

Economic Development Sub-Committee

Item No.....

Report title:	Inward investment update
Date of meeting:	19 January 2017
Responsible Chief Officer:	Tom McCabe - Executive Director, Community and Environmental Services
Strategic impact Attracting and retaining inward investment is an important activity, albeit a highly competitive one. Investment creates jobs, which boosts growth and raises living standards. It can also help to drive competition and make companies more efficient. Investors bring knowledge, resource, new ways of thinking and new technology which in turn can raise skill levels, productivity and salary levels. Inward investment can create or enhance clusters, drive innovation and also raise our profile nationally and internationally. That can help attract skilled people and attract further investment – success breeds success. Where inward investment involves the acquisition of a locally based company it may not always result in a positive outcome.	

Executive summary

This report provides committee with an overview of the inward investment function carried out within the Economic Development and Strategy Group, in collaboration with a number of local partners, an update on current performance and proposals for future activity.

Recommendation – members are invited to comment on current performance and arrangements, as well as suggest improvements.

1. Background

- 1.1 Norfolk County Council, the seven District Councils and the New Anglia LEP all undertake inward investment activity, designed primarily to attract and retain investment by business. This is over and above any work undertaken to establish and grow indigenous businesses, especially those unlikely to consider relocating outside of the county. Various specialists and local partners such as universities, colleges, recruitment agencies and local property agents are brought in as required. The DIT - Department for International Trade (formerly UKTI) - is also a key player where an investment has an international dimension.
- 1.2 Certainly, all local areas will seek to demonstrate their respective attractions to other parts of the UK where possible. The Welsh Assembly Government has a London office purely to attract business from the capital. Other major cities also promote themselves within the capital, as well as targeting other areas of the UK to try and supplement their respective sector strengths.

- 1.3 Inward investment has been recognised as a key element of the economic growth strategies for many of Norfolk's LAs as well as the LEP, which has translated to a fair degree of joint working across and between both county areas. This enables more localised intelligence.
- 1.4 This paper explains how the local authorities and the LEP currently encourage or support inward investment, with a focus around three key areas:
- Outwardly focussed – generating enquiries through a range of promotional activity;
 - Inwardly focussed – responding to and managing enquiries, working to support locally based companies;
 - Product development – ensuring we maximise our offer, enhance it, expand it, understand it and present it appropriately.
- 1.5 Appendix A gives some further background to what is generally understood to be inward investment, and what are some of the decision drivers.

2. Norfolk's performance in terms of attracting investment

- 2.1 Appendix B describes the national picture in terms of inward investment, which has been improving over the past five years as the UK (and the world) recovers from the recession. This section looks at Norfolk's performance.
- 2.2 In 2015/16, in partnership with UKTI (now DIT), Norfolk attracted 10 projects, involving 453 new jobs. Five of those projects involved substantive involvement from the Economic Development team and/or other local partners.
- 2.3 Those projects emanated from a wide range of countries – Denmark, China, Australia, Netherlands, Sweden, Nigeria, Malaysia and Belgium.
- 2.4 One project was an acquisition (Riddlesworth Hall School which was widely covered in the media). One new investment was Supernova Energy which we attracted to Hethel Engineering Centre and another project was a new retail investment. The remaining six (accounting for the majority of the job growth) came from existing businesses. These were not publicised.
- 2.5 In addition the team handled 22 further enquiries, of which nine did not progress and the remainder have carried over into this current year.
- 2.6 The Economic Development Team, together with other local partners including the LEP, has supported a substantial number of UK (local) owned businesses, including some expansions and intra county relocations:
- 22 Agritech projects supported, creating 75 jobs, £1.2m grant awarded – projects either promoted, managed, appraised or a combination – Norfolk and Suffolk;
 - Partners in the delivery of the LEP's grant schemes. 51 projects supported, leading to 309 jobs, granted £2.5m;

- 40 substantive contacts with Norfolk businesses for a wide range of reasons (not included above). Notable projects already covered in previous reports include Eastern Attachments, Baxter Healthcare and Lintott Control Systems.

