Overview of Norfolk's Key Employment Sectors & Growth Projections

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Overview

- Drivers of change
- Strategic framework
- Growth projections
- Norfolk’s key sectors
- Employment change
- Gross Value Added
- Migrant labour force

Drivers of change – some issues

- Population growth and ageing demographic profile – *possible deficit of key economically active age groups for Norfolk*
- Polarisation of society - *high levels of deprivation in county urban areas and significant rural pockets in comparison to rest of Region*
- Increasing professional & managerial jobs at expense of primary & manufacturing sectors – *likely to impact more adversely on rural areas.*
- Work-life balance changes – *improved broadband availability could strengthen Norfolk ability to attract this growth, especially in creative sector.*
- Transport, environmental, industrial changes & land availability – *constraints (e.g transport infrastructure) and opportunities (e.g. lead in environmental technology). Differently affects rural & urban areas*
- Rural isolation – *particularly significant in part of fens & NW Norfolk.*
- Skills gaps in the workforce & low number entering higher education - *key issue for most sectors, need to raise aspirations.*
- Quality of life – *strong asset for Norfolk needs to be built upon.*

Future growth projections to 2021

Population increase:	**Eastern Region**	**652,000**
	Norfolk	**116,000**
Housing increase:	**Eastern Region**	**478,000**
	Norfolk	**72,600**
Jobs increase:	**Eastern Region**	**421,600**
	Norfolk	**42,600**
Workforce increase:	**Eastern Region**	**203,000**
	Norfolk	**48,000**

Regional snapshot

- East of England Region = Beds, Cambs, Essex, Herts, Norfolk & Suffolk
- Framework for development - RES – Regional Economic Strategy
- Region forecast to experience a slowdown in growth over 2006, but still likely to remain one of the fastest growing regions in the UK
- Construction - main engine of employment growth in the region
- Service sector - producing more moderate growth
- Manufacturing - job losses show no signs of abating
- More than 1 in 50 of the region's workforce are migrant workers.

Local framework - Shaping Norfolk's Future

- Formed in 1997, economic development partnership for Norfolk
- Brings together organisations from private, public and voluntary sectors to work to develop a successful economy for the businesses and people of Norfolk.
- Vision: "For Norfolk to have a successful economy, characterised by innovative, dynamic and sustainable businesses where people are skilled and motivated with the opportunities to maximise their potential in a high quality environment"
- Operates through a number of thematic and sector subgroups:

Shaping Norfolk's Future Approach

Sectors / Clusters

- Agriculture & Food Processing
- Marine Industries
- Financial Services
- Creative Industries
- Energy
- Engineering & Electronics
- Health & Life Sciences
- Tourism

Shaping Norfolk's Future Management

Strategic Goals

- To improve business performance and encourage innovation and entrepreneurship
- To promote learning and skills and raise aspirations
- To reduce deprivation and social exclusion
- To make Norfolk an exemplar of environmentally sustainable prosperity
- To communicate the benefits of Norfolk's positive profile
- To develop an infrastructure that supports sustainable growth

