassador visit to Norfolk in October 2017.
   - International trade activity by Chambers of Commerce and other trade bodies;
   - Leveraging relationships via foreign owned companies located in the county e.g. Lotus, Baxter Healthcare, KLM,
   - Sector specific and supply chain based activity e.g. East of England Energy Zone and the Sea Ports and Airports
   - Norfolk and Suffolk's relationship with Jiangsu via Essex CC, and Norfolk's relationship with Heilongjiang as well as new China Missions led by UEA and BT

b. A focus on particular key global regions and countries including SE Asia, China, India and Brazil could present significant inward investment and trade opportunities for our companies in future. Continuing to build strong relationships with existing foreign owned companies already located here may also unlock new investment and supply chain opportunities.

c. One example is the work Norfolk CC has undertaken with Eastern Attachments, an Attleborough based engineering and manufacturing business that supplies JCB, CAT and others on a global basis. Through a property and supply chain development intervention the company will quadruple in size and bring 3-5 new businesses here. It has also opened up potential for more growth in Attleborough.

2.3.3 **Sector and Place Based Inward investment Activity**

There are several activities and campaigns underway to help profile key sectors and locations in order to attract new business investment and help build confidence with existing businesses. Three examples are included here for information:

a. **Norwich Research Park – Health/Life Sciences Target Campaign**

New Anglia LEP, NRP LLP, Norfolk County Council and South Norfolk Council have worked together to procure the services of a specialist consultant with knowledge of the health and life sciences sector and based at the New Anglia LEP office. Part of the remit is to build on earlier consultancy work which identified over 100 potential international investment leads with a strong fit with the research profile of NRP. Work is underway to target these leads working with DIT and the various Research Institutes.

However, this project highlights the challenges we have in terms of attracting investment from businesses in this sector. The leads are undoubtedly strong, and have been cross referenced with DIT. Yet leveraging the NRP's research capability to land investment is not straightforward. It takes time to develop and build relationships, in order to understand where there is a potential fit. And more complex is how to realise that linkage.

We have promoted the NRP as a location for investment for many years. DIT is well aware of its research capability and we have seen developments such as Leaf Systems and Tropic Bioscience as well as the new Quadram Institute. With Enterprise Zone status we are poised to deliver the necessary infrastructure to open up the site.

We recently supported the recent major international event, Genome 10K, which was brought to Norfolk (and the UK) for the first time by the Earlham Institute. Over 300 delegates from around the world experienced a highly successful event and went home with a suite of powerful messages consistently delivered. It also alerted more of us to the investment potential of the Earlham Institute – alongside plants, microbes, food, health and environmental research.

b. **East of England Energy Zone (EEEZ)**

We promote the EEEZ as England's leading centre of energy. Embracing oil, gas, nuclear and renewables amongst other technologies and includes the world's largest wind farm market, to be developed over the next 10 years and beyond. It is anticipated that the sector will be worth in excess of £281 billion over the next few years. It also includes a major opportunity in decommissioning oil and gas assets.

Our key assets are:

- a supply chain with 50 years' experience in the energy sector
- status as England's leader in Southern North Sea offshore energy operations
- Enterprise Zone sites
- Assisted Area Status
- Supportive partnership of local authorities and other stakeholders, including The East of England Energy Group (EEEgr) and ORBIS Energy.

The partnership is handling a number of enquiries, some substantial and we expect this to continue. Attendance at 1-2 UK and overseas events focused on offshore renewables (mainly) and other energy sectors is continuing to maintain the profile and generate enquiries. Local businesses also participate for trade purposes. This years' Global Offshore Wind event saw businesses generate over £2.2m of business.

Further work around generating more PR, supply chain development and site development is planned, funded through EZ Pot B income in line with the EZ Development Plan.

More detail of our work promoting the energy sector is shown in Appendix A.

c. **Cambridge Norwich Tech Corridor**

To effectively utilise public/ private sector partnerships to accelerate growth across the Corridor. Launched in November 2016, funding has been secured to establish a core delivery team to take forward the project.

2.4 **Development, Regeneration and Infrastructure Opportunities**

a. The UK offers an attractive and supportive environment for property and asset investment and remains a key destination for real estate investment, with by far the highest inflow of international capital of any European Nation. For the FY2015/16, international investment commitments into UK infrastructure and property development were valued at around £10.9bn.

b. This is an area of inward investment that Norfolk (and Suffolk) have not tended to focus on. The Gt Yarmouth Urban Regeneration Company 10-12 years ago demonstrated it is difficult to tempt investors, despite a concentrated effort. Low land values, relatively little brownfield land and limited assets in public ownership mean we do not have a broad range of options to pitch.

c. A Regeneration and Infrastructure Workbook has been assembled to support the past 3 years' attendance at MIPIM UK which highlights the major development opportunities in Norfolk and Suffolk. It has also been presented to the DIT overseas posts. There is also an 'investment pitch book' under development for the 'Greater South East' with 12 proposed major development/investment opportunities. It is expected to follow the format of the existing Northern Powerhouse pitch book. New Anglia LEP will be inputting into the process to ensure that some of the investment sites in the East will be included.

2.5 **Enhancing the Delivery Model**

a. The local authorities have built a strong foundation in recent years, with support from the LEP in key areas. However, this has recently changed with the LEP appointing a specialist inward investment manager. This member of staff will work closely with County and District staff, adding to our strategic capability and ensuring we can exploit LEP assets more effectively. This was partly driven by the County Council's decision to pursue a £1.8m European Funded programme that is described in **Appendix B**. Norfolk, Suffolk and the LEP together with the Adapt initiative within UEA will each contribute match funding, including staff time to draw down the grant. If the project is approved in early 2018 it will start in April 2018, running for 3 years.

b. We will be working more closely with Local Authorities and other stakeholders such as Universities/Colleges, Chambers of Commerce, Growth Hub, Business Support Agencies, DIT and business intermediaries via the sector groups and other channels. The advanced model has potential to deliver a range of enhanced outcomes (outlined below) to add value.