2.7 **Current 2016/17 pipeline** – There are 30 projects on the national enquiry pipeline, which include Norfolk/NALEP as a contender. The following 12 anonymised projects are the strongest on the pipeline. The number of enquiries we would expect to receive has reduced in the past few months – in line with national trends.

- 1 – Offsite modular construction company seeking 24,000sqm manufacturing facility to manufacture residential housing units. Creating 610-630 jobs
- 2 – Electric vehicle manufacturer looking at a phased investment, starting at a small scale R&D facility and growing into a 200,000sqm site for manufacturing, creating up to 1,000 jobs
- 3 – South Korean manufacturer, based in Seoul. Manufacturing interactive touch screens for use in the education & business sectors. Seeking 600sqm/1000sqm facility, creating 4-10 jobs
- 4 – UK expansion project for a notable games development company in the UK. Looking to create 100 high quality jobs
- 5 – Dutch waste company seeking a 15,000sqm site for recycling operations that would handle farm plastic waste such as silage wrap – they clean it and then process for recycling
- 6 – Chinese engineering firm, looking to work with UK engineering firm specialising in system controls. Companies have been suggested.
- 7 – South African medical testing company looking to set up sales and business office in UK. Have identified Norwich. Project on hold, due to confirmation of contracts with target company
- 8 – Offshore wind component manufacturer looking to provide products to Tier 1 offshore wind manufacturers. Ongoing dialogue - contingent on winning contracts in future bidding rounds
- 9 – Italian Steel manufacturer looking to purchase/rent site in GY to service offshore wind market. Ongoing
- 10 – Chinese skincare company looking for R&D partner in UK. In talks with newly established company at NRP, but very early stage enquiry
- 11 – Japanese automotive manufacturer producing electric sports cars and looking for a European base. Sites at Scottow and Hethel are being promoted. On DIT pipeline as UK-wide enquiry for European base
- 12 – Dutch engineering company seeking support to establish a new facility in Norwich

3. Resourcing inward investment activity – how we are organised locally

3.1 Appendix C provides some background on how inward investment was historically managed from a national and regional perspective. In 2012, following the abolition of the regional tier of UKTI, a new national service was established to engage with local partnerships.

3.2 In 2013, the County Council's Economic Development and Strategy team increased its capacity and set about engaging more substantially at a national level. Broadly, we feel the past few years have presented us with a better opportunity to promote ourselves, and this has resulted in more investment as described in section 2.

- We have been able to promote Norfolk, and its key assets both sectoral and locational, directly to national influencers.
- We have had better access to the national pipeline
- We have had access to a nationally-based team of sector specialists who have worked with (a smaller number of) our key foreign owned businesses and were highly surprised and impressed by the quality and breadth.

3.3 This preceded the signing of an MOU by the County Council with the LEP, Suffolk CC and DIT to act as the main and first point of contact with DIT. We committed to:

- respond to all new inward investment enquiries;
- maintain and keep updated a commercial land and premises register;
- maintain a database of information to support responses to enquiries;
- liaise with specialist colleagues, districts, the LEP and businesses in order to better understand our offer, opportunities and product;
- maintain a contact register for foreign owned and other key businesses in Norfolk;
- conduct inward visits, should Norfolk be shortlisted as a favoured location, linking up with local partners as appropriate;
- develop and maintain a clear understanding of the local "offer", our key sectors, R&D capability, business expertise etc.;
- undertake, lead on or support lead generation activity.

3.4 The ED&S Group expanded to provide a full time specialist resource to lead on this inward investment activity. However, it was always recognised that input from other partners, especially the District Councils, would be vital. Other ED&S staff assist where necessary. All District Council Economic Development teams provide a valuable supporting role, and in some cases will lead on an enquiry especially if there is a direct approach. The total resource provided by the County Council to support inward investment is approximately 1.8 FTE staff and a budget of £70k.

3.5 The LEP has one post that supports inward investment (as part of its role managing Enterprise Zones), and the MD is very supportive if required. Each of

the District Councils supports inward investment, and most have at least one team member devoted to this function.