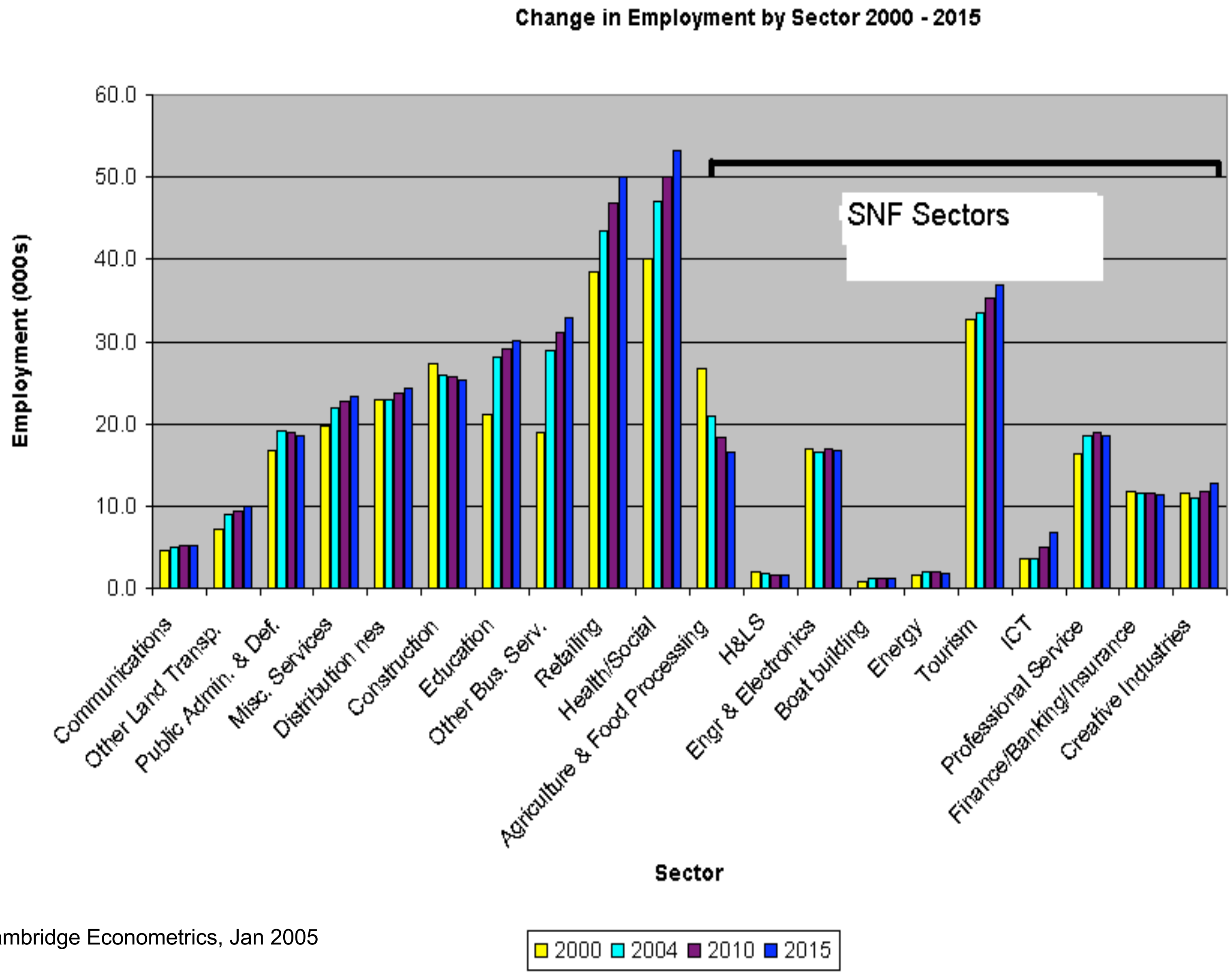
Local Areas

- Districts Councils
- Local Economic Development Partnerships

Location of key sectors in Norfolk districts

Sub- region	Districts	Sectors
Norwich	Norwich – all wards	Financial Industries, Business Services, H&LS
	N Norfolk – 20 parishes (incl N Walsham)	Creative Industries, Engineering and Electronics
	Broadland – all parishes	Tourism
	S Norfolk – all parishes (except small area to SW)	
	Breckland – all eastern parishes (incl Dereham & Attleborough)	
Gt Yarmouth	Urban Wards only	Tourism, Energy, Food Processing
Lowestoft		Transport Related, Recreational Boating
		Engineering & Electronics
King's Lynn	KL & West Norfolk all parishes	Tourism, Food Processing, Agriculture
	Breckland 9 Parishes (incl Swaffham)	Engineering, Advanced Marine
	N Norfolk 7 parishes (incl Fakenham)	Renewable Energy
Residual Areas	Breckland – majority of parishes (incl Thetford & Watton)	Tourism, Automotive, Agriculture
	N Norfolk – all parishes (except Fakenham)	Food Processing, Boat Building