3 Financial Implications

There are no direct financial asks of this paper. To deliver the £1.8m ERDF project, continued funding of the NCC inward investment service will need to be maintained throughout the 3 year project

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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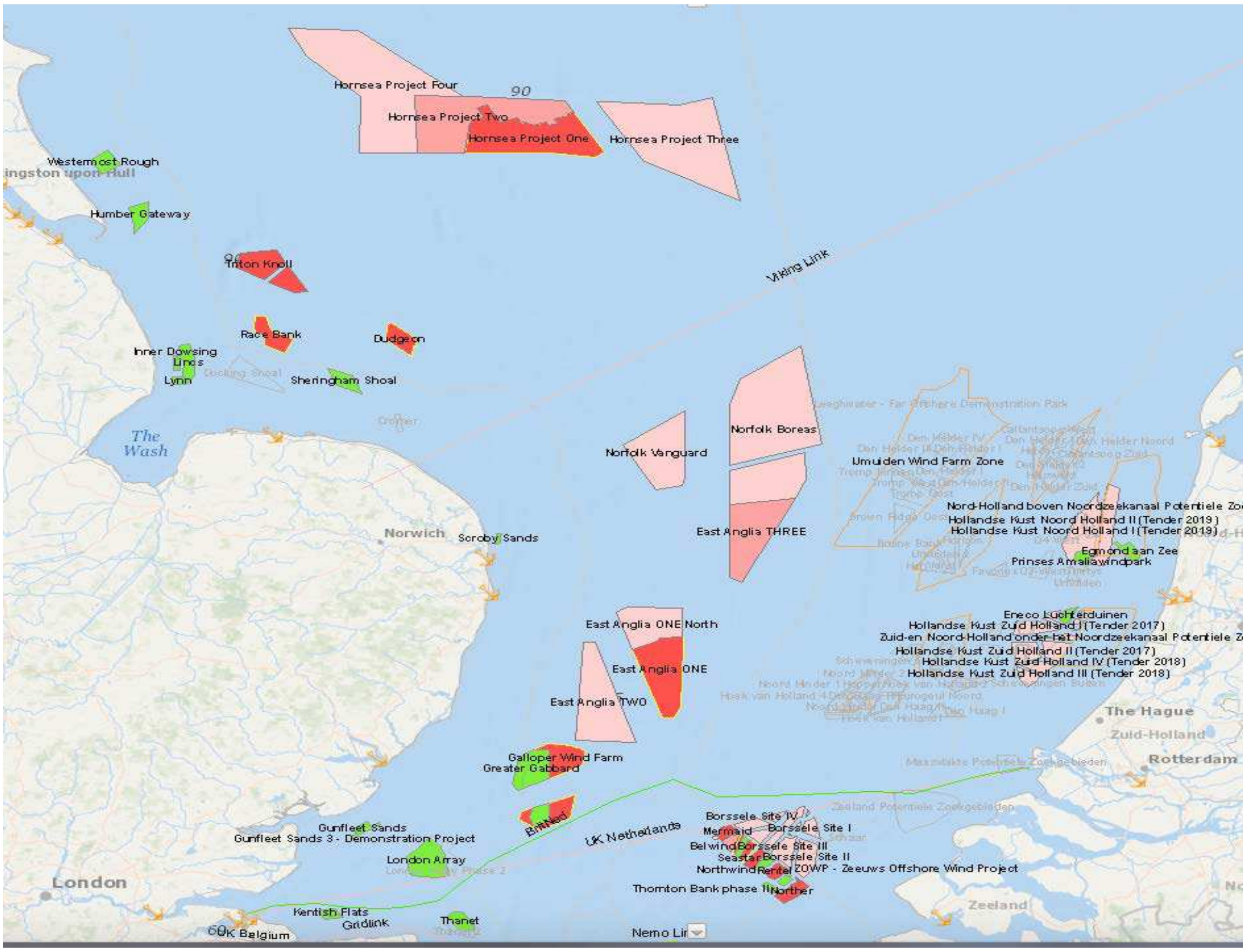
Appendix A – Sector Focussed Developments

This section looks in more detail at sector opportunities and what we are doing to exploit them. The main focus is on the energy sector. Other sectors are summarised and more detail can be provided at later committee meetings if required.