- 3.6 The following section provides some detail about current and planned activity, linked to the key areas shown in 1.4. The focus is on job creation, awareness raising, lead generation and enquiry handling with an emphasis on our key sectors.

4. Planned activity

Outward focussed – profile raising

- 4.1 With modest resources available, it is not practical to undertake major profile raising campaigns. To gain sufficient reach and impact would cost far more than could be justified. However, these are the main ways we are currently or are proposing to raise our profile.
- 4.2 We manage the Locate:Norfolk website which contains substantial information about the county's key business sectors, key locations, a map-based property search facility and the wider economy (housing, schools, culture, recreation, environment etc.). The sectors we especially focus on are:
- Energy, with particular emphasis on the renewables sector;
 - Health and Life Sciences (with emphasis on the NRP);
 - ICT and Digital Creative Media;
 - Manufacturing generally, with more advanced engineering focussed on Hethel – especially automotive, but also aviation;
 - Financial and Professional Services;
 - Agri-tech, which again links with the NRP but embraces engineering, food processing and farming, with its supply chain.
- 4.3 As well as keeping the website refreshed, the team manages the Locate: Norfolk twitter feed which has 5,822 followers; we have put out 2,063 tweets celebrating success and opportunities from Norfolk.
- 4.4 Recent research has shown that the profile of Norwich, where there is a perception, is generally more positive than Norfolk's. As such we will be looking to leverage the City's profile more in the future, especially in relation to the sectors which are strongest there. We collaborated with the Greater Norwich Growth Board, the LEP and Suffolk partners to present Norfolk under the Greater Norwich brand at the recent MIPIM property exhibition.
- 4.5 In addition a recent initiative to leverage our proximity to Cambridge, enhanced by the completion of the A11 dualling, has seen the launch of the Cambridge Norwich Tech Corridor. This is a major initiative supported by all the authorities between Norwich and Cambridge and was the subject of a report to the last committee meeting in November. The project has been supported by the Business Rates Pool to enable the recruitment of a specialist to bring forward the various sites along the A11, build connections between the two cities and promote the opportunity.

- 4.6 A core activity for the team is targeted promotion nationally and internationally to DIT professionals. This includes sector specialists and overseas posts. It is vital that our key messages are promoted to DIT so that our assets form part of the national offer. Various national sector profiles do not generally promote specific localities but instead amalgamate strengths into a coherent suite of messages. However, once interest is shown in the UK offer DIT is able to pinpoint the optimum location(s).
- 4.7 In the past three years we have hosted sector specialists from the Agri-tech sector, Financial Services team, Automotive Engineering, Offshore Wind, Life Sciences and ICT. We follow up this work by providing regular sector updates. Often we are brought together with other LEP areas that are strong in these sectors to provide singular briefing documents. A summit on Offshore Wind is planned for January 2017.
- 4.8 Sector focussed lead generation work has been undertaken for sectors where we consider our strengths to be nationally significant. This includes sector focussed exhibitions, targeted lead generation at specific businesses, and the creation of marketing material. These are covered in the next paragraphs.

Product development – targeted sector initiatives

- 4.9 **The Wind Energy Sector.** This committee was appraised in 2015 of the opportunities presented by the sector. In addition, decommissioning of ageing oil and gas assets in the Southern North Sea is starting to occur with Gt Yarmouth businesses picking up work and investment. All activity is undertaken in partnership with Great Yarmouth Borough Council, North Norfolk DC, Waveney DC, Suffolk CC and East of England Energy Group.
- 4.10 The creation of an energy sector focussed Enterprise Zone has provided an excellent backdrop around which to present a substantive offer to the sector. The awarding of Assisted Area status, the achievement of CORE (Centre for Offshore Renewable Engineering) status and the coming together of Norfolk and Suffolk authorities under a single brand (East of England Energy Zone) has all helped to place the area in a strong position. Activity includes:
- an exhibition programme at major wind energy events – ongoing. The next event is the European Wind Energy conference in June 2017;
 - a relationship management programme targeted at all the main wind turbine manufacturers, their higher tier suppliers and the developers to understand and influence investment decisions. A high level, ongoing dialogue exists with all of the key potential investors;
 - a PR campaign, to be recommenced in 2017;
 - web presence and the development of marketing material;
 - research into the supply chain and the production of a capability matrix;
 - analysis of our property offer and the development of a strategy to meet investor needs, especially within the port;
 - lobbying Government.

