

Business Growth and Investment Opportunities Study

North Norfolk District Council



Draft Report V4

November 2015

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EXECUTIVE SUMMARY

Introduction

- i. This Business Growth and Investment Opportunities Study has been prepared for NNDC by the BE Group to assess the local business dynamics and provide recommendations as to encouraging further business investment in North Norfolk. The study forms part of the evidence base for the development of policies in the evolution of the Local Plan and to identify means of attracting inward investment.
- ii. This study has produced a series of actions and recommendations to guide North Norfolk's economic development, with a focus on encouraging business growth. Sector specific recommendations are also included. While the focus of the study is the District area, consideration has been given to the economy in the surrounding region and its potential to influence growth and opportunities for North Norfolk. The study has had due regard to the policy direction of the New Anglia LEP and NCC.

Economic Context

- iii. The North Norfolk community is characterised by an ageing population, low (but positive) population growth, low unemployment and a moderately skilled workforce. The economy is centred on retailing, tourism, manufacturing and services such as health. The largest employment nodes are Fakenham and North Walsham.
- iv. Commuting patterns in North Norfolk show a net outflow of workers from the District, predominantly to other areas of the County, particularly Norwich. However, a high degree of working residents of North Norfolk also live locally, including over half the workforce also living within the same MSOA (town or small area).
- v. The overall functional economic market area for North Norfolk has been defined as the County boundary, drawing together commuting, workforce, industry and policy considerations. The data also suggests that there are three sub-areas within North Norfolk that have differing economic characteristics, with the eastern area having a relationship to Great Yarmouth, Norwich and the Broads; the central area being particularly insular and self-contained and the western area having a relationship with King's Lynn and to the south.

Employment Land and Property Market

- vi. The review of available employment land in the District undertaken as part of this study suggests there is 49.4 ha of gross available employment land in North Norfolk.

However, when an assessment of the remaining land is made, a significant level is considered to be undeliverable at the present time, with only some 34.4 ha of employment land considered to be available and deliverable.

- vii. While, based on past land take-up trends this may equate to some 24 years' supply (at 1.44 ha/year), this land may not be appropriately located for the market and may not be financially viable to deliver in the near term. There are variations in the availability of sites within the District, as summarised in Table E1.

Table E1 – Commentary on Employment Land in Key Settlements

Settlement	Commentary
Cromer	Little available land, and new land should be allocated.
Fakenham	Site F01 will provide sufficient employment land to meet the area's needs for the next 15 years. NNDC should continue to work with the owners to deliver planning and procure developments.
Holt	The 2.3 ha at Hempstead Industrial Estate should meet current and future needs, but developer expectations and market conditions have prevented development. NNDC should work with the developer to determine whether development can be brought forward. In the event that it cannot, then consideration should be given to alternative allocations. The Heath Farm project would provide up to 2.43 ha of employment land and Council should work with the developer to ensure the employment aspects as delivered to the market in a timely manner.
North Walsham	There is a marked different between land recorded on the AMR and available land identified in this study North Walsham is facing a potential shortage of suitable employment land within the short-term and new allocations should be identified.
Stalham	The two sites, if serviced for development should meet the area needs for the next 15 years. Neither area has a developer. Avenues for procurement could be acquisition by the Council, or some form of development partnership.

- viii. The level of vacant premises in North Norfolk is low, with limited choice for industrial and office stock. In particular there is a lack of mid-sized (500-2,000 sqm) industrial premises, offices above 50 sqm and serviced offices. Importantly, the District's largest settlements of Fakenham and North Walsham have an acute lack of vacant, available premises. The largest agglomerations of built, vacant stock are in the former RAF bases, which provide an array of budget accommodation of a basic standard. While these facilities would have a role in the provision of built stock in North Norfolk, they are poorly located and not appropriate for all businesses and therefore should not be seen as a replacement for supply in the main settlements.

Stakeholder Consultation and Business Survey

- ix. Key public and private sector stakeholders were interviewed to gain a broad cross-section of opinions for this study. Furthermore, a North Norfolk business survey was undertaken to assess satisfaction with existing premises and identify intentions to relocate accommodation.
- x. Results from the stakeholder consultation included feedback on the economy, the District's position in the region, employment premises and land, business support, the Council's role in encouraging business development, infrastructure and skills. The feedback was used to inform the opportunities and recommendations stages of this report. The business survey revealed a high level of satisfaction among respondents with their existing employment premises in North Norfolk. A significant minority of respondents expressed some level of dissatisfaction with their broadband service.

Sector Opportunities

- xi. The following table summarises the identified opportunities for business growth in North Norfolk by key sectors.

Table E2 – Sector Opportunities for North Norfolk

Sector	Existing Situation	Opportunities
Tourism	<ul style="list-style-type: none"> Seaside and market towns Beaches The Broads Heritage attractions Family attractions Wildlife, including birdwatching Food and drink Festivals and events Independent accommodation 	<ul style="list-style-type: none"> Improving/streamlining marketing of NN Improving links between different areas within NN Branded hotel at Cromer and Holt Broadening offer for wildlife tourism Broadening food and drink offer and improve cooperation and coordination between sector operators Build upon the Deep History Coast project Lengthening season through broader tourism offer
Food and Beverage	<ul style="list-style-type: none"> Broad sector in NN including primary production, processing, retailing, pubs/restaurants and festivals Good local brand and reputation Some collaboration/networking in sector, though usually focussed on one aspect (e.g. hospitality) Seafood and agricultural products 	<ul style="list-style-type: none"> Value-adding to existing offer Build upon and protect Cromer Crab brand Additional processing High-end food products Food and beverage built attractions Cooperative model for local producers Improved collaboration and industry links Membership network for broad

Sector	Existing Situation	Opportunities
		sector <ul style="list-style-type: none"> NNDC dedicated food and beverage officer
Energy	<ul style="list-style-type: none"> Key regional industry Multiple energy sources Offshore oil and gas and wind Bacton Gas Terminal key NN asset Sheringham Shoal Wind Turbines serviced from Wells-next-the-Sea Major oil and gas and wind servicing and construction based in Great Yarmouth Regional growth potential in renewables, nuclear, oil and gas Construction, servicing and decommissioning 	<ul style="list-style-type: none"> Continue to support servicing from Wells-next-the-Sea NN businesses providing servicing and maintenance role for region Construction of major regional projects (e.g. offshore wind, Sizewell C) provide engineering and construction opportunities throughout region Engineering/machining to service sector Build on N Walsham's manufacturing base Improve local skills in engineering
Engineering/Manufacturing	<ul style="list-style-type: none"> Strength of the District Key areas are Fakenham, N Walsham, Stalham Key manufacturing sectors are food products, plastics, machinery, equipment and metal fabrication Connected to and important for other local strengths (e.g. boatbuilding, rural machinery manufacturing) 	<ul style="list-style-type: none"> Energy sector (as above) Boatbuilding, expanding on existing sector and improving supply chain links Machinery and equipment, expanding on existing sector and improving supply chain links Improve local skills in engineering and related disciplines
ICT/Creative Industries	<ul style="list-style-type: none"> Strength of the region, with a strong Norwich focus Good higher level skills development in Norwich's universities NN has some micro businesses locating to District for lifestyle reasons NN has periphery role in region's sector 	<ul style="list-style-type: none"> NN to continue to support sector, with focus in Norwich NN to promote itself as lifestyle destination for sector, in close proximity to Norwich Business/enterprise centre for NN could accommodate small businesses in sector

Source: BE Group, 2015

xii. The study provides recommendations based on these sectoral opportunities, in particular:

- Promote collaboration between tourism operators and between tourism organisations;
- Encourage the development of a branded hotel in Cromer and Holt;
- Encourage and improve collaboration within sectors, including providing platforms/opportunities for networking and information sharing and promoting value-added opportunities;

- Facilitate and assist in the establishment of a broad-based North Norfolk food and beverage sector organisation;
- Encourage more active involvement of the energy and engineering sector in region-wide industry bodies;
- Encourage investment in growth opportunities in the energy and engineering sector.

Business Needs and Investment Strategy

- xiii. The study provides the following recommendations to encourage economic development in North Norfolk.
- xiv. NNDC recently produced its Business Engagement Strategy and this is a strong and positive document for Council to engage with the business community. Additional tasks emerging from this study to be incorporated in the Business Engagement Strategy are:

Table E3 – Recommended Additional Tasks for Business Engagement Strategy

Activity	Description
Enquiries Protocols	Revise protocols for incoming business enquiries by phone and email with the objective of quickly and efficiently forwarding to the appropriate specialist officer
Specialist Sub-area Engagement	Specific economic development officers for North Walsham and eastern area (Sub-area 1), Cromer and central areas (Sub-area 2) and Fakenham and western areas (Sub-area 3) to have targeted engagement with these key employment areas.
Small Business Support	Develop a strategy for assisting new and small businesses to grow in conjunction with the LEP's Business Hub and the new NWES Enterprise Centre
Specialist Sector Engagement e.g. Food and Beverage (others may be energy, tourism or engineering)	Specific economic development officer for the food and beverage sector, to draw together the primary production, processing, retailing, hospitality and tourism aspects of this sector, with a remit to improve collaboration and interaction in the sector.

- xv. The North Norfolk workforce is moderately skilled. Tasks to improve the skills base in the District are:

Table E4 – Skills and Training Tasks

Theme	SKILLS AND TRAINING
Issue	<ul style="list-style-type: none"> There is a need to continue to develop the District's skills to ensure local businesses have the capacity to exploit growth opportunities
Tasks	<ul style="list-style-type: none"> Continue to support the LEP and NCC initiatives for skills improvement Seek to implement the recommendations of the Skills Analysis Engage with North Norfolk businesses to identify priority skills area shortages in the District Identify a list of local industry representatives that can be recruited to promote key industry sectors as career options in schools and colleges Work with industry representatives such as EEF or EEEGR to develop a list of skills needs that would be addressed at the local school, further education and regional higher education levels Promote the need and importance for business etiquette and social skills in schools and colleges Engage with schools and colleges to promote specific vocations, including engineering trades, business computing, digital marketing, care services and other vocations identified through engagement with local businesses Engage with region's universities and further education colleges to promote opportunities for internships and sponsored placements to be undertaken in North Norfolk Engage with Skills Council and other skills providers to look at sector specific development Encourage local businesses to sponsor scholarships in FE colleges and universities Develop a programme of on-going collaboration with FE colleges and local businesses to guide apprenticeship and course curricula Encourage apprenticeships in the rural sector Facilitate a programme of skills improvements in the rural sector to promote value adding opportunities including crop diversification, organic certification, tourism and marketing Assistance programmes for individuals and employers for reskilling of the 50+ age cohort Investigation of apprenticeship-type programmes for long-term unemployed 50+ year olds Encourage leading industry individuals in North Norfolk to present information to schools and colleges to generate interest in careers in the sectors

xvi. Tasks to encourage inward investment are:

Table E5 – Inward Investment Tasks

Theme	INWARD INVESTMENT
Issue	<ul style="list-style-type: none"> To promote investment in North Norfolk and increase the District's profile in the region
Tasks	<ul style="list-style-type: none"> Continue to support and take an active role in NCC and LEP initiatives for business attraction identifying and promoting key priority sector – e.g. offshore wind, food and beverage, engineering Continue to share resources, including staff secondments, to NCC and LEP programmes for economic development Identify a clear and coherent message for potential investors as to North Norfolk's offer, its economy and its position within the broader region (see discussion on future investment prospectus) Promote North Norfolk as a business location through NCC and LEP's channels for business investment Encourage investment and sites within and around the existing townships Encourage and contribute to the development of sector-specific business development strategies in the key target sectors for Norfolk and the LEP. Support the region's collaboration and engagement with trade organisations and UKTI Ensure there is sufficient employment premises and land to enable businesses to easily locate to North Norfolk, through an employment land review and regular monitoring

xvii. Council should seek to intervene where appropriate in order to develop employment sites to encourage business growth. In particular, Council should encourage speculative development of built premises in key towns to increase the District's stock. The potential delivery mechanisms of North Norfolk's vacant employment land is provided in the table overleaf.

Table E6 – Development Options

Site	Size, ha	Development Potential	Delivery Mechanisms
Holt Rd Cromer	0.5	<p>Small infill plots potentially for small premises. Difficult to develop in isolation but may provide opportunities for expansion of neighbouring uses. Unlikely to be developed in near term.</p> <p>N.B. There is potential demand for additional land and premises in Cromer.</p>	<p>Leave to market. No NNDC intervention.</p> <p>NNDC should identify further opportunities for the provision of employment land in Cromer, and should be incorporated as new allocations within the emerging Local Plan.</p> <p>NNDC should seek to acquire land for development directly or with a preferred developer through Joint Venture partnership.</p> <p>Site development in partnership may be through council funding, or through NNDC underwriting a lease, possibly with an annuity rent arrangement</p>
Heath Farm, Holt	4.7	<p>Potential for a range of B1, B2 and B8 uses, as well as, pub/restaurant and hotel. Strong location for hotel and pub demand as identified in this study. There is an opportunity for speculative development of units, which will meet the need for built stock.</p> <p>Road improvements would benefit Hempstead Road Industrial Estate.</p> <p>House-builder in advanced discussions.</p>	<p>The conditions of the approved development, particularly in regards to the delivery of the road and the employment uses, will help ensure the timely development, if adhered to.</p> <p>The residential development, the hotel and the pub restaurant should help cross-subsidise the employment uses.</p> <p>The introduction of a petrol filling station (PFS) and associated retail services could provide further capital injection to the scheme. The council, with the landowner, should investigate any interest from the local PFS operator or look to known active national companies.</p> <p>The role of bringing the various parties together is likely to be undertaken by a regional or national developer in view of the scale and mix of development, and the landowner should be encouraged to seek such an organisation.</p> <p>NNDC should take an active role in the project, including in the marketing of sites and assisting in the procurement of developer and occupiers.</p> <p>NNDC should encourage speculative development of units to increase built stock in Holt, but the market is such that this is unlikely.</p> <p>The introduction of further uses such as the PFS may present the opportunity to seek some speculative building, or NNDC may seek development in a Joint Venture partnership.</p>
North of Rudham Stile Rd	7.0	<p>Potential for a range of employment uses, including mid-size industrial units, offices and small start-up spaces.</p>	<p>Private sector led.</p> <p>Council should take an active role in the development to encourage the delivery of the employment uses, including planning and master-</p>

Site	Size, ha	Development Potential	Delivery Mechanisms
			<p>planning to help drive the forthcoming application forward.</p> <p>Economic development activities can also assist bring the site forward (marketing site, procurement of businesses and introducing development partners). The site is mixed-use, and there must be a pro-active approach to avoid the more profitable residential development being undertaken in isolation</p> <p>Council may consider to take a further role in the development to ensure it is delivered in a short timeframe by committing to take a portion of the floorspace or seek to acquire all or part of the site for direct development.</p> <p>Site development in partnership may be through council funding, or through NNDC underwriting a lease, possibly with an annuity rent arrangement.</p> <p>A dialogue should be opened with the site owners at an early stage to identify how NNDC can become actively involved.</p>
Hempstead Rd Industrial Estate	2.3	Likely to be a range of B2 and B8 uses, similar to the remainder of the Hempstead Rd Industrial Estate. Development of this land would be given impetus by the development of the Heath Farm project, including improving access and generating activity in Holt.	<p>Leave to market, but low level support by NNDC to progress marketing and development of infrastructure.</p> <p>The site should not be isolated from the new Heath farm development. The servicing of the site from the new access road should assist the current owners in servicing and developing the land.</p> <p>NNDC should seek to open a dialogue with the owners at an early stage to identify how NNDC can become actively involved.</p>
HL Foods site, North Walsham	1.5	Potential for B1 and serviced office uses on the site .HSE constraints will prevent any aspirations of the owner to retain for residential uses. The site could provide a location for a new enterprise centre. It could form part of a mixed-use development incorporating other neighbourhood uses, if appropriate in planning terms	<p>The developer is about to commence the marketing of the site, and early intervention by NNDC should be considered to ensure that the exercise is not one to prove a lack of demand.</p> <p>NNDC to consider this site for a location for serviced offices, including purchase of the site.</p> <p>NNDC should consider whether other complementary uses such as neighbourhood retail could be introduced to support other employment uses.</p> <p>The developer should be encouraged to focus on office and serviced offices, and the outcome of the forthcoming study to look at demand for an enterprise centre could be shared with the owners.</p> <p>NNDC can assist in the marketing of the site and may have to take an active role in developing the employment elements as the landholder is</p>

Site	Size, ha	Development Potential	Delivery Mechanisms
			unlikely to prioritise these elements.
Stepping Stone Ln, Stalham	4.0	<p>Potential for a range of employment uses, particularly for engineering/manufacturing to meet an ongoing demand in the Stalham area.</p> <p>The site is prominent and could support other roadside uses such as budget hotel PFS or pub/restaurant. It sits in the Broads area and has potential to serve the tourist market and also employment needs.</p>	<p>Site requires funding to bring forward to the market.</p> <p>NNDC should investigate potential to purchase the site (at an enhanced agricultural rate with agreed payback if development proceeds) and develop themselves.</p> <p>The site was identified as a location for a single operation, but as an un-serviced agricultural site, infrastructure costs will be high. Development as a mixed-use development could improve viability of the site. NNDC should consider and investigate alternative uses to help cross-subsidise the site development.</p> <p>NNDC may consider a Joint Venture partnership with a private developer, with Council's input being the land, assistance with planning and the private sector's input being the other development costs. Council will then have good control over the timing and form of the development in a key corridor to link with Norfolk's growth sectors.</p>
West Raynham Business Park		Potential for a business park with rejuvenation of stock and improved access. Continue to operate as a budget, rural alternative. New build stock is unlikely to be viable at the moment due to the low rents that would be achieved.	NNDC should work with the asset manager to develop a long term strategy for the site, including reuse and refurbishment of existing stock. Council can assist with the planning process and marketing of site to build its income base in order to fund future development.
Scottow Enterprise Park		Potential for budget operators in the foreseeable future. Enterprise Zone status should raise the profile and funding opportunities	NCC to lead planning and development on the site, with support of NNDC. Development of a realistic investment strategy and masterplan is vital to bring forward realistic development options.
Fakenham Industrial Estate	1.0	Potential for B2 or B8 uses, similar to the remainder of Fakenham Industrial Estate	<p>No market activity.</p> <p>NNDC should seek to engage with the owners to see if the site can be purchased.</p> <p>NNDC to purchase the site directly or through Joint Venture partnership.</p> <p>Consideration may be given to compulsory purchase, if a purchase through private treaty is not possible.</p> <p>Site development in partnership may be through council funding, or through NNDC underwriting a lease, possibly with an annuity rent arrangement.</p>
North Walsham Industrial Estate	5.0	The site is an expansion of the existing industrial estate and is likely to attract similar tenants. Opportunity for engineering firms in the growth sectors in this corridor. Likely to be taken by an operator(s) seeking design and build stock, but may be developed for smaller units.	<p>The site has some concerns regarding securing access and servicing and thus would benefit from a masterplan and investment strategy for the site.</p> <p>It is understood that the owner is the current Estate developer, and is likely to</p>