A1. Offshore Renewables - the Opportunity



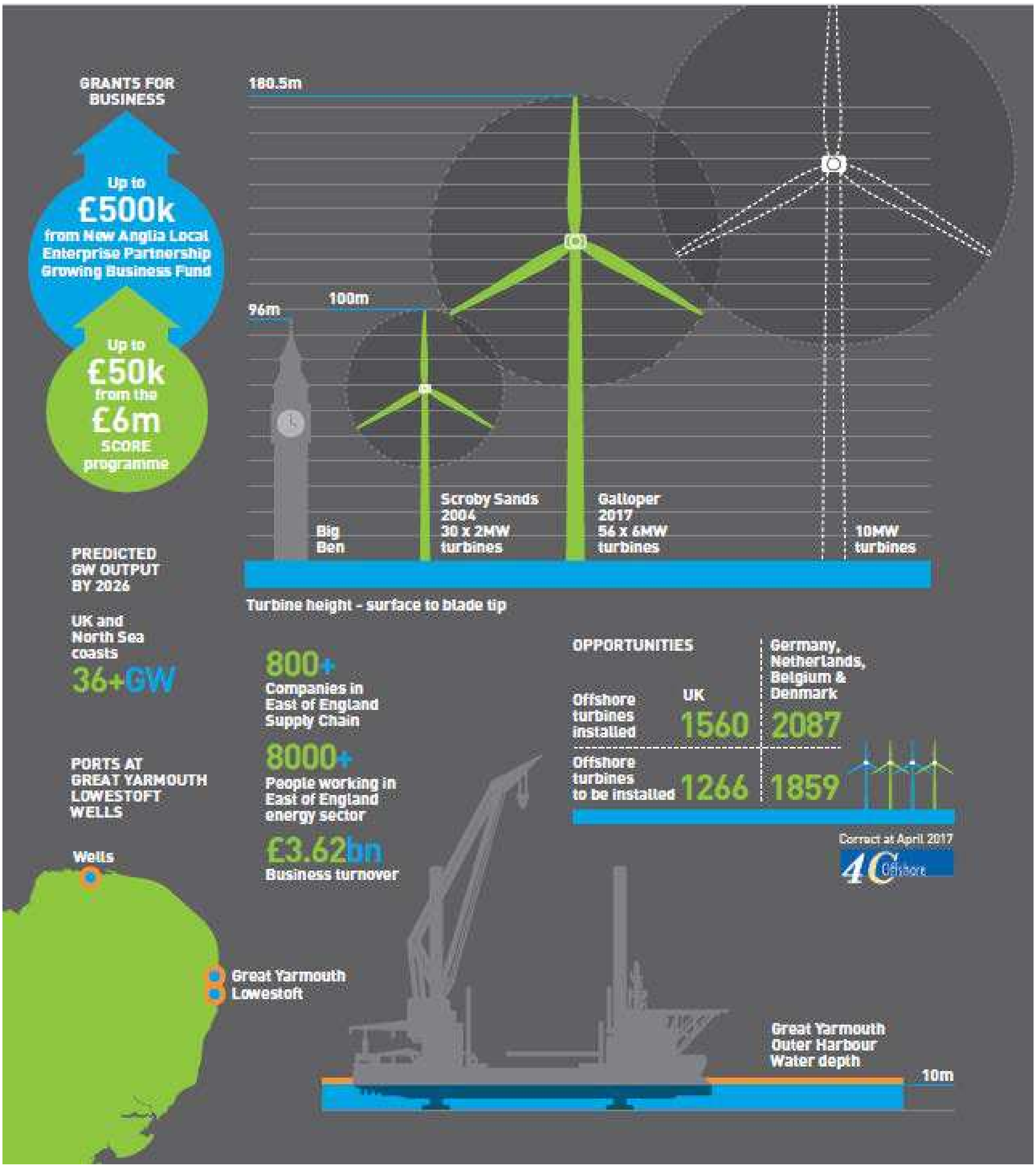
The East of England is providing the arena for the multi-billion offshore farms to keep the UK lit and heated for decades to come.

The region is supporting development through construction, pre-assembly, installation and the new growing industry of operations and maintenance (O&M).

Businesses see the attraction of being close to the largest offshore wind market in the world, with over 36GW profiled and £50 bn investment by 2020.

The supply chain has over 50 years offshore experience, with over 300 companies located in Great Yarmouth and Lowestoft.

The table below provides the key data, drawn from the latest promotional material assembled in the summer for our attendance at the Wind Europe Exhibition in London.



A2. Trends for the future

The industry has grown at a slower rate than expected partly due to political uncertainties in the past 4-5 years and partly due to developer confidence.

The key issue is subsidy levels. Considered by some to be too high and initially, offshore wind subsidies were set at £160+ per MW hour, which was well above the nuclear price of £92. However, government pressure and technological improvements saw those rates start to fall and the most recent awards in Sept 2017 confirmed a step change. Industry has made huge strides in reducing costs and Government has responded by making more cash available, plus a longer sightline to give the industry more confidence to invest.

The successful projects for CfD 2 and their respective details are listed below:

Project	Developer	Capacity	Strike Price	Delivery Year
Triton Knoll	Innogy/Statkraft	860MW	£74.75/MWh	2021/22
Hornsea 2	Dong Energy	1,386MW	£57.50/MWh	2022/23

Moray Offshore	Energias de Portugal	950MW	£57.50/MWh	2022/23

These prices were well below the target prices and are now well below Nuclear (c.£90). This auction was projected to enable 1-1.2 GW of capacity to be built, but remarkably over 3 GW has been funded. That creates a substantial market.

The prices are clearly built on where technology will be in 3-4 years' time, not where it is today. Previously bids have been broadly based on the prevailing technology (and therefore costs) at the time the bid is made. It is predicted that bidders are anticipating 10MW + turbines being available by 2022 at the latest. In turn that has to mean components, port capacity, shipping and other elements will keep pace. It is doubtful whether sufficient capacity exists across the Southern North Sea coastal ports and therefore new investment may well be required. The key issue is whether we can attract that investment to the UK – and hopefully Gt Yarmouth and other nearby ports.

A further CfD round is planned for Feb 2019 and Government has given a clear indication that further funding will be offered post 2020. This coincides with Crown Estates announcement to consult on a further round of wind farm arrays over and above the market shown on the map on Page 8.

A3. What investment can we expect

This huge industry presents a massive opportunity to the UK's economy and to those areas with deep water port access. Previous reports to this committee have presented the market opportunity in some detail. Broadly it encompasses:

- **Construction/Assembly**
- **Operations and maintenance**
- **Manufacturing investment**
- **Supply chain development**
- **Innovation**

a. **Construction and Assembly (Staging, or Marshalling)**

This is a highly visible and impressive activity. Large components are brought in bulk to the assembly port, prepared and then marshalled ready for taking out in sets to the array for installation. Usually, the foundations are all installed first as a separate event.

Gt Yarmouth has been the assembly port for the Galloper project in 2017, with Scottish Power set to use the port in 2018/19 for the first EA1 project. Triton Knoll's port will be announced in January.

Local supply chain opportunities have emerged in many aspects of installation, including cable laying. However, without UK based manufacturing local content will be modest overall.

b. **Operations and Maintenance**

This is the ongoing programme of activity to ensure the windfarm continues to generate power throughout its lifetime of 25+ years. It involves a combination of preventative and responsive maintenance, plus monitoring, power management etc.

It is usual for O&M facilities to be located nearby to the respective windfarm although the ever increasing turbine size, and decreasing number, located several hours sailing away is seeing the maintenance model evolving from a Crew Transfer Vessel (crew taken out on a daily basis) to a Service Operations Vessel (crew stays out at sea for 1-2 weeks).

Both require a shore base but it remains to be seen what later facilities will look like. The table below shows the current direct employment levels.

