

Using Labour Market Information Seminar

Overview of Norfolk's Key Employment Sectors & Growth Projections

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Shaping the future
The Economic Development Partnership for Norfolk



Norfolk County Council

Overview

- Drivers of change – some issues
- Strategic framework – regional / local
- Transport issues
- Norfolk's key sectors
- Employment growth projections
- Impact of the Olympics on the East of England

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.*

East of England - 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 the Future

- Formed in 1996, 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 distinctive economy, characterised by innovative and dynamic 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 the Future Approach

Sectors / Clusters

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

Shaping the Future Management

Local Areas

- Districts Councils
 - Local Economic Development Partnerships

Strategic Priorities

- To improve the competitiveness of the Norfolk economy
- To foster a culture of learning and skills development
 - To build social cohesion
 - To encourage economic growth in a high quality environment
- To increase inward investment & international trade
- To develop a high quality infrastructure

Map of StF SPs

against

RES Goals

Improve competitiveness of economy

Foster culture of learning and skills

Build social cohesion and employment

Encourage growth in high quality environment

Increase inward investment and international trade

Develop high quality infrastructure

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Skills base to support world class economy

Growing competitiveness, productivity & entrepreneurship

Global leadership in science, technology & research

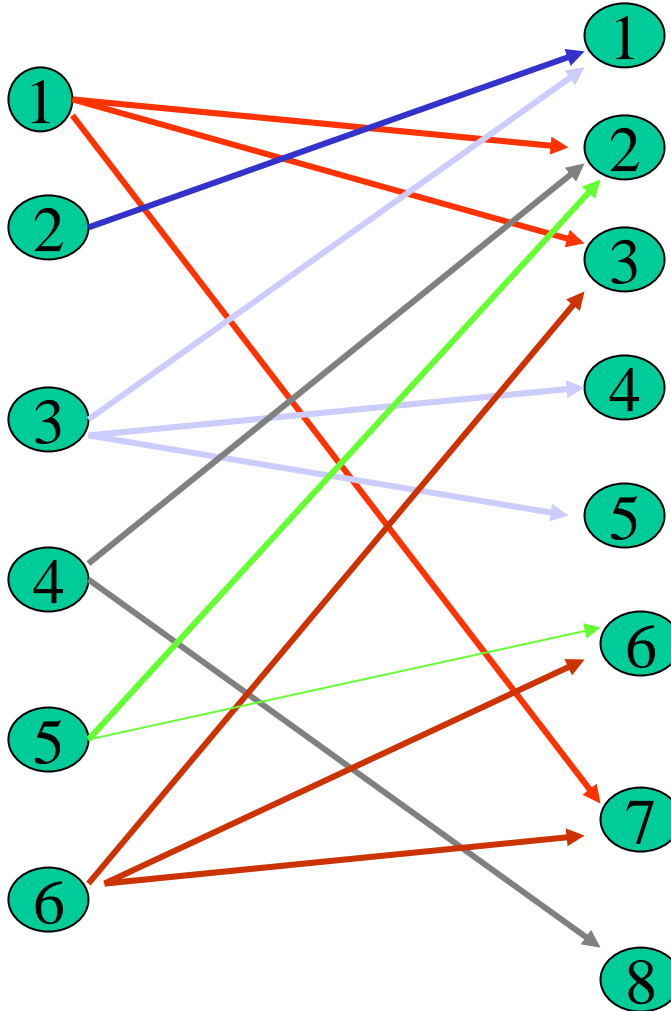
High quality place to live, work and visit