Site	Size, ha	Development Potential	Delivery Mechanisms
			<p>continue to develop in response to demand.</p> <p>In the short term, it is not considered that Council would need to take an active role in developing or promoting the site.</p> <p>If development is not coming forward on the site, Council could consider site purchase or underwriting speculative development of smaller units to increase the stock of built premises in North Walsham.</p> <p>NNDC should seek to open a dialogue with the owners at an early stage to identify how NNDC can provide assistance.</p>
General Trailers site, North Walsham	1.0	Potential for further employment uses, but the site is constrained due to drainage issues	<p>Development is stalled due to the market and potential drainage issues.</p> <p>NNDC should open a dialogue with the developer to identify the scale of the site constraints, and whether assistance can be provided through infrastructure funding, or possible underwriting a long-term lease to drive the development.</p>
Tunstead Rd, Hoveton	5.5	Difficult to develop as would require third party access. A masterplan for this site is currently being considered	Council to explore the potential of bringing this site forward and addressing third party issues with the owners.
Tattersett Business Park	13.4	In the short term the potential uses are for budget operations, similar to current uses. In the long term there is potential for a business/ industrial park servicing the west North Norfolk market, but this would require the site's constraints to be overcome.	Council to continue to encourage landholder to improve site.
Fakenham Commerce Park	0.6	Being developed for trade units.	Leave to market. No NNDC intervention.
Laundry Loke	0.2	Small site for single employment use	Leave to market. No Council intervention.
Church Farm, Stalham	2.0	Potential for small scale employment uses. Landholder has been marketing the site but has not has interest.	Leave to market. No NNDC intervention.
Catfield	1.4	Potential for infill development of the remaining land.	Leave to market. No NNDC intervention.
Oxborough Ln, Fakenham	1.6	Low key employment uses	Leave to market. No NNDC intervention.
Holkham Estate		Small scale office and workshop users.	Leave to market. No NNDC intervention.
Egmere		Development in accordance with the LDO. Competition from other	Leave to market. No NNDC intervention.

Site	Size, ha	Development Potential	Delivery Mechanisms
		energy nodes in the region is likely to mean take-up will be slow. Enterprise Zone status should raise the profile and funding opportunities	

Source: BE Group, 2015

- xviii. Further tasks for the delivery of employment land and premises are:

Table E7 – Property Provision Tasks

Theme	PROPERTY PROVISION
Issue	<ul style="list-style-type: none"> To ensure there is adequate supply of appropriate employment land in North Norfolk to encourage business growth
Tasks	<ul style="list-style-type: none"> Undertake a fresh and full audit of site allocations and built stock to fully understand the existing situation for employment premises and land Review and amend site allocations, policies and strategic documents to reflect the updated audit information Investigate options for the short term release of further employment land in Cromer, with a particular focus on industrial/warehouse units Continue to engage with the proponents of the F01 site in Fakenham to deliver further employment sites as soon as possible Investigate site options for further industrial land in North Walsham, deliverable in the short term Actively encourage the speculative development of industrial sites in Cromer, North Walsham and Fakenham Consider the appointment of a panel of developers to work directly with landowners not involved in the development of their own land Serviced offices/start up space to be provided in the District, with potential locations in Fakenham, Holt or North Walsham Continue to engage with NCC in regards to bringing forward premises in Scottow Enterprise Park Review the planning provisions at Scottow with an objective of streamlining and reducing planning constraints on the site Improve collaboration and information sharing between economic development and planning officers within NNDC and between NCC and NNDC officers Establish more direct dialogue with the property industry through regular meetings, direct annual monitoring and possibly a property forum.

- xix. Supply chain improvements and sectoral collaboration should be further encouraged in North Norfolk, which will build upon the District's strengths. Recommended tasks for supply chain improvements are:

Table E8 – Supply Chain Improvements/Sector Collaboration Tasks

Theme	SUPPLY CHAIN IMPROVEMENTS/SECTOR COLLABORATION
Issue	<ul style="list-style-type: none"> To support and improve economic growth in the identified key sectors for North Norfolk
Tasks	<ul style="list-style-type: none"> Review Council's capability and resources for facilitating each of the key growth sectors for North Norfolk, including in-house knowledge, staffing, NCC and LEP resources available and budget Encourage and incentivise large organisations in each key sector to widen supply chains with local smaller and medium operators Establish a series of key cluster groups which should become self-managing, but with the aim of building collaboration, supply chain development, mentoring, including: <ul style="list-style-type: none"> Food and Drink: Facilitate and assist in the establishment of a North

	<p>Norfolk food and beverage sector body that includes and engages the primary production, processing, hospitality, retail and tourism aspects of the local industry</p> <ul style="list-style-type: none">• Energy and Engineering: Encourage higher involvement of North Norfolk firms in the East of England Energy Group, particularly support engineering and componentry businesses• Small Business: Offer hosting of County-wide and LEP wide business organisation events to encourage higher participation of District businesses, work with Enterprise Centres to promote services to small businesses• Tourism: Promote collaboration between north coast tourist facilities and The Broads tourist facilities to encourage visitations that incorporate both destinations• Property: Bring together developers and agents to advise informally, or even formally on development, marketing and regeneration.
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1.0 INTRODUCTION

1.1 This Business Growth and Investment Opportunities Study has been prepared for North Norfolk District Council (NNDC) to assess the local business dynamics and provide recommendations as to encouraging further business investment in North Norfolk.

1.2 The study has been prepared on behalf of NNDC by the BE Group, property and economic development consultants based in Warrington.

1.3 As stated in the Invitation to Tender the “*purpose of the study is twofold:*”

1) Overcoming constraints on the strategic sites

- a) Provide a robust evidence base with clear associated recommendations to assist in the development of policies in the evolution of NNDC’s Local Plan; and*
- b) Identify ways of unlocking the potential of the existing employment land and premises to attract inward investment.*

2) Evidence and direction for a future Investment Prospectus

- a) Advising on the approach to marketing the employment opportunities in North Norfolk to attract private sector investment, as well as for making bids for public funding to overcome the identified constraints and provide infrastructure improvements on those sites.”*

Background

1.4 Like many rural districts in the UK, North Norfolk has an attractive environment and quality of life but only a limited economic profile. The local economy is focussed on tourism, food production, retailing and manufacturing. Emerging industries such as energy and creative industries provide opportunities for North Norfolk to broaden its economic base.

1.5 Economic development and investment attraction in such districts can be difficult without a coherent and implementable strategy. Successful districts build on their strengths to develop a market niche from which they can grow their local economy.

1.6 It is also important to note that the economies of local authority areas, especially rural/peripheral districts, do not operate in isolation. Rather they are intrinsically

linked to the broader region's economy, especially the regional centre. Successful districts understand their role and utilise their relationship to larger centres to help drive economic growth. Furthermore, their position, with attractive quality of life and scenic advantages, provide opportunities that are not available to the larger centres. Businesses may prefer to locate in highly amenable areas, rather than central business districts, for quality of life and staff attraction/retention reasons.

Methodology

- 1.7 The approach undertaken in preparing this Business Growth and Investment Opportunities Study involved primary and secondary research techniques to draw information from a broad spectrum of sources. Primary research methods used included site visits, face-to-face and telephone interviews with local business operators, public agencies, developers, investors, industry sector representative and commercial agents. In parallel to this research, a telephone survey of 168 local businesses.
- 1.8 The site visits were undertaken to gain an understanding of the local market, identify employment nodes and assess the supply of vacant premises. This data was corroborated with discussions with locally active agents.
- 1.9 Desktop analysis of pertinent national, sub-regional and local reports and strategies has been undertaken. The study also included a review of the socio-economic profile of the local area and an analysis of property sales data, undertaken through desktop research of published data. A review of relevant sector-specific reports and data was also undertaken.
- 1.10 The data gathered through the primary and secondary research provided the basis for assessing the business dynamics in North Norfolk and developing strategies for the growth and development of the district's economy. A series of actions and recommendations was developed to guide North Norfolk's economic development, with a focus on encouraging business growth. Sector specific recommendations are also included.
- 1.11 Attached at Appendix 1 is a list of all consulted individuals and organisations.

The Study Area

- 1.12 The North Norfolk District is a large rural and coastal area within Norfolk County with a residential population of approximately 102,900 people in 2014. The District has a

long coastline to the north and east and market towns and villages distributed throughout the area. Key towns include Cromer, North Walsham, Fakenham and Holt. The map in Figure 1 illustrates the District including its key towns and its position in the broader region.

Figure 1: North Norfolk District



Source: Google Maps

- 1.13 The study area for this assessment is the North Norfolk District area, although consideration has been given to North Norfolk's position within the wider region. The nearest major urban area is Norwich to the south, which has a considerable economic influence in the region in terms of labour supply, concentration of economic activity, employment opportunities, transport networks and administration. North Norfolk's economy has important links with Norwich, including business relationships and employment opportunities for North Norfolk residents. Other important urban areas outside of North Norfolk that influence the District's economy include Great Yarmouth and King's Lynn.
- 1.14 North Norfolk's coastline with the North Sea has also influenced its economic mix, bringing tourists to the District, supporting the seafood industry and being a link to off-shore oil, gas and wind energy facilities. In particular, Bacton has an important gas pipeline/processing centre and Wells-next-the-Sea is a maintenance base for the Sheringham Shoal off-shore wind farm. The area has a strong tourism offer focussed on visitors to the diverse coastline including the attractive seaside resorts, coastal wildlife, the high quality food, including Cromer Crab, and to the south of the District

The Broads. The area also has a wealth of attractive villages and heritage centres such as Holkham Hall. Other attractions such as Sandringham just outside the District attract visitors to North Norfolk.

- 1.15 North Norfolk is not on the UK motorway network and thus has a perception of being difficult to get to and remote from key markets. However, with its location in the east of England, the District is closer to Europe than most of the UK, which presents opportunities to link with the continent's markets via the ports in Felixstowe to the south.

2.0 STRATEGIC CONTEXT

Introduction

- 2.1 The regional and local planning framework is of importance to understanding the policy basis within which North Norfolk's economy operates. The following is a review of the key economic development documents that provide context to the regional and local economies and within which this study would be positioned.

Regional

New Anglia Strategic Economic Plan – New Anglia Local Enterprise Partnership, 2014

- 2.2 The New Anglia Strategic Economic Plan sets ambitious targets for the New Anglia LEP region, encompassing Norfolk and Suffolk. The plan includes housing, jobs, productivity and business growth targets to 2026. The plan identifies five high impact sectors for the region "*which offer the opportunity for rapid growth in absolute terms and productivity.*" These sectors are:

- **Advanced manufacturing and engineering:** specific clusters mentioned include automotive, civil and military aviation and pharmaceuticals
- **Agri-tech:** technologies to add value to the agriculture, food and drink sector
- **Energy:** this sector in the region include North Sea oil and gas, wind, nuclear and biomass
- **ICT/Digital Culture**
- **Life Sciences.**

- 2.3 In addition to these high impact sectors, the plan recognises four established sectors that underpin the regional economy, being:

- **Agriculture, food and drink:** recognised as a region that grows raw produce, processes and packages products for supermarkets and draws visitors to the region
- **Financial and insurance services:** concentrated in Norwich and Ipswich
- **Ports and logistics:** ports include Felixstowe, Ipswich, Great Yarmouth and Lowestoft
- **Tourism and culture:** includes day visitors and overnight visitors, attracted to the scenic elements of the region, the wildlife and the culture.

- 2.4 The high impact and established sectors at the regional level provide guidance as to the potential growth industries for North Norfolk, which will be discussed later in this report.
- 2.5 The plan highlights the need to improve skills of the workforce in the region and to provide further local opportunities for graduates of the regional universities. The plan aims to align skills programmes with the requirements of local businesses to make national programmes more relevant to local needs. Means of achieving this objective include:
- Establishing the New Anglia Skills Investment Fund to give employers more control over skills programmes and encourages them to invest in training;
 - Skills Capital Investment Programme that directs UK and European funding into prioritised local programmes;
 - Establish a Skills Database to match skills programmes with business needs;
 - Address high youth unemployment by providing better information to both employers and school leavers.

Delivering Economic Growth in Norfolk – The Strategic Role for Norfolk County Council 2012-2017, NCC, 2012

- 2.6 Norfolk County Council (NCC) prepared this strategic development, acknowledging its position within the New Anglia LEP. The strategy outlined five priority themes for Norfolk County, which are replicated below, with a summary of the key intended actions for each theme:
- To provide support for growth and removing infrastructure constraints;
 - Road, rail improvements, particularly the Northern Distributor Route (NDR)
 - Broadband improvements, particularly in rural areas
 - Funding for the Norwich Research Park
 - Development of an Infrastructure Plan
 - To help businesses to start up and grow;
 - Expansion of the Outset Norfolk programme to assist start-up enterprises
 - Develop and promote a web portal with New Anglia LEP to bring together start up assistance options
 - Support the Great Yarmouth and Lowestoft Enterprise Zone
 - Build an Advanced Manufacturing Centre at the Hethel Engineering Centre and support high-tech start up enterprises at the Centre
 - Launch a Trusted Businesses scheme to support local professional services.

- To improve perceptions of Norfolk's business offer and secure inward investment and growth in key sectors;
 - Support Norfolk's sector-specific organisations
 - Promote Norfolk's offshore wind energy sector in collaboration with UK Trade and Investment
 - Research improving local supply chains in Norfolk
 - Promote Norfolk as a place to do business and its quality of life
- To address Norfolk's skills and employability challenges;
 - Support the movement of adults and youth from welfare to work programmes
 - Support unemployed to work, further learning and apprenticeships
 - Match young people to apprenticeships in sectors with growth potential and specific shortages
- To provide fair access to the public sector.
 - Further simplification and streamlining of Council tender processes, including access for smaller suppliers.

2.7 These actions in regard to business growth and improving the capacity of the region (either through infrastructure or skills) would have strong relevance for North Norfolk. The strategic direction at the County level would have a strong influence on the direction for economic development and business attraction at the District level.

District

North Norfolk Local Development Framework – Core Strategy; Incorporating Development Control Policies, NNDC (September 2008)

- 2.8 The Core Strategy provides the overarching direction for the District to 2021, including policies for housing, the environment, the economy, the community and transport.
- 2.9 While not fully replicating the development control policies of the Core Strategy document, it is relevant for this study to note the following development control policies in regards to the economy and their broad intents:
- Farm diversification: to encourage farm operations to broaden the range of agricultural products produced and value adding enterprises such as farm shops, tourism, recreation and leasing of buildings
 - Reuse of buildings in the countryside for non-residential use: reuse of farm buildings for community uses or diversifying farm operations

- Extensions to existing buildings in the countryside: where appropriate to support existing enterprises
- Redundant defence establishments: reuse of existing buildings is to allowed, or development of replacement buildings provided there is no overall increase in the floorspace. New build employment generating uses will be permitted in areas designated as Countryside where there is particular justification
- Town centres and retail and commercial leisure development: such developments are to be provided in the primary and secondary settlements throughout North Norfolk.

2.10 There is also a range of tourism development control policies that guide the development of tourist accommodation and infrastructure throughout the District.

2.11 It is also noted that the Core Strategy refers to travel to work analysis that has identified three distinct employment areas in the District. These are important to note in regards to the definition and justification of the functional economic market area of North Norfolk.

- **East of the District** – incorporating North Walsham, Stalham and Hoveton and surrounding rural areas;
- **Central area of the District** – incorporating Cromer, Holt and Sheringham and surrounding areas;
- **West of District** – incorporating Fakenham and Wells-next-the-Sea and surrounding areas.

Skills Analysis – Executive Summary, North Norfolk District Council, 2015

2.12 The Skills Analysis was prepared by NNDC to gain an understanding of the labour supply market and provide input into programmes to support local businesses. The analysis was based on interview surveys with local businesses.

2.13 The Skills Analysis highlights the baseline characteristics of the North Norfolk labour market, including:

- The ageing demographic of North Norfolk, meaning that the District has a high number and proportion of its population economically inactive, classified as retired
- The high proportion of self-employed people

- Comparisons with the New Anglia LEP area show that manufacturing, retail, accommodation and food services are proportionally more important in North Norfolk than in the region as a whole
- The largest occupational group in the District are the middle-levels skills occupations (e.g. administrative, skilled trades). This was compared to a report which suggests demand for this occupational group is in decline in the UK, whereas high and low skilled occupations are rising
- North Norfolk has a higher proportion of people without qualifications, compared to regional and national averages.

2.14 The 2015 survey as the base of the Skills Analysis report revealed several local labour force and business characteristics, which are listed in the document. Key to note for this Business Growth and Investment Opportunities Study is that almost two-thirds of the businesses surveyed expect to grow over the coming 2-3 years, particularly in the manufacturing, construction and accommodation and food services sectors. Over half (56 percent) of businesses surveyed expressed an interest in taking an apprentice, rising to 73 percent of respondents from the healthcare sector. In regards to requisite skills, almost half of new employment opportunities would require science, technology, engineering or mathematics (STEM) skills.

2.15 The Skills Analysis included a range of recommendations based on the findings of the survey corroborated with published data. The recommendations includes programmes to connect young people to long-term jobs, connect employers to educators to better match skills requirements, STEM skills focussed programmes, encouraging careers in the care sector, encouraging apprenticeships and providing employers with further information.