- 4.11 Activity is fully funded from the Enterprise Zone income, allowing a more expansive approach than can be afforded with other sectors.
- 4.12 **Bio Tech** – working with the Norwich Research Park Office, the LEP and South Norfolk Council we have engaged specialists to investigate and narrate the key areas of science that will be of interest to start up, or existing businesses. In particular those who could benefit from the join up between the core areas of science. This resulted in the emergence of:
- Industrial Biotech, focussing on natural products, biodesign, bioengineering and carbohydrates;
 - Med Biotech, focussing on gastroenterology, medical microbiology, anti-microbial resistance and biofilms;
 - Agri Biotech, focussing on crop yield, precision agriculture, crop resilience and crop quality;
 - Food and Health, focussing on gut health and microbiome, food bioactives and food safety.
- 4.13 The specialists have taken these core strengths and opportunities and presented them to a substantial number of Bio Tech companies in the USA, with the aim of tempting them to explore the potential of collaboration which may lead to investment. 107 leads were identified and these are being examined to find the areas of closest fit on the NRP. This is the first time an exercise like this has been undertaken and interest across the NRP is considerable. The total cost is currently projected at £30,000, split three ways between ourselves, South Norfolk Council and the NRP.
- 4.14 **ICT** – Our work in this sector has emerged thanks to the inclusion of Norwich in the 2014 Tech Nation report. The City has sustained its place in both the subsequent years and as a result we have entertained several enquiries from London based businesses. We have also helped to establish Tech East which is going to provide a stronger focus for our promotional work and its emerging action plan will target London especially. We are also working with our new Voice and Data contract providers to leverage their relationships with ICT companies. The LEP and the City Council as well as Suffolk CC are key partners.
- 4.15 **Automotive Engineering** – Hethel Engineering Centre has incubated over 200 new businesses; many were start-ups in the automotive sector. We know many chose Hethel despite other parts of the UK (and beyond) offering attractive incentives. Hethel is therefore seen as a major investment opportunity and is seen by DIT as a national asset. The next stage is to pursue the concept of a Technology Park on the land surrounding it.
- 4.16 **Aviation** – There are relatively few regional airports in the UK and even fewer have available employment land. This is a growing sector and we are working with the airport and other partners to attract investment. We believe the creation of the International Aviation Academy will play a key role.

- 4.17 An important aspect of attracting inward investment is to ensure we have a variety of serviced employment sites across the county. However, many of our strategic sites are constrained due to the cost of providing utilities, or due to the need for highway works. This report will not discuss specific site issues, but there is a delicate balancing act in terms of profile raising focussing on one or more employment sites that may not yet be ready to bring forward. But unless demand can be demonstrated, developers will be unlikely to invest.
- 4.18 **Enterprise Zones** – are an important development that are providing the means to unlock certain sites. They provide a potential income stream which can be used to forward fund infrastructure. The incentives offered by EZ status are an attractant in their own right and in addition, the Government promotes EZ sites as a national suite of locations.
- 4.19 The experience of Hethel Engineering Centre as well as the other business incubators across the county has provided evidence that a high quality, supportive start-up environment is highly valuable. We are exploring the potential of developing more incubation space, especially ones with a sector focus, and will present these ideas to Committee at a later date as they progress.

Inward focussed activity - relationships with existing companies

- 4.20 As has already been stated, much of our investment comes from existing businesses. Part of our relationship with DIT, and a key function of ours and District Economic Development teams, is building and maintaining relationships with key businesses. Between us we have extensive relationships with most of the county's larger 50 companies, by employment, where they play a major, outwardly focussed role within the sectors described earlier. In addition we maintain relationships with many other companies, especially where they are key constituents of the sectors mentioned earlier.
- 4.21 There is a hierarchy of relationships which places responsibility for leading on relationship management, with a small number having ministerial-level contact, a larger number managed at national DIT-level, a still larger number handled by DIT's Investment Services Team and the remainder managed locally. Information and knowledge is widely shared.
- 4.22 UK-owned companies tend to be managed locally unless they are amongst the largest.
- 4.23 Where a Norfolk-based company has a head office elsewhere in the UK, DIT will generally ensure we are kept abreast of corporate developments, if they may have an impact on the Norfolk based plant.