	Size of development	No. of O&M jobs
Sheringham Shoal (Wells/Egmere)	317MW	50
Galloper (Harwich)	336MW	90
Dudgeon (Gt Yarmouth)	402MW	70
EA One (Lowestoft)	712MW	100

Supply chain opportunities are significant, long term and local.

c. **Manufacturing**

So far, the UK has attracted limited new manufacturing investment. Siemens factory in Hull, initially planned to build turbines and blades now produces blades only. A long established Vestas factory fabricates blades in a facility on the Isle of Wight and these are finished in Northern Ireland. And the CS Wind tower plant on Machrihanish (Kintyre, Scotland). Several more were anticipated in 2013 when the Siemens plant was announced but until recently there was insufficient confidence in the longevity of the UK market

The sector has also been in a state of constant evolution making it almost impossible for existing businesses to fix an entry point. And the cost of entry is so high that new entrants will struggle to gain a foothold.

The County Council, and other partners have been in dialogue with all of the potential manufacturing investors to be aware of triggers for investment and to maintain the profile of Gt Yarmouth as a possible venue. Peel Ports are of course central to that dialogue.

d. **BVG Review Review of East Coast Port Capacity**

This major piece of work was set up by Andrea Leadsom in 2016 to examine the capabilities of East Coast ports to support the anticipated massive build out of wind farms in the North Sea. 23 ports were examined including Gt Yarmouth.

Key findings :

- Ports were assessed in terms of their ability to support Staging and/or Manufacturing

- Staging – defined as covering the storage and loading of turbine components on to vessels for delivery to the wind farm; this may also involve some on-shore assembly or commissioning ; and/or…
- Manufacturing – defined as production of large components primarily nacelles, blades, towers, foundations/monopoles, cables and offshore substations
- There was a strong preference for using ports closest to wind farms for staging as logistics costs are key
- There is ample capacity in the East Coast ports surveyed to cope with the potential staging requirements for developments in the North Sea
- Industry executives interviewed expected further announcements on supply chain development by the end of 2016 (the CS Wind investment was one of these)
- Critically they expect the further CfD rounds to stimulate investment in towers, blades and jackets which we consider good news for Gt Yarmouth.

Great Yarmouth port came out came out well in the report and presented it as accessible to most of the Southern North Sea arrays (and potentially future arrays, as well as those on the continental side.

It was assessed as capable of supporting STAGING and ONE manufacturing facility. However, this is based on what is there today, not what could be delivered. The report was unable to incorporate (then) unannounced expansion plans.

e. **Great Yarmouth Port – Expansion of Outer harbour**

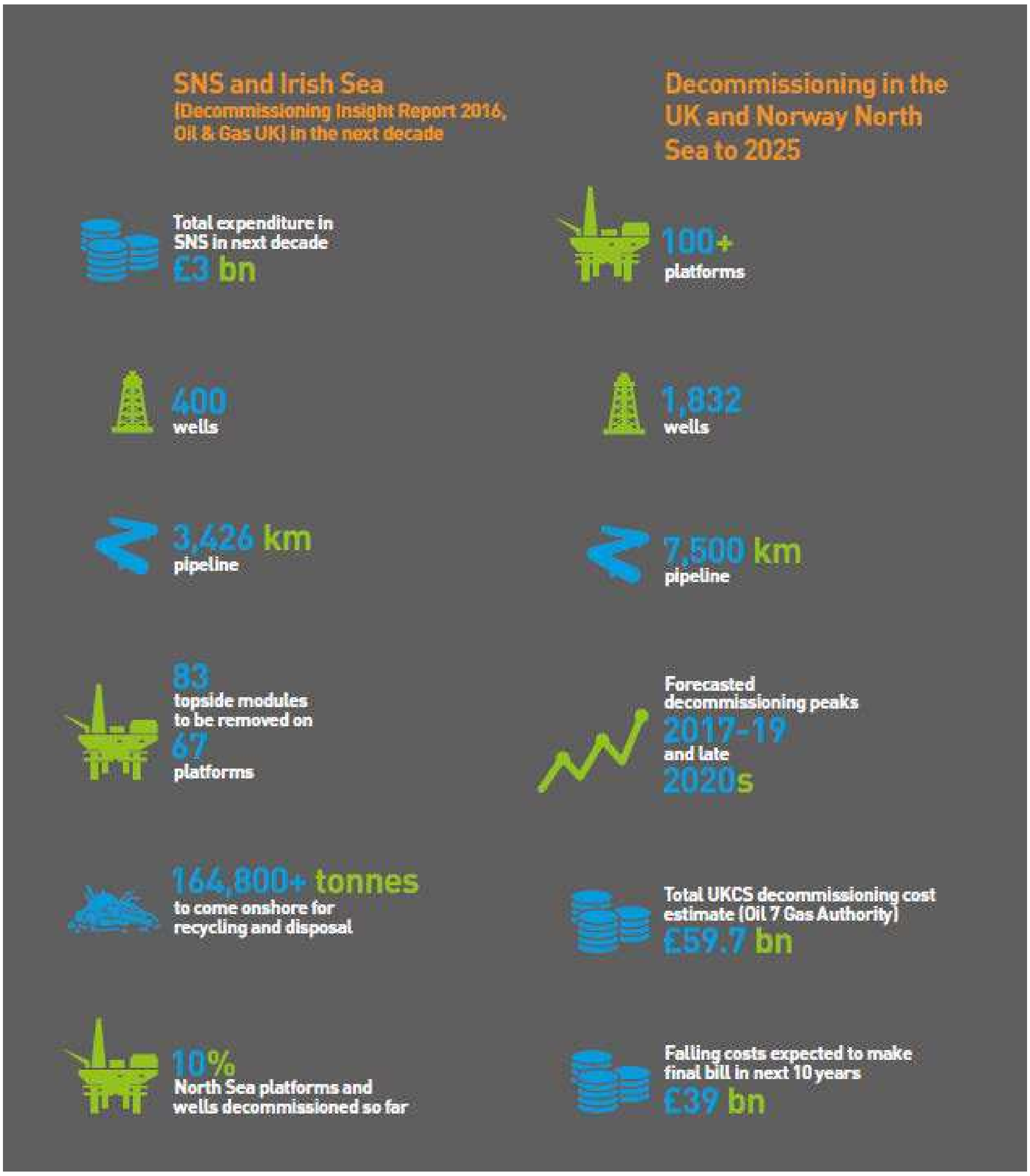
Exciting investment proposals have recently been announced by Peel Ports in the outer harbour. Already identified by the wind industry as a preferred port for marshalling and assembly, EA1 is due to start later in 2018.