3.0 ECONOMIC CONTEXT

Introduction

- 3.1 This section provides a summary profile of the prevailing social and economic conditions in North Norfolk. It aims to provide the socio-economic context which shapes employment land demand and supply factors in the study area to facilitate sustainable growth. It also provides an important context for understanding the Functional Economic Market Area through a review of the relationship of the local area with the wider regional economy.
- 3.2 The section therefore considers the size of the economy, where the businesses are, and what type of businesses they are. By appreciating these aspects it is easier to facilitate economic development by allocating land and premises of the right type in the correct locations. The profile is a result of secondary research, drawing together a number of existing data sources, primarily census, demographic, workforce and business data compiled by the Office of National Statistics (ONS).

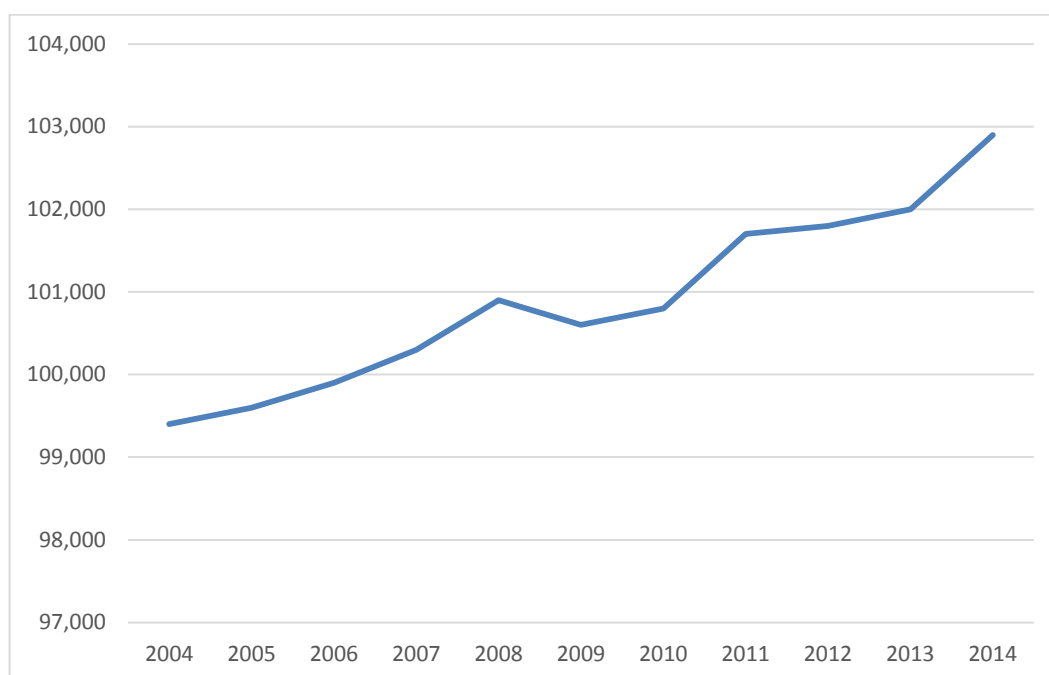
Economic Assessment – Population and Labour Market

- 3.3 The scale, quality and efficiency of the local labour market are acknowledged as key factors that will influence the ability of an area to capture economic growth and in turn have implications for both housing and employment land requirements. Being able to access a pool of suitably qualified and experienced workers is important to both new and existing businesses, including those who are well established within an area and seeking to grow. The composition of the labour market, and in particular the skills, occupational profile and associated wages are also likely to influence the type of housing that is required, and when combined with travel to work patterns, the preferred geographical distribution of housing supply.

Population

- 3.4 The North Norfolk local authority area had a population of 102,867 as at 2014 (mid-year estimates).

Figure 2 – North Norfolk Population Change 2001-2014



Source: ONS Mid-year population estimates

- 3.5 As Table 1 shows, North Norfolk has seen a low rate of population growth when compared to the growth seen in the East of England and to a slightly lesser extent, England. The low level, just 3,500 net increase in the last 10 years, coupled with a relatively low unemployment rate will have an impact on the future growth of the economy. A limited labour pool with little evidence of growth will mean businesses may have staffing difficulties in the future, but a strengthening economy could see improved population growth.

Table 1 – Population 2004 - 2014

	2004	2009	2014	Change 2004 – 2014	
				No.	Percent
North Norfolk	99,400	100,600	102,900	3,500	3.52
East	5,508,600	5,751,400	6,018,400	509,800	9.25
England	50,194,600	52,196,400	54,316,600	4,122,000	8.21

Source: ONS Mid Year Population Estimates, 2004, 2009 and 2014

- 3.6 2012 ONS population projections for local authorities estimate that the population of North Norfolk will increase from 101,800 persons in 2012 to 115,400 persons by 2037, an increase of 13,600 persons or 13.4 percent. The population growth is being driven by growth in the 65+ year old sector, which is projected to increase by 15,000 persons, or 48 percent growth on 2012 levels.

- 3.7 North Norfolk already has a high proportion of 65+ year olds, relative to regional and national averages. The substantial growth in this age cohort will further exacerbate this ageing population, placing pressure on care and health sectors and reducing the actual and relative proportion of the working age population, leading to labour supply difficulties.
- 3.8 The adopted Core Strategy outlines the Council's policy for the provision of new housing to meet the needs of forecasted population change.

Key Labour Market Indicators

- 3.9 North Norfolk has a solid labour market, with 45,900 economically active residents as at 2014/15, representing 78.1 percent, which is below the East of England rate of 80 percent, but slightly higher than the UK level of 77.4 percent.
- 3.10 The unemployment rate in the District is lower than the regional and UK averages, at 4.6 percent compared to 4.9 percent and 6.0 percent respectively (2014/15 average). Whilst low unemployment is a key target for any area, this combined with the slow growth in the economy and the skills limitations could impact on future growth of the economy.
- 3.11 14.0 percent of the economically active population in North Norfolk were self-employed in 2014, significantly higher than the regional level of 10.6 percent.

Table 2 – Economic Activity, 2014/15

	North Norfolk		East	England
	No.	Percent	Percent	Percent
Economically Active	45,900	78.3	80.0	77.4
In Employment*	44,100	75.1	76.0	72.7
Employees	35,800	61.1	65.1	62.2
Self Employed	8,300	14.0	10.6	10.1
Unemployed**	2,100	4.6	4.9	6.0

Source: ONS Annual Population Survey, 2014/15

*Percentage of working age population

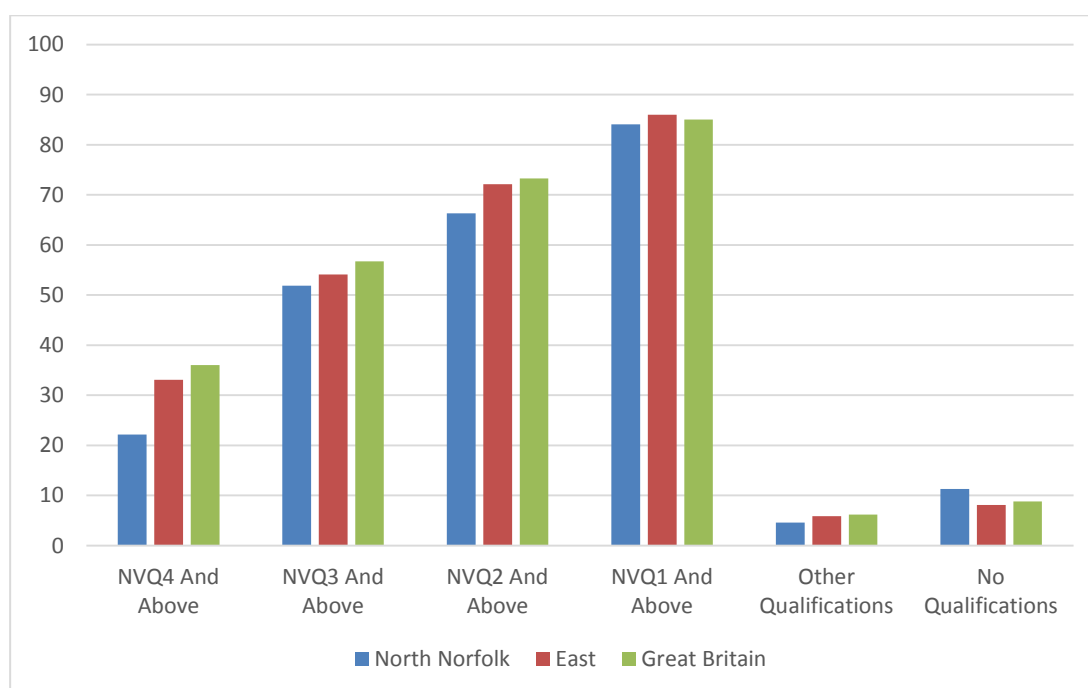
**Percentage of economically active

Qualifications

- 3.12 Figure 3 shows that the National Vocational Qualification (NVQ) level attained by the working age population of North Norfolk is below regional and UK averages. At 22.2 percent, the proportion of working age residents qualified to NVQ Level 4 and above

(equivalent to degree level) is considerably below the Regional (33.1 percent) and UK averages (36.0 percent). At lower levels the District is also falling behind.

Figure 3 – Qualifications 2014 (Percentage)

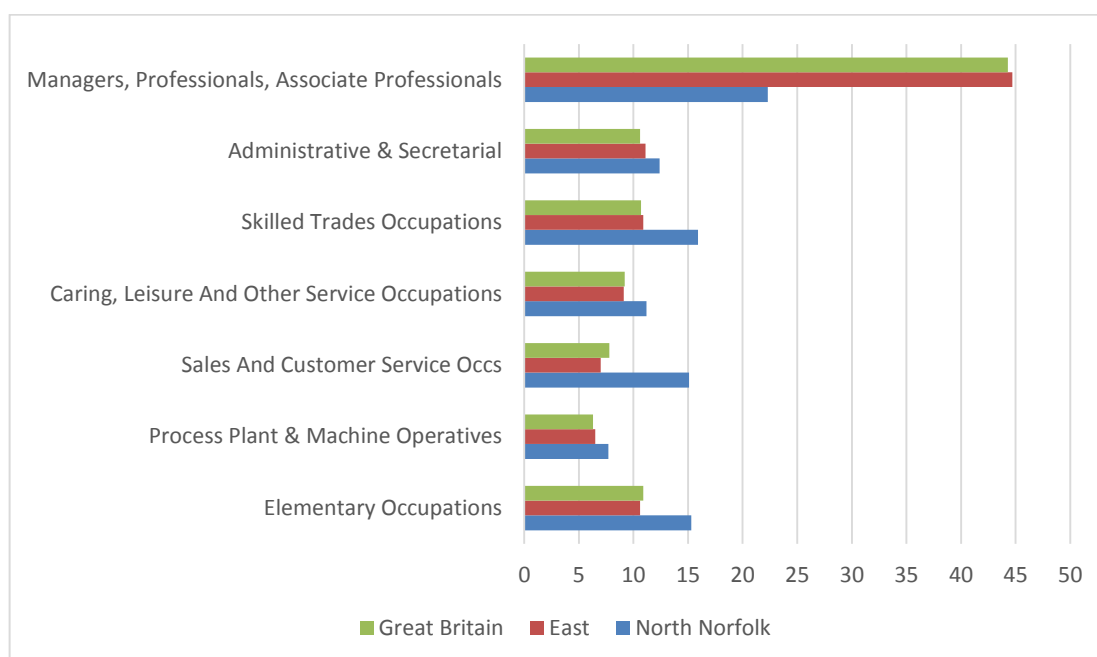


Source: ONS Annual Population Survey 2014

Employment by Occupation

- 3.13 Figure 4 illustrates the breakdown of employment by main occupation group.
- 3.14 North Norfolk has a higher proportion of people employed in skilled trades occupations, the highest group at 15.9 percent of the working population. This compares with the regional level of 10.9 percent reflecting the manufacturing and trade base of the local economy. It also has a higher proportion of people employed in sales and customer service at 15.1 percent, more than twice the level for the rest of the East region.
- 3.15 However, in the managerial and professional sectors, North Norfolk is significantly underrepresented, and at 22.3 percent, less than half the regional and UK levels.

Figure 4 – Employment by Main Occupation Group



Source: ONS Annual Population Survey 2014

- 3.16 Table 3 measures local economic activity using Business Register and Employment Survey (BRES) data. BRES provides details of the number of jobs within differing industry sectors within a local authority area.

Table 3 – Number of Jobs by Industry

Industry	North Norfolk		NCC	EAST
	Number	%	%	%
Agriculture, forestry & fishing*	165	0.56	0.5	1.9
Mining, quarrying & utilities	391	1.33	1.1	0.9
Manufacturing	3,987	13.55	10.7	9.1
Construction	1,364	4.64	6.1	5.7
Motor trades	503	1.71	2.1	2.1
Wholesale	819	2.78	4.4	5.2
Retail	4,756	16.16	12.7	11.6
Transport & storage (inc postal)	936	3.18	3.8	4.9
Accommodation & food services	3,565	12.11	7.1	5.9
Information & communication	290	0.99	1.6	3.1
Financial & insurance	366	1.24	3.9	2.6
Property	538	1.83	1.6	1.6
Professional, scientific & technical	1,046	3.55	5.2	6.9
Business administration & support services	1,390	4.72	6.8	8.7

Industry	North Norfolk		NCC	EAST
	Number	%	%	%
Public administration & defence	1,046	3.55	4.7	3.8
Education	2,799	9.51	8.9	9.3
Health	3,556	12.08	13.8	11.3
Arts, entertainment, recreation & other services	1,911	6.49	2.9	2.5
Total	29,428	100	100	100

Source: BRES

*Excludes farm based agriculture – see para.3.22 below

- 3.17 Retail, with a 16.16 percent share of the jobs is the largest sector, and in North Norfolk is significantly higher than the county and regional levels, and also the national level which stands at 10.2 percent. This appears to reflect the strength of the towns, which are serving the local population, and supported by visitor spend also, and also that Norwich and Kings Lynn are some distance away. The attractive retail centres such as Holt, Sheringham and Cromer are also serving the visitor economy.
- 3.18 Manufacturing is also above regional and national levels suggesting a healthy local sector.
- 3.19 The visitor economy to the coastal areas and the Broads, is manifested in the food service and accommodation sector, which is twice the national average. Whilst a strength, this employment can be seasonal, and the high percentage can also reflect a transient and seasonal working population.
- 3.20 Business and professional services are underrepresented in comparison to regional and national levels. This matches with the analysis of types of employment with very low management and professional employees. Those who are employed in these sectors, may well be found in self-employed and micro businesses, which account for a high proportion – almost 89 percent of all businesses in the District.
- 3.21 While the BRES data excludes farm based agriculture employment, the Census 2011 data includes this employment. At the time of the Census, some 1,585 persons were employed in the agriculture, forestry and fishing sector, comprising some 3.7 percent of the workforce at that time.
- 3.22 Further analysis of the manufacturing sector data in North Norfolk is provided in Table 4. This shows the breakdown of the manufacturing sector into its component subsectors and highlights the importance of the manufacture of food products,

comprising 29 percent of manufacturing jobs, or job 1,150 positions. Fakenham is the area with the largest number of the food product manufacturing positions. The data is from BRES, and is a survey sample only, so actual numbers need to be treated with some caution.

Table 4 – Number of Jobs in the Manufacturing Sector, North Norfolk

Industry	North Norfolk	
	Number	%
Manufacture of food products	1,152	28.9
Manufacture of beverages	106	2.7
Manufacture of tobacco products	0	0.0
Manufacture of textiles	10	0.3
Manufacture of wearing apparel	42	1.1
Manufacture of leather and related products	17	0.4
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	107	2.7
Manufacture of paper and paper products	8	0.2
Printing and reproduction of recorded media	134	3.4
Manufacture of coke and refined petroleum products	0	0.0
Manufacture of chemicals and chemical products	18	0.5
Manufacture of basic pharmaceutical products and pharmaceutical preparations	1	0.0
Manufacture of rubber and plastic products	755	18.9
Manufacture of other non-metallic mineral products	131	3.3
Manufacture of basic metals	0	0.0
Manufacture of fabricated metal products, except machinery and equipment	322	8.1
Manufacture of computer, electronic and optical products	49	1.2
Manufacture of electrical equipment	1	0.0
Manufacture of machinery and equipment n.e.c.	292	7.3
Manufacture of motor vehicles, trailers and semi-trailers	179	4.5
Manufacture of other transport equipment	315	7.9
Manufacture of furniture	91	2.3
Other manufacturing	36	0.9
Repair and installation of machinery and equipment	225	5.6
Total	3,991	100.0

Source: BRES, 2013

3.23 Other key manufacturing subsectors in North Norfolk include the manufacture of:

- rubber and plastic products (18.9 percent)
- machinery, equipment and transport vehicles and equipment (19.7 percent)

- fabricated metal products (8.1 percent).

3.24 North Walsham is a key centre for these manufacturing sectors, especially rubber and plastics manufacturing. Areas around Stalham and Fakenham are also important for these subsectors.

3.25 Table 5 shows the breakdown of the BRES data by area across the District, divided by middle super output areas (MSOAs), and provides a picture of where the economic activity is currently located through jobs.