EU Project Proposal

- 4.24 The Economic Development team is leading on a project that will deliver an EU funded support programme if successful. It will actually contribute to all three areas of inward investment.

- 4.25 The project will generate, encourage and support successful new inward investments within Norfolk, Suffolk and the Greater Cambridge Greater Peterborough LEP area, referred to as GCGP/NA. It aims to increase economic prosperity, jobs and GVA across GCGP/NA. The project will raise the profile of GCGP/NA as an inward investment destination; it aims to bring new inward investment from internationally and locally based SMEs and support the growth aspirations of SMEs in the area through better use of investment opportunities.
- 4.26 If we are successful, this £2.7m programme will operate for three years from mid-2017 and deliver 250 intensive business supports, create 10 new business and 170 new jobs as well as a number of other outputs.

Officer Contact

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

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Officer Name: David Dukes **Tel No:** 01603 223142

Email address: david.dukes@norfolk.gov.uk



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Background – what is inward investment, and what drives decisions

- 1 The generally accepted view of what constitutes inward investment embraces these key areas:
 - I. Attracting new direct investment, which can take the form of:
 - a relocation from elsewhere in the UK or further afield;
 - expansion, to create a new facility – possibly a branch or subsidiary;
 - a new start-up company, but usually considered inward investment when the company could have opted to start-up outside of Norfolk;
 - an acquisition.
 - II. Working with existing companies that are already based in Norfolk. The primary aim is to sustain that company, but also to identify threats and opportunities for expansion, providing assistance where possible, especially with growth opportunities, or by connecting with other companies, the academic base or support programmes (especially grants or other finance).
 - III. Improving the Norfolk “product”. This includes employment land (especially the creation of Enterprise Zones and Assisted Areas), new premises, incubation facilities, the cultural environment, and gathering intelligence about the “offer” to inform/support profile raising activity.
 - IV. Investment in land, property or other fixed assets – especially valuable if the investor unlocks a constrained site, or significantly improves the quality/profile of a development – attracting more, and better quality end users as a result.
- 2 It is usual for the main focus of this activity to be on foreign investment (FDI). For over 30 years UKTI (now DIT) has acted as the key national focus for attracting FDI, and it has never had a remit in simply moving investment around the UK. Of course we are not so constrained – and neither are other areas of the UK, especially devolved administrations.
- 3 Investment generally has a highly positive outcome. Investment creates jobs, which boosts growth and raises living standards. It can also help to drive competition and make companies more efficient. Investors bring knowledge, resource, new ways of thinking and new technology which in turn can raise skill levels, productivity and salary levels. Inward investment can create or enhance clusters, drive innovation and also raise our profile nationally and internationally. That can help attract skilled people and attract further investment – success breeds success.
- 4 It may also involve acquisition of a company – this can be planned and managed, and result in substantial growth. A good example is Seajacks in Great Yarmouth which targeted Murubeni and achieved it. The investor may have better access to markets, or the ability to invest in plant, equipment and skills, or they may relocate functions/activity from other plants. The benefits may therefore be longer term. On the other hand, the acquisition may result in efficiencies causing job losses locally, or result in downsizing. Occasionally an

acquisition can even lead to closure, with a view to liquidating assets for other purposes, or simply to reduce competition.