Social inclusion & broad participation in regional economy

Development of international gateways, national & regional corridors

Leading information society

Exemplar for efficient use of resources



Transport issues

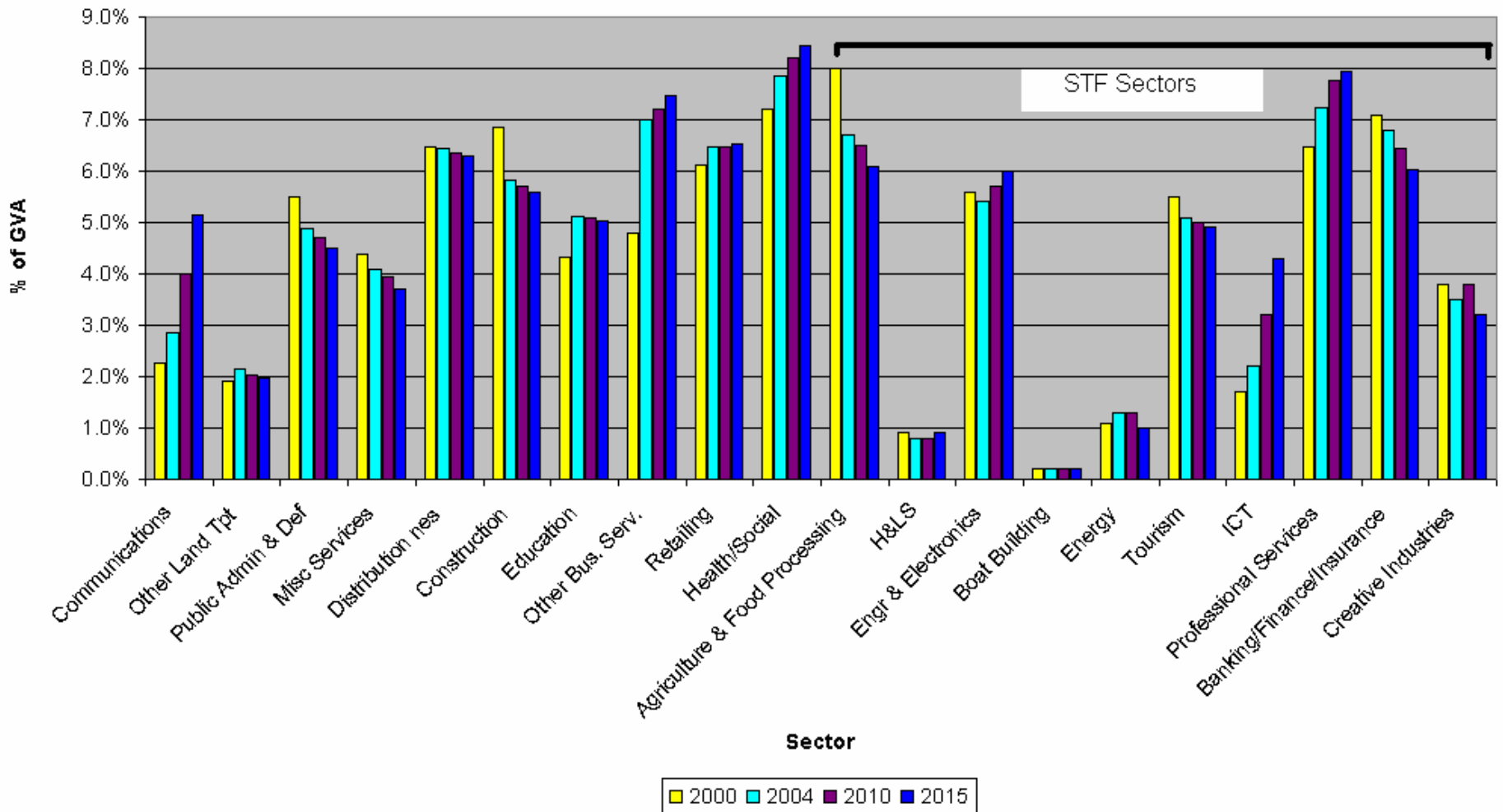
- Norfolk perceived to be difficult to get to remote – can be a barrier to investment.
- Infrastructure projects – e.g. dualling of A47 and A11 require central government and regional approval – repeatedly deferred.
- Northern Distributor Road (NDR) will help address ‘peripherality’ perceptions & have positive effects on:
 - Airport development, generating 350 jobs by 2015
 - The proposed airport industrial estate
 - The development of sites near the NDR, e.g Broadland Business Park
- NDR estimated to stimulate development that would accommodate 1,300 jobs (full route), 1,100 jobs (0.5 and 0.75 route options)
- Key ‘value of time’ benefits, from reduced travel times

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.