Table 5 – Employment by Industry for Small Areas in North Norfolk

Industry	001: Sheringham	002: Wells- next-the-sea	003 Cromer	004: Holt- Sheringham	005: Rural area around Cromer	006: Rural area to the south of Sheringham	007: Between North Walsham and the coast	008: Rural area east of Fakenham	009: Rural area north, west, south of Fakenham	010: North Walsham	011: Fakenham	012: Rural area west, south, east of North Walsham	013: Stalham and surroundings	014: Land south of Stalham
1 : Agriculture, forestry & fishing (A)	2	19	38	10	30	21	0	3	9	9	0	9	10	5
2 : Mining, quarrying & utilities (B,D and E)	24	20	0	3	0	22	134	0	2	154	10	2	19	1
3 : Manufacturing (C)	79	45	33	45	17	51	14	188	510	873	1,389	22	70	651
4 : Construction (F)	110	91	79	70	99	125	54	116	169	71	153	48	102	77
5 : Motor trades (Part G)	23	15	33	33	34	31	16	26	20	71	142	18	8	33
6 : Wholesale (Part G)	19	29	52	129	32	39	10	65	46	59	131	41	92	75
7 : Retail (Part G)	390	318	728	536	94	48	55	114	160	638	655	58	315	647
8 : Transport & storage (inc postal) (H)	48	51	40	62	34	24	68	17	27	190	277	11	4	83
9 : Accommodation & food services (I)	247	560	353	383	346	144	176	69	182	196	202	81	258	368
10 : Information & communication (J)	9	15	48	12	11	9	8	11	6	16	36	13	87	9
11 : Financial & insurance (K)	28	6	61	66	0	5	0	0	0	75	83	0	6	36
12 : Property (L)	27	53	66	31	4	4	18	6	50	169	45	7	37	21
13 : Professional, scientific & technical (M)	112	60	68	85	43	40	34	39	49	101	219	53	77	66
14 : Business administration & support services (N)	36	88	51	64	43	19	2	113	52	94	170	43	216	399
15 : Public administration & defence (O)	27	20	345	40	4	10	12	9	3	146	126	260	27	17
16 : Education (P)	293	146	157	464	223	270	84	46	99	353	232	72	160	200
17 : Health (Q)	318	169	686	293	120	27	173	142	48	526	399	242	195	218
18 : Arts, entertainment, recreation & other services (R,S,T and U)	186	150	197	108	67	148	25	98	104	145	305	40	71	267
Column Total	1,979	1,855	3,034	2,433	1,202	1,036	882	1,063	1,536	3,886	4,573	1,021	1,754	3,174

Source: BRES

- 3.26 Fakenham has the largest concentration of employees with 4,573 people estimated to be employed there. A third of those jobs are in manufacturing, by far the largest sector with almost 1,400 employees. Fakenham accounts for a third of all manufacturing jobs in the District. As a market town, retail accounts for the next highest single total, although public sector jobs, when administration, education and health are added together account for 757 workers. The manufacturing jobs in Fakenham are dominated by the manufacture of food products subsector, reflecting the position of Hain Daniels and Kinnerton Confectionery in Fakenham.
- 3.27 Wholesale and transportation employ around 400 people, reflecting that Fakenham is a gateway location into the District. Office based jobs are very limited with just 550 people employed in professional, technical or private sector administrative jobs.
- 3.28 North Walsham is the next largest centre for employment. Again, the public sector together is the largest employer mainly in health and education, with manufacturing the second highest employer. Other sectors have limited representation, although the utilities sector employs 150.
- 3.29 The Stalham area, including the town and areas to the south according to the BRES data have a working population of almost 5000 with good representation in manufacturing, accommodation and food and retail. There are also almost 400 people employed in business administration. This area is part of the Broads, and accounts for both tourism related activities, and also manufacturing which reflects the strength in boat and marine activities and other specialist areas such as agricultural machinery, as evidenced through the business analysis section.
- 3.30 Location quotients are measures of an area's differentiation from a national or regional average. They are useful in identifying an area's comparative advantages or disadvantages. A location quotient greater than 1 indicates that the area has a higher representation of the particular variable, whereas a quotient less than 1 indicates that the area is less represented than the national or regional average.
- 3.31 Table 6 lists the location quotients for employment industries in North Norfolk, in comparison to Norfolk, East of England region and England. The location quotients are calculated with the England average as a base.

Table 6 – Industry Location Quotients for North Norfolk

Industry	North Norfolk	Norfolk	East of England	England
Agriculture, forestry & fishing	0.9	0.7	1.7	1.0
Mining, quarrying & utilities	1.2	1.1	0.9	1.0
Manufacturing	1.6	1.2	1.0	1.0
Construction	1.1	1.2	1.1	1.0
Motor trades	1.0	1.2	1.2	1.0
Wholesale	0.7	0.9	1.0	1.0
Retail	1.6	1.2	1.1	1.0
Transport & storage (inc postal)	0.7	0.8	1.0	1.0
Accommodation & food services	1.8	1.1	0.9	1.0
Information & communication	0.2	0.4	0.8	1.0
Financial & insurance	0.3	1.0	0.7	1.0
Property	1.1	0.9	1.0	1.0
Professional, scientific & technical	0.4	0.6	0.9	1.0
Business administration & support services	0.6	0.9	1.2	1.0
Public administration & defence	0.8	1.0	0.8	1.0
Education	1.0	1.0	1.1	1.0
Health	0.9	1.2	0.9	1.0
Arts, entertainment, recreation & other services	1.4	1.0	0.9	1.0

Source: BRES, BE Group analysis

- 3.32 The table demonstrates that the accommodation and food services, retail and manufacturing sectors are more highly represented in North Norfolk than in the broader region or in England. Sectors most underrepresented are the information and communication and financial and insurance sectors.
- 3.33 These relative concentrations of employment have implications for business attraction and growth of the local economy. The highly represented sectors generally require lower skill levels than the two underrepresented sectors. Consistent with this, these sectors also have lower GVA output per employee than the underrepresented sectors, which means, relative to the comparison areas, North Norfolk is missing out on the higher values sectors to boost its economy.
- 3.34 Within North Norfolk there are substantial differences in the distribution of employment opportunities in industry sectors, as is to be expected when examining

small sub-areas. Table 7 lists the location quotients for employment industries in the localities (MSOAs) within North Norfolk, once again in relation to the England average. Therefore location quotients in Tables 6 and 7 are comparable.

- 3.35 From the table it is noted that North Norfolk's three key highly represented sectors – accommodation and food services, retail and manufacturing sectors – are unevenly distributed throughout the District. Accommodation and food services are concentrated around coastal areas, particularly rural areas around the towns of Cromer, Wells-next-the-sea and Sheringham. The relative importance of the retail sector is most apparent in Cromer. The manufacturing sector is concentrated around Fakenham and North Walsham, including the surrounding rural areas.
- 3.36 It is noted that the information and communications and finance and insurance sectors are underrepresented throughout North Norfolk. The main urban areas – Fakenham, Cromer, North Walsham and Holt – have higher concentrations of the finance and insurance sector than other areas in North Norfolk, but still about half than of the England average. This reflects the function of these centres as providing some, localised financial and insurance services, without the regional or national role of other larger cities in England. There are no significant clusters or concentrations of these different sectors that can effectively be built on.
- 3.37 The location quotient table also reveals that the arts, entertainment, recreation and other services sector is most concentrated in Sheringham and surrounding rural areas. This is consistent with its tourist function and provision of accommodation and food services employment.
- 3.38 The highest location quotient (i.e. the sub-area with the most skewed economy within one industry) was 13.6 for the mining, quarrying and utilities sector for the coastal area east of North Walsham. This includes Bacton and surrounding areas, including the Bacton Gas Terminal. This MSOA does not have any significant settlement, therefore there are relatively few other employment options which would balance the location quotient numbers.

Future Growth Forecasts

- 3.39 The East of England Forecasting Model produced by Cambridge CC, produces economic forecasts for local authorities across the Eastern region, including North Norfolk. The latest forecasts were produced in Autumn 2014 and therefore, take account of the post-recession recovery.

- 3.40 The forecasts are econometric projections of employment growth or decline based on a range of local regional and national data, and are broken down by sector.
- 3.41 The model forecasts that North Norfolk's workforce will grow by just 400 jobs in the period 2015-2030. From the 31 individual industry sectors, just nine are predicted to grow. These include construction, retail transport, professional services and real estate, and arts and entertainment which will see the greatest growth at 30 percent growth in the period.
- 3.42 The greatest decline will be seen in manufacturing which will see up to 30 percent of jobs disappearing. Other sectors seeing some decline will be agriculture, utilities and the public sector.
- 3.43 GVA is predicted to grow from £13 billion to £17 billion during the next 15 years with GVA per capita increasing by 24 percent over the period.
- 3.44 Growth overall is expected to be modest, and the greatest threat is in the manufacturing sector.
- 3.45 The business growth strategy should ensure the area builds on its strengths, supporting these sectors, whilst at the same time encouraging growth where possible in those underrepresented sectors. This may be through improving the environment for start-ups, which as paragraph 3.56 emphasises is a strength of the District.

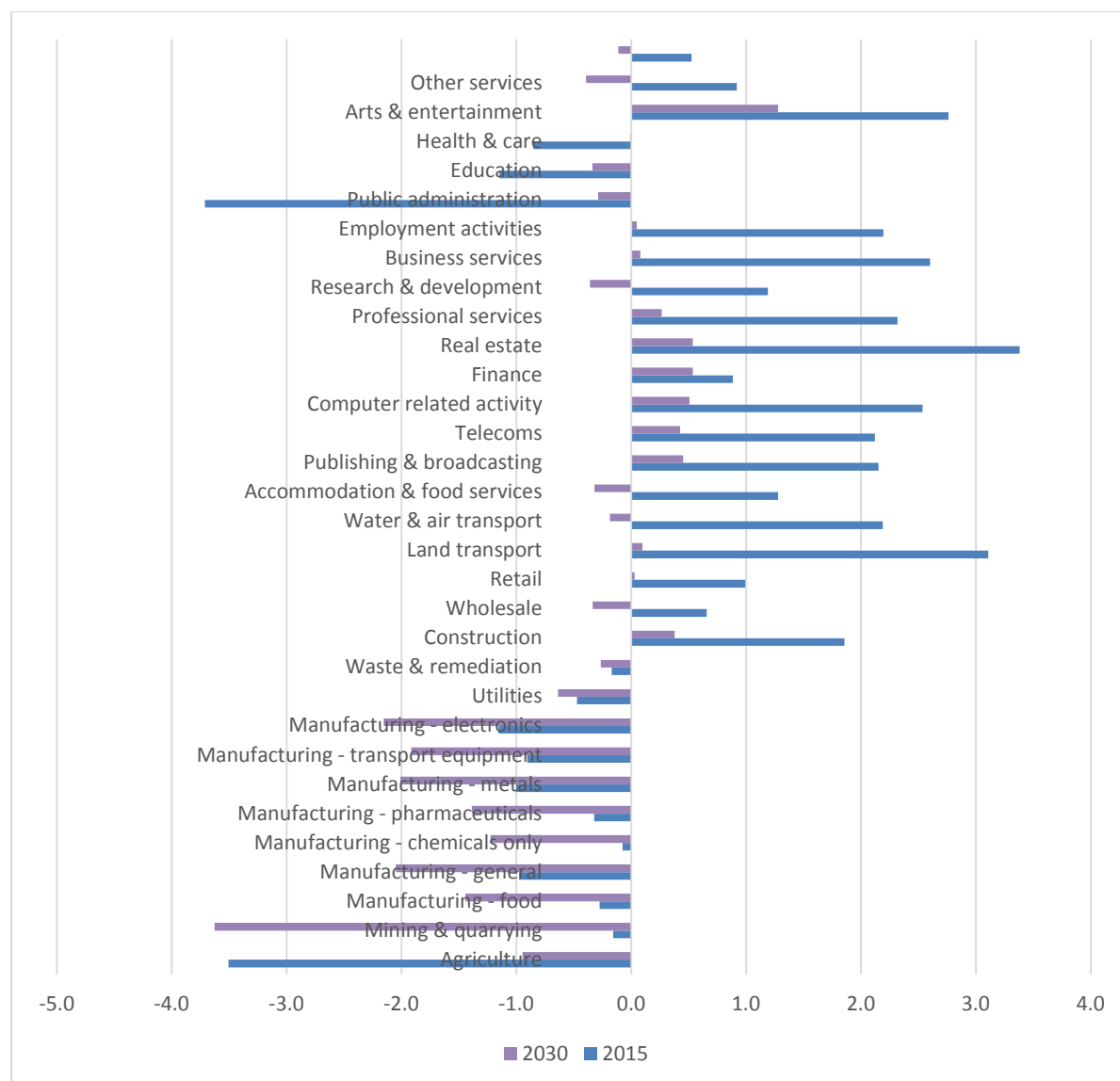
Table 7 – Location Quotients for Industry Sectors by Small Area in North Norfolk

Industry	001: Sheringham	002 Wells- next-the-sea	003 Cromer	004: Holt- Sheringham	005: Rural area around Cromer	006: Rural area to the south of Sheringham	007: Between North Walsham and the coast	008: Rural area east of Fakenham	009: Rural area north, west, south of Fakenham	010: North Walsham	011: Fakenham	012: Rural area west, south, east of North Walsham	013: Stalham and surroundings	014: Land south of Stalham
1 : Agriculture, forestry & fishing (A)	0.2	1.7	2.1	0.7	4.1	3.3	0.0	0.5	1.0	0.4	0.0	1.4	0.9	0.3
2 : Mining, quarrying & utilities (B,D and E)	1.1	1.0	0.0	0.1	0.0	1.9	13.6	0.0	0.1	3.5	0.2	0.2	1.0	0.0
3 : Manufacturing (C)	0.5	0.3	0.1	0.2	0.2	0.6	0.2	2.1	3.9	2.7	3.6	0.3	0.5	2.4
4 : Construction (F)	1.3	1.2	0.6	0.7	1.9	2.8	1.4	2.6	2.6	0.4	0.8	1.1	1.4	0.6
5 : Motor trades (Part G)	0.7	0.5	0.6	0.8	1.6	1.7	1.1	1.4	0.8	1.1	1.8	1.0	0.3	0.6
6 : Wholesale (Part G)	0.2	0.4	0.4	1.3	0.6	0.9	0.3	1.5	0.7	0.4	0.7	1.0	1.2	0.6
7 : Retail (Part G)	2.0	1.7	2.4	2.2	0.8	0.5	0.6	1.1	1.0	1.6	1.4	0.6	1.8	2.0
8 : Transport & storage (inc postal) (H)	0.5	0.6	0.3	0.6	0.6	0.5	1.7	0.4	0.4	1.1	1.3	0.2	0.1	0.6
9 : Accommodation & food services (I)	1.8	4.4	1.7	2.3	4.2	2.0	2.9	0.9	1.7	0.7	0.6	1.2	2.1	1.7
10 : Information & communication (J)	0.1	0.2	0.4	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.3	1.2	0.1
11 : Financial & insurance (K)	0.4	0.1	0.5	0.7	0.0	0.1	0.0	0.0	0.0	0.5	0.5	0.0	0.1	0.3
12 : Property (L)	0.8	1.6	1.3	0.7	0.2	0.2	1.2	0.3	1.9	2.5	0.6	0.4	1.2	0.4
13 : Professional, scientific & technical (M)	0.7	0.4	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.3	0.6	0.6	0.5	0.3
14 : Business administration & support services (N)	0.2	0.6	0.2	0.3	0.4	0.2	0.0	1.2	0.4	0.3	0.4	0.5	1.4	1.5
15 : Public administration & defence (O)	0.3	0.2	2.5	0.4	0.1	0.2	0.3	0.2	0.0	0.8	0.6	5.6	0.3	0.1
16 : Education (P)	1.5	0.8	0.5	2.0	1.9	2.7	1.0	0.5	0.7	0.9	0.5	0.7	1.0	0.7
17 : Health (Q)	1.2	0.7	1.7	0.9	0.8	0.2	1.5	1.0	0.2	1.0	0.7	1.8	0.8	0.5
18 : Arts, entertainment, recreation & other services (R,S,T and U)	2.1	1.8	1.4	1.0	1.2	3.2	0.6	2.0	1.5	0.8	1.5	0.9	0.9	1.9

Source: BRES and BE Group analysis

3.46 Figure 5 illustrates the forecast sectoral annual employment changes as at 2015 and 2030. It demonstrates that the manufacturing employment is forecast to decline at an increasing rate by 2030, compared with the 2015 decline.

Figure 5: Forecast Sectoral Annual Employment Change, 2015 and 2030



Commuting of North Norfolk Workers and Residents

3.47 The commuting patterns of the working residents and workforce employed in the District are important in understanding the employment role of North Norfolk in the context of the broader region. This has implications for the definition and understanding of the District's functional economic market area. Where workers are drawn from and also commute to provide important patterns identifying key linkages with the wider area.

- 3.48 Table 8 summarises the in and out commuting patterns for North Norfolk as at the time of the 2011 Census. The net flows to and from each area are also summarised and show that North Norfolk has a net outflow of workers of 3,244.
- 3.49 Over 8,500 people travel into the District to work, with the greatest number coming from Broadland with Kings Lynn and West Norfolk and Breckland the next largest followed by Norwich and Great Yarmouth. This is not unexpected as the largest urban areas just across the District border to the west, south and east. In terms of net flows of workers in and out of North Norfolk to other parts of the County, in 2011 the District had a net outflow of 2,370 workers, driven by the net outflow to Norwich City. North Norfolk had a net inflow commuting relationship with Breckland, Great Yarmouth and King's Lynn and West Norfolk.
- 3.50 Outside of Norfolk County, North Norfolk has a net outflow relationship with neighbouring counties of Suffolk, Cambridgeshire and Lincolnshire. It is important to note that the numbers, both in-commuting and out-commuting are relatively small and represent only weak workforce relationships outside of Norfolk County.
- 3.51 The table also reveals that some 70.5 percent of North Norfolk workers reside in the District. Conversely, 63.3 percent of employed residents of North Norfolk also work in the District.

Table 8 – Net flows of North Norfolk Commuters, 2011

	Destinations of out-commuters from North Norfolk	Origin of in-commuters to North Norfolk	Net Flow of Workers into North Norfolk
North Norfolk	20,300	20,300	
Breckland	715	1,338	+623
Broadland	3,003	2,711	-292
Great Yarmouth	766	825	+59
Kings Lynn and West Norfolk	1,273	1,327	+54
Norwich	3,540	1,078	-2,462
South Norfolk	891	539	-352
<i>Total Norfolk County</i>	<i>30,488</i>	<i>28,118</i>	<i>-2,370</i>
Suffolk	300	222	-78
Cambridgeshire	175	25	-150
Lincolnshire	60	38	-22
Greater London	367	44	-323
Other England or Wales	660	359	-301
Total	32,050	28,806	-3,244

Source: ONS

- 3.52 For those travelling out of the District to work, Norwich is the top destination and accounts for about 3,500 commuters, with Broadland and Kings Lynn also both accounting for significant numbers. Outside of the County, Greater London and Suffolk attract the largest numbers of North Norfolk commuters.
- 3.53 The 2010 Norfolk Local Economic Assessment (LEA) provided a further breakdown of travel to work patterns (from the 2001 Census), and identified three travel to work areas (TTWA). These are Kings Lynn and Fakenham, Cromer and Sheringham, and Norwich, with the very south east touching on the Great Yarmouth TTWA.
- 3.54 The patterns seen in the latest census data and Annual Population surveys confirm that these remain the main TTWA patterns. The LEA suggested that most towns have a relatively high level of the resident population working there, although Holt was identified as having a high level of in-commuting with only 31 percent of the working population living there. The location of these on the A148 draws people in from the surrounding towns/villages. The statistic also provides support to the Council's assumption that allocating employment land in Holt will meet the needs of the wider area including Cromer.