- 5 **What drives investment decisions?** Investment decisions tend to be made on the basis of a combination of a number of factors. Essentially, a business will be looking to exploit an opportunity which may range from local to regional, to national, to European to global. Analysis of enquiries received in recent years shows the following as common criteria:
- proximity to a major (growing) market and if physical products are involved will usually drive choice towards the centre of that market, or a location close to the main motorway network, and/or a major airport;
 - proximity to a sea/airport (this is very often a key determinant);
 - proximity to resources – raw materials (in the case of Palm Paper it was access to a large supply of water that was a key determinant);
 - to be part of a supply chain, or to exploit one – tends to occur more when there are clusters of larger businesses;
 - quality of relationships with key support agencies that provide many roles ranging from initial the provision of initial information, to providing assistance with relocating staff;
 - proximity to knowledge bases, centres of excellence or a specific skill base, and the labour supply generally. Also, the likely cost of this labour – in some cases this can be a key determinant;
 - financial incentives – either through Assisted Area grants (currently not universally available), national schemes such as Regional Growth Fund (again not available now) or Enterprise Zone incentives;
 - available, serviced land or suitable existing premises, deemed to be affordable but investors are clearly willing to pay more for “premium”, desired locations.
- 6 Ultimately, key decisions are still based around a search for sites close to the main motorway networks, key airports and/or major centres of population; it is no surprise that well over half of all UK investment gravitates to London and the Greater South East (including the M4 corridor).
- 7 A recent piece of work by Deyton Bell, for the Cambridge Norwich Technology Corridor partnership, asked 50 (technology) businesses based in Norfolk, Suffolk and Cambridgeshire about their key drivers for investment and the top 8 were:
1. Skills
 2. Cambridge (for businesses based there)
 3. Costs
 4. Road access
 5. Proximity to suppliers
 6. Proximity to customers
 7. Links with Universities
 8. Quality of Life
- 8 The overall image of a location will rarely be a factor in attracting an investment in the first place. Few locations will have a high enough profile to

have a material effect on a general basis. However, associations with certain key sectors can enable carefully targeted profile raising as long as the information is underpinned by an authoritative third party. Norwich's inclusion in the Tech Nation report is a key example.

- 9 However, a prior connection with a local area by the key decision-maker can be important. Similarly, an overseas company's first steps in the UK market may occur through the appointment of a UK based representative, usually with experience of the sector and the local market. The eventual location chosen for the investment may simply be where the representative is based.
- 10 Environmental or quality of life factors can play a role, although given that most areas in the UK claim to present this as a major advantage, it is difficult to present this as a USP unless a visit actually takes place.
- 11 Some locations attract investment due to the availability of substantial grant funding, or because the local authorities own substantial property portfolios which they can deploy. Despite state aid constraints, it is clear that authorities that are able to take a stake in developments can usually present attractive deals.
- 12 One important exception to much of the above has been Cambridge, where a global reputation for science, technology and R&D helps to generate considerably more interest and investment than comparable towns and cities. However, lack of space and very high costs are now major constraints. This has been a key driver behind the Cambridge Norwich Tech Corridor initiative, which has drawn support from Cambridgeshire local authorities. Those partners see benefit in collaborating with us, which is important given the other "corridors" of major importance that emanate from Cambridge.

National Trends and the types of investment the UK attracted in 2015/16

- 1 The UK has historically been very successful at attracting and retaining inward investment. The most recent figures (2015) show we are the leading European destination for investment (closely followed by Germany) and 3rd only behind the USA and China (including Hong Kong). In line with global trends, until 2014/15, there were lean years, but the past 2 years have seen more new investments and more expansions into the UK – and we have performed well against the rest of the world.
- 2 The UK attracted 2,200 projects last year; over half came from the US and the main EU countries plus Switzerland. UKTI's budget specifically for inward investment in 2015/16 was £44.6m, although additional support is provided via the Foreign Office, especially at the various embassies and consular buildings throughout the world.
- 3 London attracted by far the most investment, attracting nearly 900 of the 2,200 projects landed. The rest of England attracted 1043, but the majority went to the regions adjoining London – and specifically to the counties/LEP areas closest to London.
- 4 Wales and Scotland won only 100 projects each, and Northern Ireland just 30.
- 5 Many of the successful projects involve investment into or from existing businesses. Nationally, more projects, more jobs and more investment was delivered this way. But in the past five years, nationally there have been more new investments rather than expansions. For Norfolk, given that attracting new investment has always been a challenge, it will always be at least as important to maintain close relationships with existing companies.
- 6 However, there is increasing pressure on foreign-owned companies located in the UK, as well as indigenous companies to look at lower cost bases overseas. A recent survey of 100 CEOs of large businesses by KPMG showed a majority felt the recent referendum on EU membership may cause them to relocate head office or other operational functions overseas. Plus, the widely reported rhetoric from the new US president is likely to put more pressure on US-owned companies to reshore business back to the USA wherever possible. A strategy which includes actions to ensure business retention, and to exploit opportunities to encourage further investment is vital.
- 7 Large-scale relocations or brand new investments into a new location are quite rare. The creation of new car plants and electronics factories occurs less often, and in Norfolk was always a rare occurrence. An obvious exception was Palm Paper's much celebrated investment (over £400 million) into King's Lynn around 10 years ago. More common are more modest expansions, measured