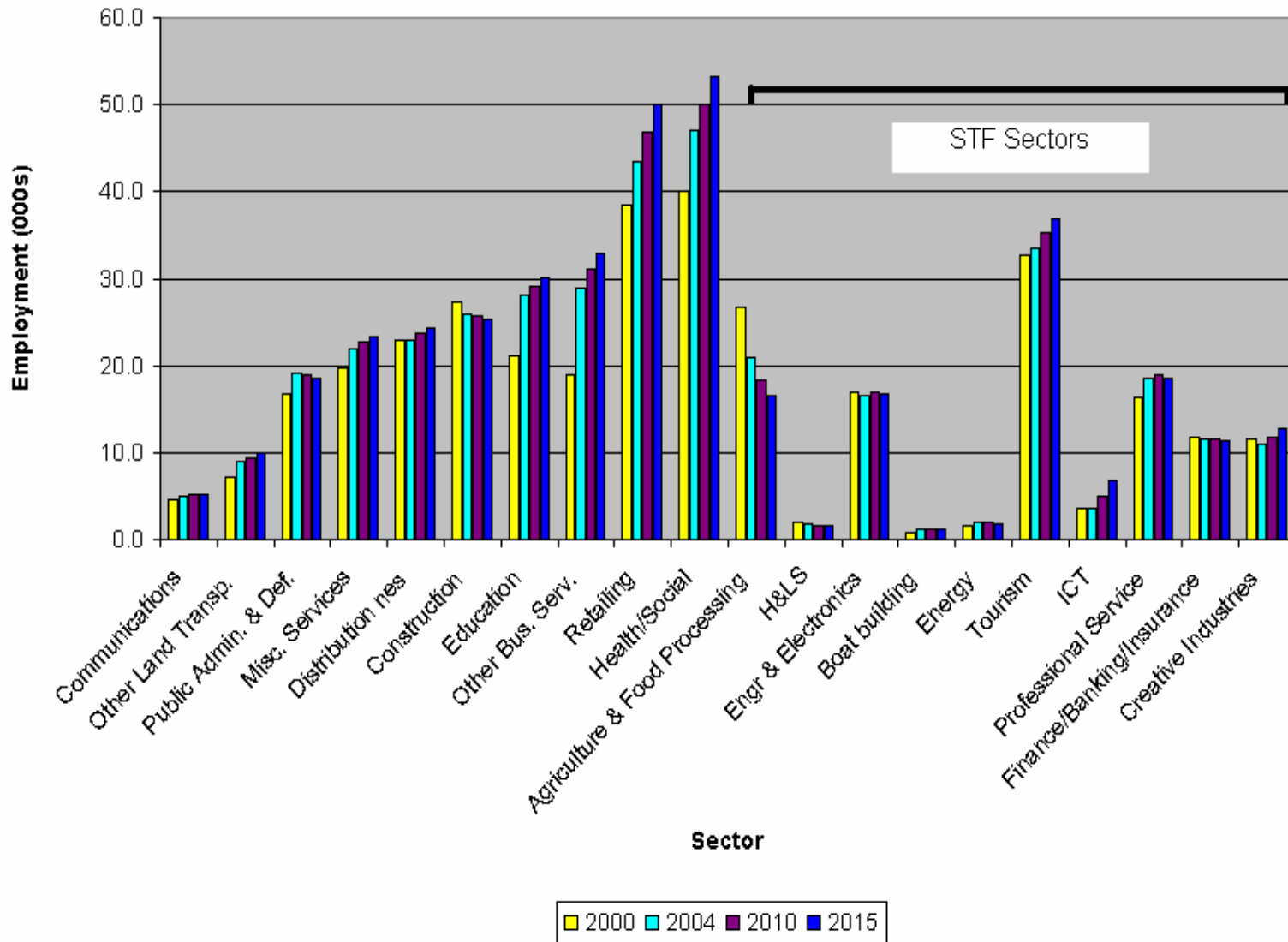
Predicted change in GVA by sector – 2000 - 15

% GVA Key Sectors 2000-2015



Predicted change in employment by sector

Change in Employment by Sector 2000 - 2015



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, Engr & 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, Renewable 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
	Gt Yarmouth (rural N parishes)	

Key economic benefits and cost of the Games

	Benefits	Costs
Pre-Games Phase	Tourism Construction activity	Investment expenditure Preparatory operational costs (including bid costs) Lost benefits from displaced projects
Games phase	Tourism Stadium & infrastructure Olympic jobs Revenues from Games (tickets, TV rights, sponsorship, etc.)	Operational expenditure associated with Games Congestion Lost benefits from displaced projects
Post-Games phase	Tourism Stadiums & infrastructure Human capital Urban regeneration International Reputation	Maintenance of stadiums and infrastructure Lost benefits from displaced projects

Source: Price Waterhouse Coopers (PWC) study before the Athens Olympics

ESF funding available for the Olympics

- European Social Fund – EU funding stream aimed at skills & capacity building
- Danger that Olympics could exacerbate skills shortages and cause bottlenecks in capacity.
- ESF can address potential problems by bringing more people into the labour force, increasing the skills base of the current workforce and improving the adaptability of businesses.
- Over £15m allocated to London, South East & East of England to provide training in three key sectors, **construction, sports and leisure** and **logistics**.
- Each region devising specifications for their sectors / skills gaps with relevant Sector Skills Council.
- Launch event planned for late February, with prospectus launches within each region w/c 6th March 2006. Activity will begin in the summer of 2006 and will end by July 2008.