- 3.55 Stalham on the other hand saw a higher level of out commuting with only 36 percent of the residents working in the town. A high proportion of these travel to Norwich, and North Walsham is also a town that sees residents commuting to Norwich.
- 3.56 Analysis of the 2011 travel to work data for the 14 MSOAs within North Norfolk also confirm that the workers within the District are likely to also live within the District. Table 9 shows the origins of workers of the 14 MSOAs within North Norfolk.

Table 9 – Origins of Workers in North Norfolk, Percent

Location of Work, MSOA	Lives in same MSOA	Lives outside MSOA but within NNDC	Lives outside NNDC but in East of England	Lives outside of East of England but in England or Wales	Total
001 Sheringham	57.2	33.7	8.6	0.6	100.0
002 Wells-next-the-Sea	59.4	25.4	14.3	0.8	100.0
003 Cromer	44.0	45.4	10.1	0.4	100.0
004 Holt-Sheringham	34.5	42.0	22.2	1.3	100.0
005 Rural area around Cromer	62.0	28.1	7.5	2.3	100.0
006 Rural area to the south of Sheringham	62.9	21.4	13.6	2.1	100.0
007 Between N Walsham and the Coast	58.8	22.4	17.8	1.0	100.0
008 Rural area east of Fakenham	71.1	14.8	13.8	0.4	100.0
009 Rural area north, west and south of Fakenham	56.8	20.3	22.7	0.3	100.0
010 North Walsham	53.1	30.4	16.0	0.5	100.0
011 Fakenham	41.4	24.3	33.3	1.0	100.0
012 Rural area west, south, east of N Walsham	53.1	22.8	23.3	0.8	100.0
013 Stalham and	53.8	21.5	22.4	2.2	100.0

Location of Work, MSOA	Lives in same MSOA	Lives outside MSOA but within NNDC	Lives outside NNDC but in East of England	Lives outside of East of England but in England or Wales	Total
surroundings					
014 Land south of Stalham	39.4	22.0	37.8	0.8	100.0
Total	51.2	28.5	19.4	1.0	100.0

Source: ONS, 2011

- 3.57 It is noted from the table that around 90 percent of workers in Cromer, Sheringham and rural areas around Cromer live within the District. Stalham, Fakenham and areas surrounding these towns recorded relatively low percentages of their workers residing within the District, however still about two-thirds of its workers originate from within North Norfolk.
- 3.58 Overall the table shows that the workforce of North Norfolk generally live locally. Indeed half of the workers also reside within the same MSOA, which equates to a town or relatively small rural area. Rural areas generally have a higher degree of workers that also live within the same MSOA, than the towns, reflecting the agricultural nature of the rural workforce and the greater diversity of employment opportunities in the towns.
- 3.59 Critical for this study, the high proportion of workers who live and work in the same MSOA could have implications for the appropriate supply of further employment land as the figures point towards a high level of self-containment where businesses will want to retain that local staff base. **Providing for business opportunities within these areas will assist growth and business retention.**

Wages

- 3.60 The median gross weekly full-time pay for working residents of North Norfolk was £466.20 in 2014, compared with £539.10 for the East region and £520.80 for Great Britain. The comparable weekly pay for the North Norfolk workforce was £402.30 in 2014, compared with £505.80 for the East region and £520.20 for Great Britain. That is, the median weekly earnings for workers working in North Norfolk was about 14 percent less than the working residents of North Norfolk.
- 3.61 The significance of this is the area's ability to attract employees from other areas and should also be viewed in the context of the commuting patterns, and the level of skills

in the District. North Norfolk falls significantly below both the regional and Great Britain average. The lack of senior management, and professional workers, coupled with a lower than average skill level as highlighted above are contributing to the wage levels. Lower wages in the District, compared to what the local residents are earning by commuting out of the area for work can lead to areas of comparative disadvantage and housing affordability difficulties for local workers.

Numbers and Sizes of Businesses

- 3.62 ONS data identifies that there were 4,055 VAT and PAYE registered businesses operating in the District (see Table 10) in 2014. Those businesses comprise just 1.79 percent of the total number of businesses in the East Region. As Table 10 also shows, 88.3 percent of businesses are micro (0-9 employees), just below the regional average, whilst 98.7 percent of all businesses employ 49 people or less. Only 10 companies are considered large, employing more than 250 people, which is half the regional level in percentage terms.
- 3.63 The District therefore relies heavily on the SME sector, with the emphasis on small and micro businesses. This has an impact when looking at future business needs. In planning for business growth, large tracts of land set aside for large inward investors is unlikely to be taken up, rather, companies will look to the availability of smaller premises to meet their requirements. Smaller operators would have a strong preference for built stock over acquiring land and building new premises.

Table 10 – 2014 Business Count

Business Size	North Norfolk		East	
	Count	Percent	Count	Percent
Micro (0-9)	3,580	88.3	201,660	88.9
Small (10-49)	420	10.4	20,845	9.2
Medium (50-249)	45	1.1	3,570	1.6
Large (250+)	10	0.2	865	0.4
Total	4,055	100	226,940	100

Source: NOMIS, 2014

- 3.64 Table 11 summarises the births and deaths of businesses since 2004. The number of new enterprises has gradually increased as business confidence returns, with 385 new companies at the last count in 2013. That represents just under 10 percent of the number of businesses in the District. If that trend alone continued then the

economy would almost certainly grow from that activity, but in the same period a similar number of businesses have failed. In 2013 the number of deaths was less than those starting up, but that was the first year since 2009 that saw a net increase in new businesses. The figures are also shown for 2004 during a period of growth and at that time and also in the following few years until the downturn in the economy, the number of new businesses did exceed the failures. Between 2004 and 2008 there was a net increase in businesses of 175.

- 3.65 The recession clearly had an effect on the ability of businesses to survive. However, if the recent trend is again reversed, then the creation of new business can have an overall positive effect on the economy. The latest data suggests that some confidence is returning to the market, encouraging an increased number of people to establish enterprises, while the improved market conditions has slightly reduced the number of business deaths.
- 3.66 The survival rate of businesses in the East Region is good, with 93 percent of businesses surviving after one year and 42 percent surviving after five years, compared with 92 and 41 percent respectively across the country.
- 3.67 **With the large number of SMEs and a strong survival rate, new company start-up and support should be an important element to the Council's strategy.**

Table 11 – Births and Deaths of Enterprises 2004-2013

Year	2004	2009	2010	2011	2012	2013
Births	410	340	245	325	325	385
Deaths	385	410	320	355	375	330

Source: ONS Business Demography, 2013

Functional Economic Market Area

- 3.68 This section defines and reviews the functional economic market area of North Norfolk, as a recognition that the District's economy does not operate in isolation, but rather it has intricate and important relationships with neighbouring areas.
- 3.69 The guidance for Housing and Economic Development Needs Assessments produced by the Department for Communities and Local Government includes guidance for the definition and consideration of a functional economic market area. The guidance states:

“The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

- extent of any Local Enterprise Partnership within the area;*
- travel to work areas;*
- housing market area;*
- flow of goods, services and information within the local economy;*
- service market for consumers;*
- administrative area;*
- Catchment areas of facilities providing cultural and social well-being;*
- transport network.”*

3.70 All definitions of a functional economic market area are approximations of the interrelationships of a local economy with areas outside the local authority. The functional economic market area cannot account for all relationships in the economy, rather it is a representation of the key economic, workforce and consumer flows for the local economy.

3.71 Being part of the broader Norfolk and East Anglia regions, the District's economy clearly does not operate in isolation. The evidence base that influences the definition of North Norfolk's functional economic market area includes:

- North Norfolk is part of the Norfolk County region and within the East Anglia LEP and therefore there are administrative functions at the regional level which encompass North Norfolk
- NNDC's economic and strategic policies are consistent with the County and LEP strategic direction
- North Norfolk has a net outflow of workers (i.e. more local residents commuting out of North Norfolk for work than workers commuting into the District), as seen in Table 9
- The significant majority of out-commuters from North Norfolk work in other districts in Norfolk County, particularly Norwich

- There is only a weak commuter relationship between North Norfolk and counties and regions outside of Norfolk County, including Suffolk within East Anglia
- Within North Norfolk, over half of North Norfolk workers reside in the same MSOA in which they work, meaning that commuting between North Norfolk areas is relatively muted
- The Core Strategy identifies three travel to work areas within North Norfolk, being East, Central and West of the District
- Almost 90 percent of North Norfolk businesses are classified as micro-businesses (less than 10 employees)
- Consultation with businesses undertaken for this study (see Chapter 6.0) has revealed supply and consumer links throughout the UK and with Europe for some larger operators
- The key industry sectors within North Norfolk of retail, tourism, accommodation and food services have some linkages with the broader region but generally service the local residential and visitor markets
- Tourism functions are generally in the north (Cromer, Sheringham and coastline) and east (The Broads) of North Norfolk
- Manufacturing is a strong sector, but sub-sectors such as energy and food production are linked to the wider sub-region.
- Being near the perimeters of North Norfolk, workers of Fakenham and Stalham, and surrounding areas, are more likely to have originated from outside North Norfolk than central areas.

3.72 The definition of North Norfolk's functional economic market area has considered the above factors. **It is considered that the overall functional economic market area for North Norfolk is best described as the Norfolk County boundary.** While there is some merit in including the broader LEP region, recognising the District's position in the New Anglia region, it is apparent that the actual economic relationships with Suffolk are substantially lower than those with other areas within Norfolk.

3.73 There is merit in defining sub-areas that reflect internal differences within North Norfolk, including varying levels of self-containment of employment, differing economic functions and the importance of micro-businesses in the area. Table 12 defines these sub-areas, including commentary on the reasons for the areas. It should be noted that these areas are overlapping, recognising that they do not

operate in isolation or exclusively from one another. The sub-areas have been defined on the basis of MSOAs within North Norfolk.

Table 12 – Functional Economic Market Areas for Sub-areas within North Norfolk

Sub-area within North Norfolk	MSOAs within Sub-area*	Sub-area's FEMA	Commentary
<i>Sub-area 1</i> East of NN, including Stalham, North Walsham, Bacton and rural areas	007, 010, 012, 013, 014	Includes Sub-area 1 itself, as well as extending south and west to Great Yarmouth, Norwich and Broadland District to the A140.	The FEMA recognises the higher level of workers residing outside of NN and engineering, oil and gas and tourism relationships between N Walsham, Bacton and Stalham and areas outside, including the Broads, the oil and gas industry in Great Yarmouth and manufacturing and professional services in Norwich.
<i>Sub-area 2</i> Central NN, including Cromer, Sheringham and rural areas.	001, 003, 005, 006	Self-contained area including Sub-area 2 itself and Holt.	While Cromer has a District-wide administrative function, it has little District-wide retail or industrial function. The Sub-area's tourism industry services day and overnight visitors. Its workforce is highly self-contained. Therefore there is only a limited relationship to east and west areas of NN or outside of the District.
<i>Sub-area 3</i> West of NN, including Holt, Fakenham, Wells-next-the-Sea and rural areas.	002, 004, 008, 009, 011	Includes Sub-area 3 itself and extends to King's Lynn, Swaffham and Dereham to the west and south.	This FEMA recognises the higher in-commuting role of Fakenham and surrounding rural areas. The larger centre of King's Lynn would draw residents of this Sub-area for retailing, community uses and employment. Consultation included commentary from FABCOM of retail links to King's Lynn and Dereham.

Source: BE Group, 2015

* See Table 9 for description of MSOA numbers

- 3.74 The former RAF bases are located in Sub-area 1 (Scottow Enterprise Park) and Sub-area 3 (Tattersett Business Park and West Raynham Business Park). Therefore, in considering the roles and functions of these facilities, including potential tenant types, their positioning within the sub-areas could give guidance as to potential opportunities.

- 3.75 For both the overall functional economic market area and those for the defined sub-areas, it should be understood that these are approximations only and relationships of individual businesses, workers or residents living in the areas may vary substantially from the defined areas.

Summary

- 3.76 North Norfolk has an ageing population, with the 65+ year old age cohort driving population growth in coming years. The working age cohort is projected to shrink, both in relative and actual terms in coming years. This will have substantial impacts on the ability of businesses to attract labour and places considerable pressure on the care and health sectors.
- 3.77 Housing completion rates have risen over the last two years, and will need to carry on increasing to ensure that the Core Strategy target of 8,000 dwellings by 2021 is to be met.
- 3.78 The area has relatively low unemployment. The shrinking labour force, relative to overall population growth is likely to mean that unemployment will continue to be low and not of concern for policymakers. Indeed, the lack of labour supply is more likely to be of concern in coming years.
- 3.79 The area's workforce is moderately skilled and the typical occupations of skilled trades and sales and customer service reflect this skill level. These occupations are also consistent with the key industries of employment in North Norfolk – manufacturing, retail and accommodation and food services.
- 3.80 The manufacturing sector is most concentrated in Fakenham and North Walsham and surrounding areas. Key manufacturing sectors include food product manufacturing, plastics, machinery and equipment manufacturing and metal fabrication. The food product and machinery manufacturing link to the surrounding agricultural sector. The continued health of the rural and manufacturing economies are dependent on each other.
- 3.81 Retailing is concentrated in the main settlements, as to be expected. In terms of relative importance, retailing is most important as part of the local employment mix in Cromer, Holt and surrounding areas. Similarly, in a relative sense, the accommodation and food services sector is most concentrated along the northern coast, including Sheringham, Cromer and surrounding rural areas.

- 3.82 Professional and business services are poorly represented in North Norfolk, particularly the finance and insurance sector, property services and business support services. This has implications for local manufacturers, retailers and tourism services, which would need to travel outside of North Norfolk for their business service needs (e.g. consultants, financial advisors, accountants, legal services, etc).
- 3.83 Analysis of commuting patterns in North Norfolk show a net outflow of workers from the District, predominantly to other areas of the County, particularly Norwich. However, it is also apparent that a high degree of working residents of North Norfolk also live locally. Indeed over half the workforce of North Norfolk also live within the same MSOA (town or small area). This has substantial implications for commuting patterns, with opportunities for walking or cycling to work. Furthermore, a decision by a firm to relocate, even to only the next town, would have significant impacts on their workforce's commuting habits.
- 3.84 The data reveals that wages for working residents are, on average, higher than those of the workforce working in North Norfolk. Continued disparity between what the residents are earning and what the labour force is earning can have implications for housing affordability for workers.
- 3.85 The overall functional economic market area for North Norfolk has been defined as the County boundary, drawing together commuting, workforce, industry and policy considerations. The data also suggests that there are three sub-areas within North Norfolk that have differing economic characteristics, with the eastern area having a relationship to Great Yarmouth, Norwich and the Broads; the central area being particularly insular and self-contained and the western area having a relationship with King's Lynn and to the south. The overall functional economic market area and the sub-areas have implications for the economic opportunities for North Norfolk and preferred locations for further employment stock.

4.0 EMPLOYMENT LAND

Introduction

- 4.1 This section reviews the historic take-up and current provision of employment land in North Norfolk. The Annual Monitoring Reports (AMR) compiled by NNDC since 2004 are used to identify the scale of take-up of land, analysed by year, area and use.

Historic Take-up Analysis

- 4.2 The Report draws on a number of sources to understand the scale and nature of available land in North Norfolk, and also the pattern of development across the District in recent years. The 2007 report on Employment Land and the Site Allocations Report 2011 prepared for the Local Development Framework (LDF) provide the basis for the current provision, describing the different land allocations. These are described and analysed in more detail at Table 18 later in this report.
- 4.3 The overall land availability is quantified in North Norfolk's AMR, which provides a current availability of 79.44 ha for the District. Analysis of the AMRs over a period of time shows the level and distribution of development of the land. However, during the course of this study NNDC has reviewed a number of inconsistencies and the AMR current total is considered inaccurate.
- 4.4 Table 13 shows the availability and take-up of employment land in North Norfolk from 2004/5 until the present day.

Table 13 – Annual Take-up 2004-2015

Year	Land Available (ha)	Annual Take-up (ha)	Floorspace Developed (sqm)	Land Lost to Other Uses	Comments
04/05	76.8	0.8	1,460	0.1	Land lost in Cromer for Argos
05/06	54.0	0.2	-	-	No detail recorded in the AMR
06/07	54.0	1.73	11,436	-	1. Erection of warehouse N. Walsham 1,947 sqm 2. Erection of industrial units 2,850 sqm
07/08	54.0	3.2	12,975	-	-
08/09	45.4	5.2	10,994	-	-
09/10	46.9	1.2		-	-
10/11	80.92	0	2184	-	PP granted for 8119 sqm
11/12	80.07	.85	-	--	No figures provided for completions, but PP granted for 3,869 sqm new build
12/13	79.51	2.57	60	-	PP granted for 6,953 sqm new build
13/14	79.51	0	-	-	-
14/15	79.44	0.065	-	-	-
Total		15.82	-	-	-
Average		1.44			

Source: NNDC Annual Monitoring Reports

- 4.5 The AMR are generally produced on an annual basis and sets out the current position on available allocated land, annual take-up of land through development and also detail on the type of development undertaken with floorspace completed during the year with a geographic split across the District. Further detail is also provided from 2009/10 onwards of the availability of land across the main towns of North Norfolk.

- 4.6 The latest report covers the period 2013-2015, and according to the latest data, North Norfolk reported that they had 79.44 ha of undeveloped and available land allocated for employment uses.
- 4.7 Since monitoring began annual take-up of land for employment uses has been recorded, showing in the 11 years to 2014/15 a total of 15.82 ha has been developed, with an average of 1.44 ha per annum. The County's figures are slightly different providing for 18.1 ha to 2015, with an average of 1.65 ha per annum. The figures also vary particularly between 2008/9 and 2012/13, with North Norfolk showing a higher overall take-up during that period. Despite that being the recessionary period, development was at a level higher than the longer term average with 1.96 ha per annum.
- 4.8 2010 saw the production of the LDF and this resulted in new allocations of land, hence the increase in land availability at that time. Prior to that date the availability figures are not wholly reliable. Whilst annual take-up is recorded, there is little change to the overall availability. Instead the reports note a land allocation figure of 53 ha which was the area calculated in the LDF Background Report on employment land produced in 2006/7.
- 4.9 Whilst the inconsistencies are noted, the important conclusion to draw is the annual development of land of between 1.44 and 1.65 ha. On a quantitative basis, using the current AMR total of 79 ha and applying the annual average development of land, this could meet North Norfolk's needs for the next 40-50 years. This assumes that this does represent the realistic deliverable supply and that the land is in the right locations to meet need.
- 4.10 The geographic distribution of the land is heavily weighted to three locations (Table 14).