In response to ongoing interest from potential investors (manufacturing and assembly), Peel Ports announced a major expansion plan as shown in the attached plan. The local authorities and the LEP will work with Peel over the next few weeks and months to try and deliver this proposal.

This will create over 10ha of new space, reclaimed from the Outer Harbour basin, with solid berth space and potentially a second Roll on Roll Off facility to complement the one built last year on the north quay. Two assembly projects will be able to operate together.

A4. Other energy related investment

a. **Decommissioning**

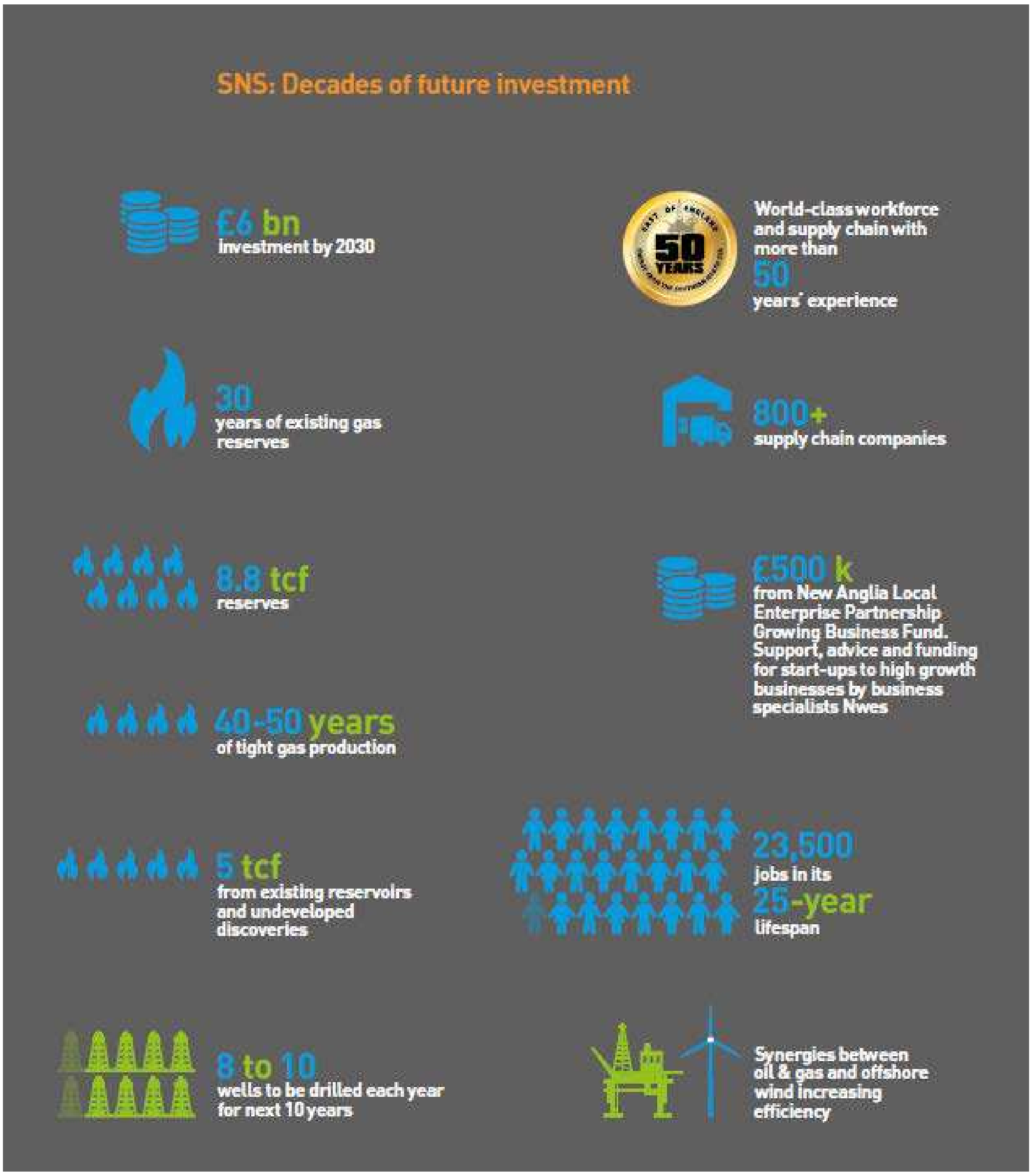


Within the Southern North Sea (SNS) there is a multi-billion decommissioning industry to remove hundreds of tonnes of aging infrastructure. Great Yarmouth port is in prime place to deliver decommissioning.

Decommissioning of existing North Sea oil and gas facilities is projected to cost £24-36bn over the next 30 years, a fruitful field for specialist companies in the region.

A decommissioning facility created by a partnership of Peterson and Veolia in Great yarmouth Outer Harbour is already handling SNS recycling projects, including a Leman topside and jacket. It is poised for the industry's peaks, predicted for the next two years and late 2020s.

b. **Oil & Gas**



The East of England coast looks out on a mature gas basin opportunity and potential in changing times.

Its supply chain and support structure is in the vanguard of this change by thinking differently, collaborative working and a competitive cost base, meeting demands for the industry to become smarter and leaner for the rise of smaller operators and the challenges of the tight (carboniferous) gas sector that promise a renaissance in SNS gas.

New discoveries - Cygnus, Tolmount, Platypus, and the recommissioning of the Thames gas pipeline bringing in new gasfrom new Blythe and Elgood fields – are bringing massive new investment to the region.

The supply chain is embracing new approaches and technologies, poised to unlock the “significant prize” of tight gas, exploring synergies with offshore renewables and the Dutch industry.