acquisitions or the establishment of small sales offices (and the latter can sometimes actually be to the detriment of local businesses if this merely facilitates the provision of goods or services from a remote base, in direct competition with locally based suppliers).

- 8 The most important sector in terms of both jobs and numbers of projects is in financial and professional services, with 681 projects and 41,876 jobs. The majority of this was directed at London. Other sectors include:
 - Advanced manufacturing – 618 projects and 37,400 jobs
 - Creative and ICT – 668 projects and 14,000 jobs
 - Energy – 260 projects and 13,500 jobs
 - Electronics – 138 projects and 3,900 jobs
 - Life Sciences – 178 projects and 14,600 jobs
- 9 In all sectors this represents an increase on 2014/15 and maintains a generally upward trend overall since 2011/12, which is the first year an improvement occurred since the recession.
- 10 There are no interim figures available to provide an indication of how the UK is faring in 2016/17 so we will need to wait until the summer before we have that information.

Background to historic inward investment resourcing and organisation

- 1 The devolved administrations (Scotland, Wales and Northern Ireland) have for many years devoted substantially more resource into promoting their respective territories than England. Until 2010/11, the 9 English Regions ran their own inward investment programmes, with the East (6 counties of Norfolk, Suffolk, Essex, Hertfordshire, Bedfordshire and Cambridgeshire) having the least resource available – In 2010 the budget was £2.1m which was half as much as the next lowest spending RDA. All RDAs employed their own staff (or in the case of the East of England, contracted the service out), and established to varying degrees an overseas presence together with influencing and promotional campaigns. It was clear there was considerable competition, and often the regions/DAs had a much stronger overseas presence than DIT/UKTI.
- 2 Since April 2011, the English regions ceased to deliver an inward investment function – although the devolved administrations continue to promote their respective areas. From 1 April 2011, a national service was established to provide links between the centre and the localities – they naturally chose LEP's as their point of contact
- 3 The East of England budget at £2.1m was consistently low compared to the other regions – and some of the larger city areas too. More recently we have been ascertaining the resources some of the city regions devote to inward investment. For example, Manchester (population 2.7m) has published its position recently. It devotes almost £3m a year, although some of the Metropolitan Boroughs may also undertake local activity. In 2014, the Leeds city region spent £2.9m, employing 34 staff.
- 4 Within the East of England region, it was Cambridge and the counties close to London that benefitted the most from regional investment. On average, Norfolk received around 4-5 new investments per year that the regional body claimed credit for, creating around 25 jobs per year. As section 2 shows we are now achieving more than double that in terms of successes, and many more jobs.
- 5 The key issue for Norfolk and its partners (as well as Suffolk) has always been that our economic assets were generally not well-known or valued outside the local area. The sheer strength of the other regions' resources meant that they would usually be in pole position to proactively promote their assets, or respond with substantial offers even if those offers are sometimes not as strong as those we have in Norfolk.
- 6 In 2012, UKTI established a National Investment Services Team whose responsibilities are:
 - liaising with localities to build up and maintain a clear understanding of local assets;
 - receiving and responding to enquiries – and passing them over to localities for their input;

- working with overseas posts and sector leads to communicate sector strengths and market opportunities in UK;
- maintaining a CRM process, with major employers.