Table 14 – Allocation by Area 2014/15

Location	Allocated Land
Cromer	2.19
Fakenham	14.82
Holt	5.6
Hoveton	2
North Walsham	32.16
Sheringham	0.36
Stalham	7
Wells-next-the-Sea	0.13
Catfield	1.66
Melton Constable	0.1
Tattersett	13.42
Total	79.44

Source NNDC Annual Monitoring Reports 2013-15

- 4.11 According to the AMR, North Walsham accounts for the largest allocation with 32.16 ha or 40 percent of all land in the District. Fakenham also has a sizeable allocation with 14.82 ha. The former RAF base at Tattersett has 13.42 ha.
- 4.12 A number of sites highlighted in consultations with the District are not included in the site allocations, including RAF Coltishall, now known as Scottow Enterprise Park, owned by the County Council and where land is being brought forward, subject to planning, and there is also potential small scale development proposed within the Holkham Estate and at West Raynham Business Park.

Note of Caution

- 4.13 The AMR data appears to overestimate the actual level of available land in North Norfolk, including in specific settlements. From on-the-ground inspections, a site-by-site critique of the listed land available, discussions with land owners, and a review by NNDC of the AMR, it is the BE Group's opinion that the vacant employment land available for development is considerably lower than reported in successive AMRs, at approximately 49.43 ha, as detailed later in this chapter.

Current Provision

- 4.14 The next section comprises a qualitative analysis to determine whether the land allocations are able to meet the current needs of businesses in the District.

- 4.15 Notwithstanding there are some concerns of the veracity of the data on availability of land in the AMRs, it is possible to draw some conclusions from the AMRs on historic demand by considering the geographic spread of development. This can be done through an analysis of the level of floorspace developed across the District from 2006/7 when area splits were provided in the reports. Table 15 below summarises the level of new built B-use stock within North Norfolk, as reported in the AMR documents. It is further noted that in recent years, stock has been converted from military or aviation uses on the former airbases to B-class stock, which has added to the overall stock available but has not constituted a new build or an exhaustion of vacant, allocated land.

Table 15 – Development by Area

Location	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	Total
Cromer			650			150	60			860
Fakenham		6,727	7,982	551	938	440	1,308	1,089	312	19,347
Holt										0
Hoveton				280		280				560
North Walsham	1,947	3,160	2,360	540		646	1,442	216	1,260	11,571
Sheringham						157				157
Stalham				98			3,150			3,248
Walshingham					1922	916				2,838
Catfield	2,850									2,850
Melton Constable										
Tattersett										
Other				175	2,130	2,942	197	670	50	6,164
Total	4,797	9,887	10,992	1,644	4,990	5,531	6,157	1,975	1,622	47,595

Source: Annual Monitoring Reports 2007-2015

- 4.16 There are gaps in the figures and it is noted that no floorspace breakdown is provided prior to 2006/7, but land take-up by area is given for earlier years (see Table 16 below).

Table 16 – Land Take-up 2004/06

Location	Land Take-up (ha)
2004/05	
Holt	0.2
Fakenham	0.1
Melton Constable	0.1
2005/06	
Not Specified	0.2

Source: Annual Monitoring Reports 2007-2015

- 4.17 Also, the analysis restricts take up to B-class uses only to ensure future need calculations are also only based on B-class employment uses. The AMR does identify other uses, which may have been developed on employment land, and thus are included in the overall take-up figures. For example, in 2006/7 Cromer saw the erection of a new 2,787 sqm DIY store, and from its position appears to be on previous employment land allocation.
- 4.18 During the past nine years 47,600 sqm has been developed for B-class uses in North Norfolk. Fakenham accounts for 41 percent of that development and whilst in most years there has been some activity, the majority of that new build floorspace was in the period 2007-09. North Walsham accounts for around 25 percent of the new development, again with a continuing take-up across the period, more evenly spread than Fakenham, whilst Stalham and Catfield both saw single years with around 3,000 sqm each developed.
- 4.19 The non-specified figure of 6,164 sqm comprises a number of developments in the smaller service villages, and are a mix of agricultural and marine related facilities, for example, a grain store in Great Snoring and a facility for on shore gas processing connected with the offshore pipelines, at Paston. These rural developments should not be disregarded, particularly when the distribution of manufacturing activity identified in Section 3 is considered.
- 4.20 The AMR, therefore does identify that there has been some speculative development recently in the District, and this has been borne out subsequently through consultation with local agents. Four light industrial units were constructed in Cromer in 2008/9, and in the same year six units were erected in Fakenham, and a further seven units built there in later years.

- 4.21 When take-up is compared with current available land, Fakenham and North Walsham have seen the greatest level of activity, and according to the AMR, the two locations have the largest forward supply of land. Fakenham, despite seeing by far the greater activity of the two, on the figures set out in the AMR has less than half the land available in North Walsham. Tattersett, which is located to the north-west of Fakenham, close to the A148 has a further 13.48 ha. The site locationally, at least, could service larger occupiers seeking land in that location, but in terms of availability, the sites are not considered deliverable at present.
- 4.22 Using an accepted industry density standard of 4,000 sqm of built development per ha, an approximate land take-up for the level of development in Fakenham for the last nine years, would equate to around 5 ha, and 11.9 ha for the whole District – close to the average annual take-up recorded in the AMR.
- 4.23 The AMRs are the only available consolidated record of land take-up over the last decade. While the BE Group has concerns as to the veracity of land availability data in the AMRs, we do not have an opinion as to whether the historic land take-up data in the AMRs is complete and accurate.

Assessment of Land Need – Qualitative/Quantitative

- 4.24 This section looks at the current provision of land across the District, drawing on the Site Allocations document for the LDF (February 2011), the earlier Employment Land in North Norfolk Report (March 2007) and additional data provided by NNDC and County Council, in particular for Scottow Enterprise Park, Holkham Estate and West Raynham Business Park. The section seeks to reconcile the land allocations in these documents with the availability indicated in the AMR and consequently identify a realistic deliverable supply.
- 4.25 Table 17 identifies all sites that were identified in the 2007 and 2011 reports, together with additional non allocated sites, and provides a commentary on the known current status of those sites. The sites are assessed on a town basis. As can be seen in the table, the actual available site area for each town differs significantly in some instances to the reported site availability in the latest AMR. Information has been gathered from published data, consultations with landowners, site inspections, discussions with property agents, and with input from planning officers of NNDC.

Table 17 – Site Allocations Schedule

Location	Site Ref.	Site Area Available, Ha	Comments
Cromer		0.5	AMR 2.19 ha
Holt Road	EMP03(LP) (b),(c),(d)	0.5	<p>The area at Holt Road was considered almost developed out in 2007. Three small infill plots remain (EMP03b/c/d). All are regarded as difficult and unlikely to be developed independently from adjacent uses. There may be some potential for intensification of use on some other plots but the potential for this appears limited.</p> <p>Vacant buildings tend to be re-occupied quickly perhaps indicating that the location is popular and choice is limited.</p> <p>EMP03c lies to the rear of existing development and can only be accessed via a congested forecourt. It has been used to deposit spoil when the adjacent area was developed and this would require clearing to facilitate development. Site is not being marketed.</p> <p>EMP3d Small site which is part of adjacent use and is not being marketed.</p>
High Station	EMP02(LP) C07 (LDF)	0	<p>Originally allocated as an employment site, but recommended for residential in 2007.</p> <p>The site is now part of a larger mixed-use allocation in the LDF, totalling 1.72 ha with approximately 0.28 ha for employment uses which have been developed.</p>
Fakenham		10.2	AMR 14.82 ha
Fakenham Industrial Estate	EMP05(LP)	1.0	<p>The remaining site within an established employment area, part has been occupied for container storage, with one plot remaining with an access from the estate road.</p> <p>A large industrial unit to the north of the site is currently up for sale.</p>
Fakenham Commerce Park	EMP06(LP)	0.60	The land identified in 2007 has been largely developed out with a number of trade units and one plot remains, although activity suggests that the site is now being developed.
Oxborough Lane	EMP08(LP)	1.60	Site has small number of low key uses but suffers from poor road access which may limit intensification.
Land north of Rudham Stile Lane	F01(LDF)	7.0	New allocation made in Site Allocations Development Plan. The site is included within an approved development brief

Location	Site Ref.	Site Area Available, Ha	Comments
			but is yet to be made available for development other than a health care facility which has been provided on a small part of the site.
Hempton Road	EMP09(LP)	0	Mainly employment land with some existing dwellings. Considered to be fully occupied with employment uses.
Holt		7.02	AMR 5.6 ha
Hempstead Road Industrial Estate	EMP10(LP)	2.3	Established industrial estate with some remaining vacant land. No development activity in recent years.
Heath Farm	H21(LDF)	2.43	<p>Land to the north of the industrial estate owned by Bullens Investments, part of the Carter Construction Group and land at Heath Farm. To date, the Bullens site has only been available for design and build only, and there is a perception that the developer is not looking to undertake development.</p> <p>Consultation with agents acting for the developer suggest that it is the market that has prevented development and speculative industrial development here is not viable at present. Land sales are not attractive, but D&B will be considered.</p> <p>The site is part of a wider mixed-use development site which incorporates housing, and a new access is required to open up the site from the A148. This is shown on the masterplan produced by Strutt and Parker and now has outline planning consent for a mix of uses.</p> <p>Including Hemstead Road, the development schedule has 3.32 ha for B-class uses across 3 sites and a further 1.40 ha over 2 sites for mixed-uses, including B1, leisure or hotel type uses, and residential institution.</p>
Hoveton		5.54	AMR 2.0 ha
Tunstead Road (Fruit Growers site)	EMP12(LP)	5.54	Former fruit packing shed site -2.5 ha and a grain store with railway sidings. A development brief has previously been prepared for this site. The site is constrained through a need to improve access and involves a third party access through the E Bates site.
Melton Constable		0	AMR 0.1 ha
Melton Constable Industrial		0.0	Very small residual site which now has a small unit and a pallet store, so effectively no land is available.

Location	Site Ref.	Site Area Available, Ha	Comments
Estate			
North Walsham		7.7	AMR 32.16 ha
North Walsham industrial Estate/ land adjacent to Cornish Way	EMP15(LP) E10 (LDF)	5.0	Outline consent granted for industrial development on 6.1 ha. Now developed out. The LDF allocates 5 ha which is a further extension to Cornish Way beyond EMP15. It requires an access and services.
HL Foods site, Norwich Road, Nursery Drive	EMP17(LP) NW01	1.5	Allocated as a mixed-use site for 400 dwellings and 5 ha of serviced employment land. The site has been cleared and first phase mixed-use scheme has commenced. This will provide circa 1.5 hectares of serviced employment land. Dwellings u/c on approx. 7.1 ha of site – reserved matters application for employment submitted in 2014 but subsequently withdrawn. Waiting on new application before employment land can be implemented.
General Trailers site also known as Cranes site, Cromer Road	EMP18(LP)	1.0	Part developed for a retail store and an office for Victory Housing Association. The remaining land does have potential for further employment use. The owners Citygate Developments are only willing to consider design and build opportunities and will not sell the land only, which has frustrated some interested parties. The owners state only 1.0 ha remains available.
Marrick Ropes site Cromer Road		0.0	A vacant site with access through the frontage site- occupied by Travis Perkins, and adjacent to the General Trailers site. The site is not being promoted for employment uses and it is anticipated that a residential use will be pursued.
Laundry Loke	NW25	0.2	Mixed-use with housing and 0.2 ha for employment. The residential development has been progressed, and employment uses are likely to be very limited due to the proximity of the housing.
Sheringham		0	AMR 0.36
Site adjacent to Splash centre	EMP21(LP)	0	Fully developed
Stalham		7.38	AMR 7.0 ha

Location	Site Ref.	Site Area Available, Ha	Comments
Stepping Stone Lane	E12	4.0	Greenfield site currently in Agricultural use and un-serviced. Landowner is willing to see development but no funding to service. Development will also be subject to a footpath along Weavers Way. No pre-application or planning applications have been submitted as yet.
Church Farm Ingham Road	ST01	2.0	Mixed-use site, primarily residential, but the LDF indicates low key employment uses. A small area of land has been marketed for the employment use, but yet to be built. The owners, Hopkins Homes report no interest.
Catfield		1.38	Almost fully developed.
Tattersett		13.42	AMR 13.42 ha
Tattersett Business Park	E7	13.42	Three sites within the business park. Development of the land must be offset by removal of existing buildings adjacent. A masterplan is required with access and landscape proposals. The development is also dependent on the removal of a large tyre dump.
Other Non-allocated areas			
Scottow Enterprise Park			The former RAF Coltishall, now being promoted as Scottow Business Park by the owners NCC. Subject to planning for the land element, and is likely to be conditioned on not extending beyond the existing footprint. Much of the site is existing buildings, and will require a significant investment to create a modern business park. The site requires investment in infrastructure, and the linking to the regional road network through a new highway link. This could be part funded by residential development. In the short term, the site will see short term lettings of the existing budget space. NNDC and NCC were considering the site in the current round of Enterprise Zones
West Raynham			A former RAF site which is now in administration and held by the Investec Bank. Asset managers have been appointed by the bank to undertake limited site improvements and review future development prospects. Existing

Location	Site Ref.	Site Area Available, Ha	Comments
			<p>buildings have a number of industrial tenants and further buildings are being refurbished.</p> <p>There is potential to open up development land and the bank may fund speculative development.</p> <p>Access to the A148 is poor for commercial traffic, and the 2 mile road is being improved with a series of passing places to accommodate large commercial vehicles.</p>
Holkham Estate			<p>The Holkham Estate has a number of employment generating areas within its Estate in the vicinity of Wells-next-the-Sea.</p> <p>The most recent development is Longlands which the Estate has seen as a catalyst to further development. The first phase houses Monica Vinader a jewellery manufacturer, and to service the scheme for this and other tenants, substantial investment was made in broadband. The second phase is now being considered, with a potential pre-let for 50 percent of the 8,000 sqft development.</p>
Egmere			<p>A former RAF base which currently houses a mix of industrial buildings and also is the headquarter building for the Statoil facility which services the Sheringham Shoal offshore wind farm and is a low carbon office development.</p> <p>NNDC have established a Local Development Order for Egmere and are encouraging further energy related businesses that may support Statoil to locate there, although the site is not exclusively energy related.</p> <p>The land will require improvements to accommodate new development. The landowners are likely to be reactive rather than drive speculative investment in the location.</p>

Source: NNDC/BE Group, 2015

- 4.26 The allocations identified in Table 17 fall significantly below the land shown as available in the AMR. Whilst the figures in some cases are estimates, the gross land availability is calculated as 49.43 ha, against the AMR which suggests 79.44 ha.
- 4.27 However, when an assessment of the remaining land is made, a significant level is considered to be undeliverable at the present time the figure reduces further. Tables

18 and 19 identify sites considered available and deliverable, and those which do not have a realistic prospect of being brought forward in the foreseeable future.

Table 18 – Available and Deliverable Sites

Site	Area (ha)
Holt Road, Cromer	0.5
Fakenham Industrial Estate	1.0
Fakenham Commerce Park	0.6
North of Rudham Stile Road	7.0
Hempstead Rd Industrial Estate	2.3
Heath Farm, Holt	2.4
North Walsham Industrial Estate	5.0
HL Foods, North Walsham	1.5
General Trailers, North Walsham	1.0
Laundry Loke	0.2
Stepping Stone Lane, Stalham	4.0
Church Farm, Stalham	2.0
Catfield	1.4
Tunstead Road, Hoveton	5.5
Total	34.4

Source: NNDC/BE Group, 2015

Table 19 – Undeliverable Sites

Site	Area (ha)
High Station, Cromer	0.0
Oxborough Lane, Fakenham	1.6
Hempton Lane	0.0
Melton Constable	0.0
Marrick Ropes, North Walsham	0.0
Site adjacent to Splash Centre, Sheringham	0.0
Tattersett	13.4
Total	15.0

Source: NNDC/BE Group, 2015

- 4.28 The net available area based on this analysis is 34.4 ha for the whole of the District. This includes sites that are available and could be developed with investment from the landowners and developers. The sites identified as undeliverable are either constrained to a degree that they would not be viable, or are fully developed.
- 4.29 This would still provide a forward supply of land for the District for about 24 years, but again the issue is one of distribution.
- 4.30 To ensure the forthcoming Local Plan Review takes account of the District's business needs, each of the main towns are considered in turn.

Cromer

- 4.31 With the exception of two infill sites Cromer has no employment land to meet current or future need. Cromer has seen limited development since 2006 amounting to around 860 sqm, but this low level may well be a consequence of the lack of available land, and there has been market activity such as the acquisition of the former Cromer Crab site by Structure Flex, demonstrating demand.
- 4.32 Evidence suggests that the town is relatively self-contained with a high percentage of business employing people from within the town or District. Furthermore, local businesses are finding it difficult to expand because of a lack available premises (see Chapter 6.0).
- 4.33 Whilst NNDC have suggested land at Holt might meet the needs of Cromer businesses, there is little evidence of this. Indeed there appears to be a strong

workforce preference to work and live in the same settlement. Coupled with the current lack of momentum for the land at Holt, there appears to be a strong case for allocation of additional land in Cromer.

Fakenham

- 4.34 Currently only two small infill sites are available, approximately 1.0 ha at Fakenham Industrial Estate (estimated area), which is not being promoted, and 0.6 ha at Fakenham Commerce Park.
- 4.35 With development of just under 20,000 sqm since 2006 Fakenham needs to see new available land brought forward. The allocation at land North of Rudham Stile Road (FOI) will deliver 7.0 ha. This could meet the town's needs for up to 14 years based on the take-up of 2,000 sqm built space, per annum which translates to around 0.5 ha per annum.
- 4.36 The owners, Trinity College Cambridge, are working up a full planning application for submission early in 2016. This intention is to then progress development, although no detail of the procurement process has been made public.
- 4.37 NNDC's planning team has a good working relationship with the landowner's development and planning team. The owner's representative was receptive to further collaboration with the economic development team to help deliver the employment land element of the scheme.