A5. Other Sectors

a. **Digital**

(*Norwich: Tech Nation Report 2017)

Norwich hosts a vibrant cluster of digital businesses, with home grown companies such as Epos Now, Foolproof, Further and Rainbird AI serving global digital technology customers. UEA and NUA's strong computing and digital creative programmes provide a ready supply of digital and creative graduate talent - and a developing Norwich based specialism in gaming. Strong university and business collaboration supports a notable range of meet up and networking platforms within Norwich, and ensures a range of annual events to inform and generate interest from the wider business community, and increasing, within schools – Step into Tech providing a shining example.

The Government's 2017 Tech Nation report recognises a vibrant digital creative sector focused on Norwich, which has seen particularly impressive growth in earnings power for digital creative positions. Norwich has benefitted from an annual average of 111 digital start-up companies between 2011 and 2015. Digital business turnover has increased by +27%. Sector specialisms include artificial intelligence; IoT; Fintech; advertising and marketing; and cyber security.

This dynamic cluster includes advertising & marketing companies such as:
Proxama (worldwide platform provider of mobile contactless payment solutions), FXHome (global supplier of visual effects products), Foolproof (Europe's biggest user experience design specialist) and Further (voted the UK's no.1 agency for Digital Strategy and Content Strategy 2014). Epos Now provide till equipment and cloud-based software to the SME market.

A key driver for the growth is the strong supply of creative graduates coming out of Norwich University of the Arts (NUA) and University of East Anglia (UEA). Norwich is developing a distinctive strength in computer games. The two universities and local authorities have been strong supporters of local digital creative networks, which thrive in Norwich. Norwich has a notable "giving back" ethos within digital founder members, and they have strongly supported the networks, which include: SyncNorwich (over 1300 members), Hot Source 1100 LinkedIn members; Norfolk Developers (over 1,000 members); TechEast Ltd (created in 2016 to accelerate East Anglia's tech scene); along with other meet up groups for entrepreneurs and professions: (Norfolk Network, Norwich Hackspace/Makerspace; Digital East Anglia are good examples. Norwich TechVelocity incubator/accelerator programme was launched by the private sector in 2017. Norwich's Step into Tech provide coding clubs for kids and the #DigitalCity Trail promoted ICT to children. The Norwich Gaming Festival in 2017 attracted 40,000 visitors.

Norwich located companies benefit in other ways. According to Irwin Mitchell's quarterly tech powerhouse report Norwich had the UK's 6th fastest year on year growth rate of 2%. Norwich was one of five 'fast growth cities' identified in a 2016 report by the Centre for Cities. Quality of life is rated at 97% by digital employees; digital growth optimism is at 81%.

b. **Life Sciences**

Norwich Research Park is an international centre of excellence for life science, with strengths in plant and microbial science, genetics and genomics, food, health and the microbiome.

A co-location of four independent world-renowned research institutes the John Innes Centre, Quadram Institute, the Earlham Institute and The Sainsbury Laboratory, together with the University of East Anglia and the Norfolk and Norwich University Hospitals NHS Foundation Trust.

Quadram Institute

The Quadram Institute (QI) is a new state-of-the-art food and health research and endoscopy centre opening fully in mid-2018.

The Quadram Institute is at the forefront of a new interface between food science, gut biology and health, developing solutions to worldwide challenges in food-related disease and human health.

As a first step to realising the ambition of the Quadram Institute the Institute of Food Research (IFR) transitioned into Quadram Institute Bioscience. QI brings together research teams from Quadram Institute Bioscience, the University of East Anglia, the Norfolk and Norwich University Hospital (NNUH), as well as a new Regional Endoscopy Centre and Clinical Research Facility.

The Quadram Institute engages in fundamental and translational food and health research, alongside clinical studies and endoscopy, working together to become a leading international hub for food and health research. It is combining scientific excellence and clinical expertise to deliver better patient care and accelerate innovation. Research areas:

• Food Innovation and Health
• Gut Microbes and Health
• Microbes in the food chain
• Food, microbes and public health

NRP LLP Infrastructure Investment

Discussions are taking place with the NRP LLP, and colleagues at NALEP and South Norfolk Council over whether it is feasible for the County Council to undertake, and pay for initial infrastructure development to enable projects that are in the pipeline to take place. The County Council would recoup the costs incurred from Enterprise Zone income. The analysis is looking at the project pipeline, the works necessary and the Enterprise Zone income these projects will deliver.

c. **Agri-tech**

Agri-tech – the ability to use technology to improve agricultural production and processing yields, efficiency and profitability - has been identified by the Government as being of national importance and one of the world's fastest growing markets. Norfolk's expertise in food, plant and health science, combined with an innovative farming community, offers business extraordinary potential to contribute to that growth.

Within Norfolk and Suffolk, agriculture, food and drink generate £3.9 bn per annum, and the agritech sector employees 20,000 people. Norfolk generates over 5% of England's agricultural produce. Spend on agritech research and development in recent years has outreached London; the South East; greater Birmingham amongst others. Employment growth in science and research and development has accelerated by 50% since 2007 – compared with 19% nationally.

Norfolk has a significant number of specialist companies within the Agritech sector, including British Sugar with sites in Norwich and Downham Market; Kettle Chips in Norwich; Adnams in Southwold and poultry processors Bernard Matthews; Tulip Ltd and the 2 Sisters Group. Historical chocolate production ensures Norwich retains specialist chocolatiers with outlets in Norwich (Thorntons, Hotel Chocolat), alongside specialist craft beer, and boutique pork and poultry processing companies.

The Agritech sector has significant strengths in R&D and strong network organisations. Agri-Tech East, based in the region, is the longest established and largest regional membership organisation within the Agritech sector, and focusses on bridging academic research and agritech enterprises. Norfolk based Anglia Farmers, are the largest agricultural purchasing group in the UK with a buying power in excess of £250 million.

Innovation active companies include those in plant breeding (Floranova); agronomy services (Bayer Crop Science, G's Growers, Syngenta); and agricultural engineering (GT Bunnings, Lemkem (UK) Ltd); with entrepreneurs taking advantage of the Eastern Agritech and other grant schemes to further their R&D efforts: Agrimech Ltd; Gropod Ltd; Leaf Systems; Tropic Biosciences are recent successful applicants with a wide variety of research aims.

d. **Financial Services**

Norwich is one of the largest general insurance centres in Europe and is growing.