Predicted change in employment by sector

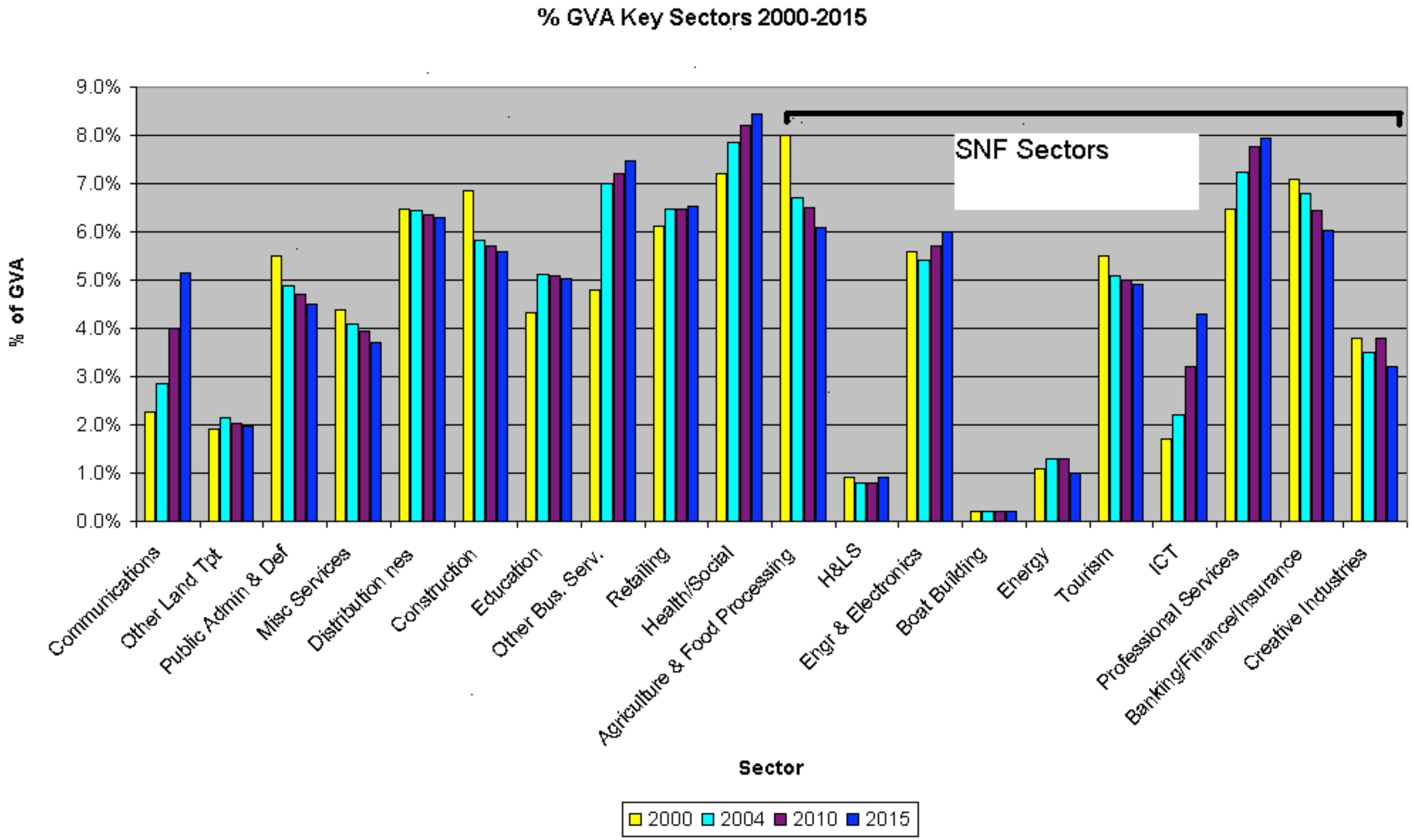


Source: Cambridge Econometrics, Jan 2005

How the value of sectors is measured - Gross Value Added (GVA)

- GVA = production-based measure of output which is defined as the value of sales and work done, less the value of inputs.
- GVA *per head* for Norfolk currently £11,800 per annum - significantly lower than the national and regional averages. Partly explained by demographic make-up of the County.
- However, GVA *per job* also low - 87.5% of the regional level and 88.5% of the national average.
- 2 reasons for this:
  - economic structure of the county - high proportion of low skill, low value added business
  - lower productivity rates across the business base as a whole.
- Firms have been able to compete with this lower productivity partly due to the low average wage in Norfolk. However, increasing global competition means this position is unlikely to be sustainable.

Predicted change in GVA by sector – 2000 - 15



Migrant Workers in Norfolk – best estimates

Location

- Great Yarmouth: 6,000 – 8,000 (Portuguese, Polish, Chinese, Vietnamese)
- King's Lynn: 4,500 (Portuguese, Chinese, Lithuanians, Latvians, Polish)
- Breckland: 10,000 minimum (Portuguese, Ukrainians, Romanians, Polish)

Sector

- Horticulture, agriculture and food processing (field work and production line)
- Health and social care (nursing, dentistry, care homes)
- Transport (lorry and bus drivers)
- Catering and hospitality
- Construction (particularly in Norwich)
- Engineering
- Scientific research

Migrant Workers – Skills Issues

- Highly skilled, highly paid with or without dependents (eg NRP, medical staff)
- Unskilled or semi-skilled with dependants (typically Portuguese)
- Unskilled without dependents (typically Accession States)
- Majority are employed in unskilled or semi-skilled posts
- Challenge is to make use of skills of migrant labour to fill vacancies
- Identification of those wishing to progress is major issue
- Recognition of qualifications/improving English language ability are two key elements in unlocking acquired skills
- National (27%) and regional (34%) employment in Administration, Business and Management **not** mirrored in Norfolk

The way forward?

- Attracting more employers in higher value added industries
- Attracting more people of working age – especially young graduates
- Supporting workforce to be more productive
- Utilising skills of older people and migrant workers