Holt

- 4.38 2.3ha of land is available for development at Hempstead Road Industrial Estate. Further land has been granted planning permission on the adjacent Heath Farm for a mix of employment, leisure, residential and non-residential institution uses. In the past 10 years there has been no new developments.
- 4.39 Whilst the Hempstead Road land has been available during that time, the development requirements of the land owner and the market conditions may have been contributing factors. If the land can be delivered it is likely that the site will meet the needs of Holt business for the next 10 years.

- 4.40 Discussions with the developer's agent suggests that whilst the developer will not sell individual plots, there is a desire to develop the site for employment uses but this will be dictated by market conditions.
- 4.41 There is a requirement to provide a new access road from the A148 to serve both the residential and employment land for the wider Heath Farm development. The development of the employment element alone will not fund this and a comprehensive approach is needed. A joint masterplan has been prepared including about 2.43 ha of additional employment land, and NNDC can play a role in working with the interested parties to deliver the masterplan.
- 4.42 The current market conditions are a real issue in delivering development on the site, as cost of development for employment uses alone will exceed development value. Cross subsidy from the residential development is one way to kick-start development. Also alternative higher value uses can be captured in line with the planning permission. Consultations have identified an end user requirement for a budget hotel and pub/restaurant from Premier Inn. Also it has been suggested that a relocation of the petrol filling station in Holt should be explored, although planning has not been granted for this. Other potential, consented uses could be roadside fast food and specialist residential such as a care home.
- 4.43 The residential element is being progressed. Therefore, the development of the site as a whole should be pursued actively.

North Walsham

- 4.44 North Walsham has seen 11,500 sqm of development since 2006. Looking forward there is only a limited supply of general industrial land, with the HL site possibly only providing light industrial development.
- 4.45 Three sites have been identified that can provide development land in North Walsham, totalling around 7.7 ha compared with the figure of 32.16 ha in the AMR. North Walsham Industrial Estate has a 5.0 ha parcel of land, although access to this site would need to be secured to ensure it develops in a timely manner.
- 4.46 The General Trailers site has largely been developed out with Waitrose, Victory Housing and Davenport's Magic Kingdom, which leaves a residual site area of around 1.0 ha, according to the owners.

- 4.47 The land is only partially serviced with drainage issues for the balance of the land. Furthermore, market conditions will restrict any development to a design and build. The current rental levels for both office and industrial fall below the threshold levels necessary to support speculative development – industrial rents would need to achieve at least £5.50 per sqft, and office £12.00 per sqft.
- 4.48 The HL Foods site (NWOI) has now been partially developed as housing by Hopkins Homes. The requirement under the LDF was to retain 5 ha of serviced land for employment uses. The land provides a buffer between the housing and the railway line and will be suitable for light industrial uses only. The site could provide small managed workspace, and may be a suitable location for a new enterprise centre.

Stalham/Catfield

- 4.49 Stalham and Catfield have 7.4 ha of land allocated in the LDF for employment uses.
- 4.50 Stepping Stone Lane is a greenfield site currently in agricultural use. Its allocation was prompted through a local business seeking a site in the area and finding no availability. The site will require services connection and other infrastructure investment. No work has been undertaken to ascertain costs, and the landowner appears unable to fund any development costs.
- 4.51 The Church Farm site is again ancillary to the residential development. Marketing of the site has, to date, failed to attract any interest.
- 4.52 The site is considered to be in a good location, but requires that investment, and a development partner to deliver the land. Alternative higher value uses may be suitable – a pub/restaurant or hotel to cross-subscribe development and this potential should be explored further.

Summary

- 4.53 According to the AMR land take-up data, North Norfolk has seen a steady take-up of development land since 2004. During that time 15.82 ha have been developed out which equates to an annual take-up of 1.44 ha.
- 4.54 Development has been recorded across all areas, and in the past nine years 47,595 sqm has been developed for a mix of owner occupiers and on a speculative basis.

- 4.55 The towns of Fakenham and North Walsham have seen the greatest levels of activity although activity is not restricted to the larger towns and development has included smaller towns, villages and rural areas. This is consistent with the economic analysis which has recorded activity in the rural hinterlands, particularly manufacturing.
- 4.56 The AMRs suggest that there is currently 79.44 ha allocated land available for development, again with the greatest concentration in Fakenham and North Walsham. Other areas include the former RAF base at Tattersett where 13.42 ha is allocated. However, a critique of the available land suggests that only about 49.43 ha is allocated.
- 4.57 Further analysis of this supply suggests that only 34.4 ha is readily available, and much of the other land is either constrained, unavailable as it is already in industrial use, or has been developed. Whilst this still represents about a 24 year supply, the distribution of land means that some areas have little or no allocated land to meet current and future needs over the next 15 years.
- 4.58 Other sites have stalled due to lack of investment, or market conditions are such that development is not viable at the present time, unless businesses are to meet rental and capital values sought by the developers.
- 4.59 The situation in the main towns can be summarised:

Cromer	Little available land, and new land should be allocated.
Fakenham	Site F01 will provide sufficient employment land to meet the area's needs for the next 15 years. NNDC should continue to work with the owners to deliver planning and procure developments.
Holt	The 2.3 ha at Hempstead Industrial Estate should meet current and future needs, but developer expectations and market conditions have prevented development. NNDC should work with the developer to determine whether development can be brought forward. In the event that it cannot, then consideration should be given to alternative allocations. The Heath Farm project would provide up to 2.43 ha of employment land and Council should work with the developer to ensure the employment aspects as delivered to the market in a timely manner.
North Walsham	There is a marked difference between land recorded on the AMR and available land identified in this study North Walsham is facing a potential shortage of suitable employment land within the short-term and new allocations should be identified.
Stalham	The two sites, if serviced for development should meet the area needs for the next 15 years. Neither area has a developer. Avenues for procurement could be acquisition by the Council, or some

	form of development partnership.
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5.0 PROPERTY MARKET – ANALYSIS

Introduction

- 5.1 This section considers the more detailed issues related to supply and demand for industrial and office property within the study area as a basis to identifying gaps in the provision of workspace in North Norfolk.
- 5.2 The analysis looks at the built stock of offices and industrial space, both in terms of the total stock, and also availability through premises currently on the market through agents or directly from land owners.
- 5.3 The level of recent activity, in terms of enquiries, and also transactions recorded is analysed to provide background to the level of demand. However, this only provides part of the picture and it is important that a study of this nature draws on the experience of those participating in the property market. Therefore, the comments of agents active in the District's industrial and office property markets are analysed. The industrial market refers to accommodation for manufacturing, storage, distribution and warehousing purposes including smaller workshop premises.

Enquiries Analysis

- 5.4 Eight commercial agents were contacted by email and telephone requesting an interview of the local property market, with five agreeing to the discussion. Responses were obtained from local agents. To protect anonymity of individuals and organisation, names of commentators are not revealed.
- 5.5 These are stakeholders who are actively engaged in the sale and/or lease of industrial and office premises 'on the ground' and so have good first-hand knowledge of the market in and around North Norfolk. The views they give provide useful practical input which balances the higher level evidence provided by forecasting and policy analysis.

North Norfolk Vacant Property Analysis

Currently Availability

- 5.6 A schedule of the vacant floorspace being marketed in the study area (as at July 2015) has been compiled mainly from physical survey, a trawl of commercial property agents' websites and consultations with agents. The marketed space is taken to be a

reasonably close approximation to that which is vacant – although there may be occupiers waiting for interest in their property before moving, and empty units not actually being marketed.

Industrial/Warehouse

- 5.7 Table 20 shows that there is just 28,296 sqm of marketed industrial floorspace, made up of 23 properties, in the study area. However, just under half of this floorspace comprises three large units in the Fakenham area – a warehouse on Holt Road, Fakenham (4,499 sqm) and two hangars at West Raynham Business Park (each 4,320 sqm). These are the biggest units currently on the market in the District, and are available to let, to large businesses looking for space in North Norfolk. The table excludes Scottow Enterprise Park where premises are not yet being actively marketed but where the offer is likely to be similar to West Raynham. Total floorspace in Scottow Enterprise Park totals about 78,000 sqm.

Table 20 – Amount of Marketed Industrial Property

Area		Size Band, sqm							Total
		0-100	101-200	201-500	501-1000	1001-2000	2001-5000	5001+	
West Raynham	Floorspace, sqm	94	235	329	928	1,011	8,640	-	11,237
	Number of Properties	1	2	1	1	1	2	-	8
Fakenham	Floorspace, sqm	-	-	-	-	-	10,220	-	10,220
	Number of Properties	-	-	-	-	-	3	-	3
Melton Constable	Floorspace, sqm	-	-	-	-	-	3,633	-	3,633
	Number of Properties	-	-	-	-	-	1	-	1
Catfield	Floorspace, sqm	-	-	2,324	-	-	-	-	,2324
	Number of Properties	-	-	6	-	-	-	-	6
Cromer	Floorspace, sqm	-	488	217	-	-	-	-	705
	Number of Properties	-	3	1	-	-	-	-	4
Scottow Enterprise Park	Floorspace, sqm								Not defined
	Number of Properties								

Area		Size Band, sqm							Total
		0-100	101-200	201-500	501-1000	1001-2000	2001-5000	5001+	
Wells-next-the-Sea	Floorspace, sqm	-	177	-	-	-	-	-	177
	Number of Properties	-	1	-	-	-	-	-	1
Total	Floorspace, sqm	94	900	2,870	928	1,011	22,493	-	28,296
	Number of Properties	1	6	8	1	1	6	-	23

Source: BE Group, 2015

- 5.8 Building quality is broken down into three category assessments as shown in Table 21, based on the headline rents of the available units. Rental levels provide a good indication of the general quality of a property without a detailed physical inspection. Table 22 shows that there is an equal amount of good and budget industrial space being marketed in North Norfolk, with very little average quality property available.

Table 21 – Building Quality Assessment

Type	Quality Assessment – Rental Levels		
	Good	Average	Budget
Industrial	>£5.00/sqft	£2.50-5.00/sqft	<£2.50/sqft
Office	>£15.00/sqft	£5.00-15.00/sqft	<£5.00/sqft

Source: BE Group, 2015

- 5.9 The ten good quality units are located at Broads Business Park in Catfield, and North Norfolk Business Centre and Norwich Road Industrial Units in Cromer. All three of these schemes comprise good quality terraces of industrial units. 80 percent of the budget accommodation can be found at West Raynham Business Park, which comprises a variety of former RAF buildings, mostly dating from the 1950s.
- 5.10 There is further budget space coming onto the market at Scottow Business Park, but this is not yet being actively marketed.

Table 22 – Quality of Marketed Industrial/Warehouse Property

Area	Quality		
	Good	Average	Budget
West Raynham	-	-	8
Fakenham	-	2	1
Melton Constable	-	-	1
Catfield	6	-	-
Cromer	4	-	-
Wells-next-the-Sea	-	1	-
Total	10	3	10

Source: BE Group, 2015

- 5.11 65 percent of the premises are available leasehold only (Table 23) and there two purely freehold options currently available in North Norfolk – one at West Raynham Business Park (The Control Tower). Although six units are available for sale or to let (all at Broads Business Park), there still appears to be a lack of premises available to buy in the District.

Table 23 – Tenure of Marketed Industrial/Warehouse Property

Area	Tenure		
	Leasehold	Freehold	Either
West Raynham	7	1	-
Fakenham	2	1	-
Melton Constable	1	-	-
Catfield	-	-	6
Cromer	4	-	-
Wells-next-the-Sea	1	-	-
Total	15	2	6

Source: BE Group, 2015

Offices

- 5.12 Table 24 shows that there are only 2,066 sqm of marketed offices (16 premises) in North Norfolk. Over two thirds of the offices available are of the smallest size bracket, of less than 50 sqm and there is a reasonable supply in Holt, Cromer and Fakenham. There are just two properties over 200 sqm, a 679 sqm office available to let on Grove Lane in Holt, and an 828 sqm office at West Raynham Business Park.

Table 24 – Amount of Marketed Office Property

Area		Size Band, sqm							Total
		0-50	51-100	101-200	201-500	501-1000	1001-2000	2001-5000	
Holt	Floorspace, sqm	95	-	-	-	679	-	-	774
	Number of Properties	4	-	-	-	1	-	-	5
Cromer	Floorspace, sqm	92	89	-	-	-	-	-	181
	Number of Properties	4	1	-	-	-	-	-	5
Fakenham	Floorspace, sqm	66	74	106	-	-	-	-	246
	Number of Properties	2	1	1	-	-	-	-	4
West Raynham	Floorspace, sqm	-	-	-	-	828	-	-	828
	Number of Properties	-	-	-	-	1	-	-	1
North Walsham	Floorspace, sqm	37	-	-	-	-	-	-	37
	Number of Properties	1	-	-	-	-	-	-	1
Total	Floorspace, sqm	290	163	106	-	1507	-	-	2066
	Number of Properties	11	2	1	-	2	-	-	16

Source: BE Group, 2015

- 5.13 As Table 25 shows, most office premises in the District are of average quality when measured by rental level. The best performing scheme is at Bullen Business Park in Cromer where rents of up to £151/sqm have been achieved for the more recently completed units.

Table 25 – Quality of Marketed Office Property

Area	Quality		
	Good	Average	Budget
Holt	-	4	1
Cromer	5	-	-
Fakenham	-	4	-
West Raynham	-	-	1
North Walsham	-	1	-
Total	5	9	2

Source: BE Group, 2015

- 5.14 Again there is a lack of freehold options in the District. At present there is only one suite available for sale in North Norfolk – Market Cross Mews in North Walsham, which is 37 sqm. No other offices are available to buy and so there is clearly a lack of freehold office options.

Serviced Offices

- 5.15 North Norfolk has a limited supply of serviced offices. The Sackhouse in Wells-next-the-Sea, Bullen Business Centre in Cromer and Tudor House, North Walsham provide some, limited accommodation to small and start-up enterprises.
- 5.16 The Sackhouse has just six units, in a converted building in the centre of the town. These are fully occupied and there is a waiting list for space. Companies travel from outside the area – at least one from Fakenham, because of a lack of serviced space closer to home. The Bullen Business Centre in Cromer also provides space for local businesses, and comprises just five offices. Tudor House in North Walsham is a small serviced office scheme for local businesses.
- 5.17 There is a lack of space in other towns including Fakenham and Holt, and limited space in Cromer and North Walsham. The nature of the North Norfolk business community, with a high number of SMEs suggests there is a strong case for further serviced accommodation.
- 5.18 NNDC is looking to commission a study to assess the need for innovation and enterprise space in North Norfolk. The Study will consider overall demand, potential for sector specific space (which is unlikely), and how a centre might be funded. The work is due to be completed in December 2015.

Former RAF Bases

- 5.19 North Norfolk has a number of former RAF bases that provide a range of budget type space for businesses. The sites are extensive and thus have the potential for large occupiers to take existing units, in particular the former hangars. There is also scope for areas to be redeveloped to create new business space.
- 5.20 The sites have limitations in terms of accessibility. All are in rural locations and the roads to the sites have not been designed for heavy commercial traffic. Furthermore public transport links to the sites are limited. Services are dated, and primarily

private - heating for example is communal, and therefore not appropriate for modern businesses. Moreover the buildings are of wartime construction and again not designed for modern businesses.

- 5.21 However, with a lack of business space elsewhere in North Norfolk, some of the sites are attracting tenants. Future plans vary and can be summarised as follows.

RAF West Raynham

- 5.22 This site is currently in use as West Raynham Business Park with a mix of hangars, workshops and some offices. The site is now in administration and Investec Bank is funding some improvement to buildings and external areas. The hangars are suitable for storage and some manufacturing activities, and two of the four are being used by a timber processing company.
- 5.23 The location is attractive in terms of environment with mature landscaping across the sites, and individual blocks having spaces around them. This has been a positive factor in companies locating there.
- 5.24 The improvements being undertaken by Investec Bank will create self-contained workshops. With a lack of suitable industrial space in Fakenham, there is on-going demand.
- 5.25 The main drawback to the site is access to the A148. Although the road is two car widths, it is restrictive to commercial traffic. To overcome this, a number of passing places are being created.
- 5.26 In the longer term there is land identified for the development of industrial space. No financial viability testing has been carried out, although the asset managers believe they would get the backing of the bank if viability can be demonstrated.
- 5.27 West Raynham presents an alternative to the established industrial estates in North Norfolk. It is not seen as a replacement for these locations, but will offer a cost effective option where labour accessibility is less of an issue.

RAF Coltishall (Scottow)

- 5.28 The former RAF Coltishall site is now in the ownership of NCC (NCC), and is being promoted as Scottow Enterprise Park. NCC, in conjunction with NNDC, is also

seeking Enterprise Zone status for Scottow.

- 5.29 The location is reasonably close to Norwich, and property agents report that there is demand for industrial space in the area. The site can currently offer a mix of hangars and workshops. However, the marketing of the site has been delayed as the NCC's asset management team want to resolve a number of site issues, such as services, ahead of a full marketing campaign.
- 5.30 Access is an issue, and the road network at present would not support major development. In the long term Scottow Enterprise Park could become a significant business location, but without a comprehensive masterplan strategy comprising investment into the site and road infrastructure, it will only serve as a secondary, budget location.
- 5.31 As an Enterprise Zone, its profile will be lifted, although the benefits are restricted to business rates relief for tenants of new development, and the receipt of business rates uplift, which will go to the LEP. Funding for the site and off-site improvements will still need to be found.
- 5.32 Like West Raynham, Scottow is likely to provide budget space in at least the short term (five years) and will complement rather than replace more established locations, in particular North Walsham.

RAF Sculthorpe (Tattersett)

- 5.33 Now known as Tattersett Business Park, this site is possibly the most accessible location, and has a good link road to the A148. However at present the owners are not investing in the site and current occupiers are limited to one small area. In addition, the presence of a tyre dump is an environmental issue – the removal will be costly and the owners are not fulfilling a requirement to remove it.
- 5.34 The location has an area that, with servicing, could provide 13 ha of developed land, and this is allocated in the LDF. However in the short term the constraints and issues do not appear to be being resolved. NNDC should reassess the allocation of the land for employment uses in the emerging Local Plan.