Norwich has been a base for the financial industries for over 200 years and boasts a financially literate, highly-skilled and stable workforce recruited from local colleges and universities. This ensures a large pool of talent which combined with the low cost base and the excellent worldwide connections makes it an ideal location to locate your new project or branch.

Norwich is also recognised by central government as one of 15 financial centres of excellence nationally. With over 50 corporate HQs in the city – Norwich is recognised as an attractive operating environment and location for investment. Employment has grown in recent years and relatively stable during recession which is testament to strength of sector, the relatively low cost location and excellent quality of life has been evidenced to shows a strong retention of the local workforce.

The collaborative financial sector is exemplified by the Financial Industries Group (FIG), which brings together the banking, insurance and finance sector to support future growth. Fig is an independent non-profit body which promotes and develops the financial industry in Norfolk and is a sector group for the county's economic development partnership between the public and private sectors. Fig acts as a catalyst and broker to meet the needs of the industry in order to keep it thriving and keep it local. Companies such as Marsh, Aviva and Swiss Re are strong supporters of FIG.

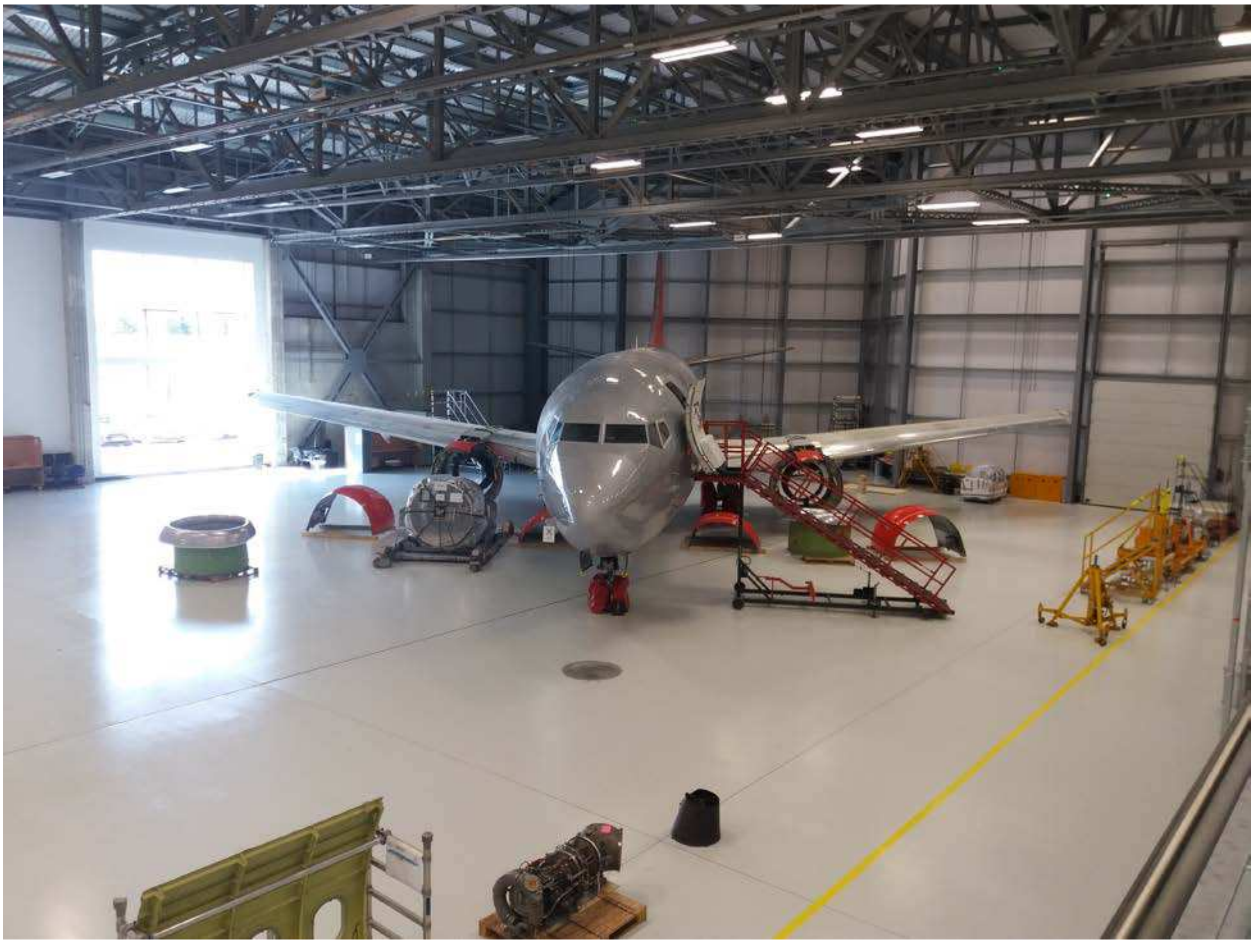
Norwich has over 11,000 highly skilled individuals employed with capabilities in insurance, investment, banking, accountancy, audit, actuarial science, statistics and business administration

Within a reasonable commute (e.g. Cambridge), there are additional substantial pools of skills. People already commute readily from these areas, or relocate as necessary. Indeed, the lower costs of living in Norwich make a move highly attractive.

- National Skills Academy for Financial Services (NSAFS) in Norwich. An educational charity working directly with employers to govern and deliver a skills training programme that is bespoke and industry led. This is increasing the number of skilled people in the sector, improving training for existing employees and making training relevant to business needs.
- University of East Anglia (UEA) in Norwich. Ranked in the top 1% of HE institutions in the world. The UEA has a top ranking Business School offering degrees in accounting, finance management and marketing. There are also MSc courses which include advanced business management, international accounting and CFA accredited financial management along with full and part time MBA courses.
- UEA School of Computing Science is one of the largest and most experienced computing schools in the UK
- UEA Actuarial Sciences incorporates multi-disciplinary teaching, combining expertise of Schools of Computing Science, Mathematics, Economics and Norwich Business School to engage with real world business issues and opportunity to be taught by professional actuaries from Aviva.

The collaborative financial sector is exemplified by the Financial Industries Group (FIG), which brings together the banking, insurance and finance sector to support future growth.

e. **Advanced Manufacturing & Engineering**



(*Norwich International Aviation Academy 2017)

From sports cars to food processing, this sector is the 3rd largest in Norfolk, employing 10.3% of the workforce and is hungry for more.

With cutting edge automotive engineering companies, a wealth of advanced materials manufacturers and diverse specialisms in aviation, maritime, energy, electronics and food machinery there is a diverse mobile skill force able to support new projects and adapt to changing technologies.

We are home to several advanced manufacturing clusters, including automotive, civil aviation, composites and pharmaceuticals. Manufacturing and engineering in Norfolk supports a number of key sectors.

The advanced manufacturing sector in Norfolk is a reflection of the area's diverse economic strengths. Advanced manufacturing strengths include civil aviation, pharmaceuticals and energy supply chains. Hethel Engineering Centre is the regional hub for innovation and technology and is expanding to meet the demand for incubation space in this growing sector.

There are several specialist advanced manufacturing companies in the area, including: Lotus, a class-leading manufacturer of sports cars; Multimatic, a specialist in vehicle dynamics; and API technologies, whose electronic products are used by global defence, industrial, and commercial customers.

The manufacturing and engineering industry is changing: with a shift away from metal to composite materials; a focus on renewables and biological substances; industrial biotechnology and plastic electronics; and new aerospace technologies. Norfolk has already established itself as a centre of excellence within these areas and with both large employers and concentrations of smaller businesses making their mark as experts and innovators.

The New Anglia Advanced Manufacturing and Engineering (NAAME) provides a business-led voice and secures income to deliver business support programmes, pilot innovation programmes and support for business start-ups. The group works with the New Anglia LEP on skills and innovation projects.

The sector is supported by world leading institutions like the Norwich International Aviation Academy, a unique 'real world' learning environment covering all facets of aviation on a full size, working aircraft, as well as the Hethel Engineering Centre, the region's advanced engineering hub, which has ambitious plans to become a Technology Park – sitting alongside the Norwich Research Park for biosciences.

Hethel Engineering Centre and the Norwich Research Park sit within a concentration of technology businesses that stretches from Norwich to Cambridge along the A11 road. Norfolk plays host to a number of key industry sectors, many of which are of national importance, including the energy hub on the east coast, advanced engineering, and manufacturing, together with world-class food, life-science and agri-tech expertise and a fast growing digital creative cluster.

These sectors present attractive investment opportunities: plenty of space for businesses to start up and grow; quality, cost-effective, commercial property compared to London and the South East; as well as lower than average operating, property and living costs. All of which is underpinned by a comprehensive business support framework, vibrant business and sector networks and a stable skills base.

There are targets to generate 57,000 more jobs, 5,300 new businesses and 73,000 more homes by 2026 supported by the City Deal with the Government which will contribute significantly to achieving these plans.

A6. Norfolk’s Sector Propositions for Government

Norfolk County Council ‘s Economic Development team works with key stakeholders from business, local government and academia to develop ‘our offer’ in key sectors and raise awareness with central government.

This has been particularly effective through the East of England Energy Zone marketing and also through our Tech East brand.

Going forward, Norfolk County Council will be working closely with New Anglia LEP’s Sector Groups, aligning Norfolk and the LEP’s growth priorities. The aim is to produce sector and sub sector propositions, which are endorsed by both business and public sector, highlighting specific strengths for Norfolk – such as our offer in the renewables sector.

The Sector Propositions will raise awareness in government and overseas, attracting investment leads, where the Economic Development team aim to facilitate a pipeline of enquiries and achieve a higher rate of inward investment successes.

Appendix B – Invest East – ERDF programme

Para. **Project Overview**

1.1 The Invest East programme aims to enhance the reputation and capability of investment readiness support to accelerate businesses that wish to scale up and to use the outcomes, case studies and messages from this work to enhance and provide assurance to foreign investors that there is a healthy local investment offer and that Norfolk and Suffolk demonstrate a fantastic opportunity for investment.

1.2 There are delivery 4 partners in the project, bringing in their specialism and match to support the bid, providing best value to the target market for the project. This will be further underpinned by the Growth Hub who will be the main point of contact, facilitating referrals to and from the programme. All interactions with businesses will be recorded via the LEP CRM to ensure the most effective support is provided to the businesses, linking in with local partners.

1.3
- **Investment readiness support:** Delivering investment readiness workshops, training and guidance. UEA (Adapt) will lead, they have been managing the LCIF for a number of years and have been successfully providing support to LCIF applicants. This will be enhanced and run across both counties for businesses targeting any investment fund. There will be 4 cycles of support over the 3 years with each cycle proving up to 40-50 hours of intensive support for 30 businesses, with opportunities for other businesses to receive elements of the programme as needed, referring to and from the Growth Hub network.

1.4
- **Investor Support Programme:** landing and account managing external investors, supporting and developing external promotion offers with NALEP. Norfolk and Suffolk will lead in their respective counties and have been providing investor support since EEDA was abolished in 2012, since that time the rate of enquiries landing in Norfolk and Suffolk has significantly increased and through the bid the local offer and processes will be greatly enhanced to further close the gap with other competitive regions.

1.5
- **Promotion and profile raising:** External promotion on a national and international forum to draw in investment and talent. New Anglia LEP will lead, being the entity national investment stakeholders look to understand the local offer, alongside their local sector groups which will be crucial in targeting market opportunities and developing sector offers.

1.6 The total project size is £1.8m, running April 2018 – 2021. Only supporting SME's it will deliver 150 intensive business supports, 5 additional SME investors landed, 80 jobs, 40 new products from businesses and will engage with a rage of investor stakeholders and local partners to develop/support campaigns. Support for larger business enquires will still take place but not under the ERDF bid.

1.7 The bid was submitted in August 2017 via written procedures to aim for a verdict in late January/early Feb 2018.The first question set has been resolved and there is no evidence of any issues that would prevent approval of the ERDF funding.