RAF North Creake (Egmere)

- 5.35 This site is close to Wells-next-the-Sea, and is home to the operational base of StatOil and StatKraft, which developed and manage the Sheringham Shoal Offshore Wind Farm. NNDC has issued a Local Development Order for the site to encourage development, in particular in connection with the energy sector. The site is also subject to an application for Enterprise Zone status which could bring added benefits to the owners and occupiers.
- 5.36 No further development is proposed at present, and demand from both energy related businesses and more general businesses is limited. The site should remain as a location to support the existing occupiers, and whilst the current investment is likely to be reactive, the site does have potential and support to provide an engineering base for the energy sector.

Valuation Office Data

Industrial/Warehouse

- 5.37 According to the latest Valuation Office (VO) statistics (2012) there are 970 industrial/warehouse hereditaments in the study area, totalling 447,000 sqm. Out of all this space there are 23 marketed premises totalling 28,296 sqm (see Table 20). This suggests an overall 'occupancy rate' for North Norfolk of 93.7 percent by floorspace. By premises numbers, the 'occupancy rate' is 97.6 percent.
- 5.38 Generally, occupancy rates of 90-95 percent can be considered high and suggest that, subject to the natural churn of businesses expansion and relocation, most schemes in the District are well occupied.

Offices

- 5.39 There are 290 office hereditaments in the study area, totalling 32,000 sqm. Out of all this space there are 16 marketed premises totalling 2,066 sqm (see Table 24). This suggests an overall 'occupancy rate' for the study area of 93.5 percent by floorspace. By premises numbers the overall occupancy rate is 94.5 percent.
- 5.40 The current levels of occupancy in offices limits choice to businesses and a consequence will be businesses looking outside of the District to satisfy their needs.

Property Demand Analysis

Transaction Analysis

- 5.41 The following table provides a summary of the recorded commercial property transactions in North Norfolk in the 15 years since 2000. The summary is not complete, but it does provide a guide to the level of activity during that period. As can be seen from the data, some 141 transactions were recorded, or about 9.4 commercial transactions per annum for the period 2000-14.
- 5.42 Where a detailed analysis can be made of take-up including floorspace – Table 29, this shows that recorded floorspace is 15,332 sqm in the office sector and 61,127 sqm industrial. This only accounts for 73 of the deals, so the overall take-up could be considerably higher. When the deals are broken down on a geographic and sectoral basis, the data gives a picture of where much of the activity has been taking place and the nature of that activity. When other evidence is compared against the transactional activity, such as the economic activity by area and business sector, and the current availability of premises, a strategy for meeting future need begins to take shape.

Table 26 – Number of Transactions by Area and Year

Area	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Cromer							2	4	3	2	1	2	1	6	5	1	27
Fakenham	1		1	2	1	1	3		4	1	3	6	7	7	18	1	56
Holt					1	1	2		2	1		1	1	3	1	1	14
Melton Constable				1							1		1	2			5
North Walsham	1	1	1		3	3		5	1	1	1	4	3	4	5		33
Stalham				1		3		1					1				6
Total	2	1	2	4	5	8	7	10	10	5	6	13	14	22	29	3	141

Source: EGi, 2015

- 5.43 About two-thirds of the recorded transactions were sales/auctions, as seen in the table below, which is considered a very high percentage. Elsewhere our experience in leasehold transactions will normally exceed sales by a factor of at least 2:1. This may be a result of higher demand for companies to own, but it is more likely a reflection of the very limited offer of leasehold space.

Table 27 – Transactions by type and area

Area	Lease	Sale/Auction
Cromer	13	14
Fakenham	11	45
Holt	9	5
Melton Constable	0	5
North Walsham	16	17
Stalham	2	4
Total	51	91

Source: EGi

- 5.44 Industrial transactions comprised 49 percent of the total recorded deals, with office comprising 20 percent of transactions, the remainder being hybrid type space. The main areas for industrial transactions were Fakenham and North Walsham, reflecting both the larger quantum of overall stock in these towns, and also the level of industrial activity there above other areas.

Table 28 – Transactions by use and area

Area	Industrial	Office	Office/ retail	Retail/ workshop	Residential/ workshop	Sui generis	Land
Cromer	12	7	2	2	3	1	
Fakenham	27	9	2	2	3		13
Holt	6	5		2	1		
Melton Constable	3				2		
North Walsham	20	5	4	1	3		
Stalham	1	2	1	1	1		
Total	69	28	9	8	13	1	13

Source: EGi, 2015

- 5.45 Table 29 summarises the size ranges for the transactions of built premises in North Norfolk since 2000. The table demonstrates that the focus of units transacted in North Norfolk are small. For those transactions that had the unit size recorded, the

median size for industrial/warehousing units was 325 sqm (3,498 sqft) and the median size for offices was 128 sqm (1,378 sqft).

Table 29 – Transactions of Premises by Size Band

Area		Size Band, sqm								Total
		0-50	51-100	101-200	201-500	501-1000	1001-2000	2001-5000	+5000	
Industrial	Floorspace, sqm	70	294	2,047	6,432	5,040	7,162	15,497	24,585	61,127
	Number of Properties	2	4	14	18	7	5	4	3	57
Offices	Floorspace, sqm	114	166	228	1,125	2,611	0	0	11,088	15,332
	Number of Properties	4	2	2	3	4	0	0	1	16

Source: BE Group, 2015

- 5.46 Further analysis of these deals show where the strength of the market has been in terms of unit size. Understanding levels of demand over a long period provides a valuable pointer to the future demand for North Norfolk, particularly when compared against geographical take-up and economic activity.
- 5.47 During the period 2000-2014, the data shows a reasonable level of activity in North Norfolk, with Fakenham, Cromer and North Walsham accounting for 87 per cent of all transactions, reinforcing the views that the greatest activity is in the larger towns. The data provided through BRES which provides information on employment and industry by sector and broken down by area, supports this with the greatest number of employees found in Fakenham, North Walsham, Cromer and also south of Stalham.
- 5.48 Industry represents the greatest area of activity. When analysed by size, take-up is strongest at the smaller end with 79 per cent of all deals by number of transactions falling below 1,000 sqm, and when the split within this range is looked at in more detail, over half of all deals fall between 100 and 500 sqm. When transactions are looked at by floorspace, the upper end of the range accounts for 65 percent in seven deals, confirming that there is demand at the upper end, and that there is a need for land, at least, in the main towns to accommodate the needs of larger businesses.
- 5.49 When current availability is compared against the take-up trend, it can be seen that 61 percent of all vacant units fall into the 100- 500 sqm range. But when looked at geographically, there is a clear imbalance. Neither Fakenham nor North Walsham

have any vacant stock to meet needs. Cromer does have three units, and Catfield six, which does provide choice in that area of the District.

- 5.50 The office activity is much smaller overall, with just 16 transactions, but these do represent a total floor area of 15,332 sqm, or an average of 958 per deal. This is not insignificant, but with just over one deal per year, it does not provide any strong evidence for a strategy to provide offices on a speculative basis. In reality, just one deal of 11,088 sqm accounted for most of the floorspace, and when this is extracted, the market shrinks further. Half of the recorded deals fall below 200 sqm, and it is likely that the vast majority of serviced space and very small self-contained deals have not been recorded. This would lend weight to the demand for offices being within the serviced office category.

Agents Comments

- 5.51 Agents were interviewed by telephone or face-to-face to undertake a semi-structured interview which focused on the following questions:
- What are your opinions of the workspace market at present?
 - What units are you currently marketing? What are businesses looking for?
 - Review property offer – office, industrial, land – is there enough property and is it good enough quality?
 - Particular comments were sought on the large former RAF bases which provide much of the current available supply and which could in the future provide development opportunities
 - Are they mainly freehold or leasehold – is there a shortage of either one of these?
 - How quickly are units letting? What are popular sizes? What sizes do not find occupiers?
 - Are certain areas more popular than others?
 - Weaknesses and shortfalls in existing offer – what can be done about it?
 - Are there any key aspects that NNDC needs to address? What is the private sector's perception of the place? How is North Norfolk viewed in terms of inward investment?
 - What is the average price per square foot/square metre for the office/industrial premises you represent?

5.52 Their views have been summarised in a series of tables. Table 30 provides a breakdown of the general comments received with regard to conditions across the whole of the commercial property market.

Table 30 – Property Market Comments – General

Contact	Comment
National Agent	The market across the region has picked up particularly the industrial sector, and with a lack of development, there is a shortage looming. This being seen in Cambridge, down to London and across the Eastern region
Regional Agent	Market towns are the key business locations (Cromer, Fakenham, Holt, and North Walsham). Supply and demand for property is pretty much balanced. Developers will generally not build speculatively in North Norfolk, and historically there has been very little development. What has been built has been very heavily subsidised by English Partnerships, East of England Development Agency or local authorities. There is a real need for the provision of serviced land - 5 ha allocations in each of the key market towns ideally. This would keep the economy growing and enable companies to set-up and grow in the locations that appeal. This is what English Partnerships used to provide but there is now a lack of land. NNDC seriously needs to consider spending money to provide 'ready to develop' land. No remaining serviced provision in Fakenham, Cromer, Sheringham and very limited options in Holt (Bullens) and North Walsham. Broadband and mobile signal are vital for businesses.
Local Agent	Agent considers land supply is plentiful and there is no need for further allocation, but did not comment on the distribution of land
Local Agent	Agent considers and allocation is fine – no need for further allocation, but did not explain his reasoning further.
Local Agent	Any more land/property threatens to dilute the area – within which Fakenham, Cromer and West Raynham (no particular order) were quoted as popular areas.

Source BE Group, 2015

5.53 Table 31 provides a summary of the comments received from stakeholders with regards to the local industrial property market.

Table 31 – Property Market Comments – Industrial

Contact	Comment
National Agent	<p>The severe lack of industrial space is becoming an issue, with a lack of quality stock across all sizes. As a result businesses are looking to more secondary stock, and there is a strong demand in that sector.</p> <p>The stock at Scottow, which is large hangars will find a market in the current climate. The hangars do not lend themselves to sub-division, and will go to single occupiers, both general industrial and distribution. The Park could well draw some interest from Norwich as well as a more local market. His experience in other RAF sites suggests there will be demand.</p> <p>Access is challenging, but then roads in the wider Norfolk area are not great, and businesses are used to narrow accesses. He does not see that as a real problem.</p>
Regional Agent	<p>Most demand is for small scale property – up to 300-400 sqm. Freehold opportunities are also popular.</p> <p>Generally RAF bases are isolated and remote and therefore unattractive to businesses. This means despite offering redevelopment opportunities they are not necessarily suitable as industrial estate locations.</p> <p>Important that they are managed by someone with a real local interest – private companies often allow them to fall into disrepair leading to poor reputations</p> <p>Unsure as to whether development at Egmore will be successful – more likely that businesses associated with wind power will base themselves at the operational ports.</p>
Local Agent	<p>Has industrial units to let on Holt Industrial Estate and within Cromer – general portal framed buildings, “nothing special”, around 200-500 sqft available currently.</p> <p>Generally has 1-2 units available at any one time. There is a big turnover of businesses – ‘people come and go’ – and there is no loyalty to one premises it seems.</p> <p>Because of this constant swap and change amongst premises, the levels of supply and demand remain fairly constant.</p> <p>It is important that landlords remain realistic with rents as this may prove an issue in the future in forcing companies to head into Norwich or other, larger locations.</p> <p>Plans to expand Holt Industrial Estate would be welcome, and is hoping that the development starts a snowball effect and creates something of a ‘hub’.</p> <p>Some concern in this case however that development may lead to an oversupply of empty units as at the moment there seems to be a comfortable equilibrium.</p>
Local Agent	<p>Deal with West Raynham Business Park – letting at around £2 p/sqft, with units of anything up to 4,500 sqft.</p> <p>Supply is plentiful, but demand tends to fluctuate – especially on the larger units that they currently hold.</p>

Source BE Group, 2015

5.54 Table 32 provides a summary of the comments received on the local office market.

Table 32 – Property Market Comments – Office

Contact	Comment
National Agent	<p>The office market is very limited with low take-up. Regionally, there is an increase in activity, and this is being seen in Norwich and Kings Lynn, but not in the smaller market towns.</p> <p>The offer at Scottow is poor with space deteriorating. It is unlikely that any investment will go into the offices, and the development of an office market is probably a non-starter.</p>
Regional Agent	<p>Very limited office sector – small scale professional services and the odd office related to agricultural sector</p> <p>Demand is very sporadic – small suites in appealing locations (Holt/Fakenham/North Walsham).</p> <p>Occasional gap in the market (recent requirement for 1,000 sqm office in North Walsham that couldn't be fulfilled) but requirements like this are few and far between.</p>
Local Agent	<p>Deal with smaller offices from 200-600 sqft.</p> <p>Considers that supply comfortably meets demand (in that levels are low for both).</p> <p>Across the board, sizes ranging from 850-4,500 sqft tend to be needed, but requirements generally focus on the markets towns – including mainly Fakenham, Cromer and North Walsham.</p> <p>Land supply is plentiful and there is no need for further allocation.</p>

Source BE Group, 2015

Summary – General

- 5.55 The overall summary when considering the built stock across the District is that there is a very limited supply, and with no new development in the pipeline, this is going to worsen as the economy improves. That finding is not supported by all the commentators in the property market, where some consider there is an equilibrium. The danger of basing future provision on that view, is that choice will become limited, and that the lack of choice in recent years has stymied expansion with companies staying put, or even leaving the District.
- 5.56 Currently, there is just 28,000 sqm of floorspace in 23 units available to serve the industrial sector, and just 16 office units totalling just over 2,000 sqm.
- 5.57 Long term demand based on take-up over the last 15 years is strong, and in the recent past even during the recession, North Norfolk has seen a good level of activity.
- 5.58 This is greatest in the smaller end of the industrial size range with 200- 500 sqm the best performing, but also with demand up to 1,000 sqm. Above that level, the number of deals are limited, but in floorspace terms, still significant.

- 5.59 This points to a potential need of speculative space below 1,000 sqm and provision of serviced plots for occupiers seeking premises above that size.
- 5.60 The largest centres, Fakenham and North Walsham have no supply below 2,000 sqm, and little above. Only Catfield has any supply of note.
- 5.61 The office market is very limited, and there is no evidence for the provision of speculative self-contained space. However, activity is steady for the small end of the market, and there is a level of demand for serviced office space. The level of demand is likely to be for generic space only. This is borne out to a degree by the business survey (see the following chapter) that did not highlight any significant activity in any particular sector, and indeed, suggests low levels of demand from the micro businesses. This will be investigated further by the study being undertaken by NWES.
- 5.62 The former RAF bases can help meet the need, but not as alternatives to the towns. Companies will look to these locations for budget space, and improvements to infrastructure and the actual space will help attract business there. However, they are unlikely to become the main centres for industry, and NNDC should continue to promote the towns and make proper provision there for the ongoing needs of business and to promote future economic growth.

Summary - By area

- 5.63 Expanding on this general summary and from a review of the local markets, the discussions with commercial property agents and a review of the recorded transactions in North Norfolk, the following summaries of each employment area has been compiled.

Cromer

- 5.64 Four industrial premises and five office premises are currently on the market in Cromer, all of which are small (largest industrial 217 sqm and largest office 89 sqm). Combined with the lack of available employment land identified in Chapter 4.0, Cromer has very little capacity to absorb further growth. Businesses looking to establish a presence in Cromer, either through locating in built stock or building new premises, would have very few options.

- 5.65 Cromer's demand for premises is lower than the other major centres of North Walsham and Fakenham, due to its smaller industrial role and its self-containment. However, take-up in recent years has probably been depressed due to a lack of supply of appropriate stock as well as lower demand. However, over the past 15 years Cromer has accounted for 20 per cent of all deals in the District.
- 5.66 There is a need for further premises in Cromer to support the organic growth of the town. The strong self-containment of the workforce in Cromer (i.e. a high proportion of its workforce also living in the town or very close by) means that any growth of Cromer businesses should be contained within Cromer itself. That is, there should be capacity in the employment provision for Cromer businesses to upgrade/expand operations within Cromer, rather than seeking alternative premises in alternative locations, such as Holt or North Walsham.

North Walsham

- 5.67 North Walsham has recorded a consistent level of premises take-up accounting for a quarter of the District's deals over the last 15 years and along with Fakenham is the primary industrial node in North Norfolk. The town's industrial businesses are focussed on manufacturing of machinery and equipment, plastics products and metal fabrication. North Walsham's industrial estates are reaching capacity and further employment land would be required to be available to the market in the short term to ensure continuity of the town's growth.
- 5.68 In terms of currently marketed stock, North Walsham does not have any industrial premises being marketed for let or sale and only one small office space (37 sqm). For one of North Norfolk's key industrial towns, this lack of marketed premises is an urgent concern. While the monitoring reports suggest a significant level of allocated employment sites in North Walsham, investigations for this study suggest that actual available sites are substantial lower. Therefore, there is a critical constraint in the market in North Walsham for both built premises and employment land.

Fakenham

- 5.69 Fakenham has recorded the highest level of commercial transactions since 2000 and has performed strongly with 37 per cent of all transactions in the town. The total floorspace of currently marketed industrial premises is a significant 10,220 sqm, although this is limited to three premises, with no stock being marketed less than 2,000 sqm. Only small office space is currently being marketed (maximum 106 sqm).

- 5.70 Fakenham is a key industrial node in North Norfolk, housing some of the District's highest profile businesses. Fakenham will continue to be an important location for North Norfolk's larger scale operations and further stock of premises and land should cater for this function. While the existing industrial estates are nearing capacity, a further allocated site if brought forward for development would service demand, as identified in the previous chapter.
- 5.71 There is a need for further smaller industrial premises in Fakenham in the near term and based on the evidence of this report, particularly in the 200-1,000 sqm category. Whilst premises have been developed on a speculative basis in Fakenham, these have tended to be aimed at trade counters. The current landowners may see a further opportunity to build further space, but current market conditions remain a challenge with costs outstripping values. Therefore, the development market may need incentives in Fakenham to grow this market to provide a continuity of supply in the short term.
- 5.72 The larger end of the market needs to be catered for, but this is unlikely to be through speculative development, the size of the market is unlikely to be wide enough to give confidence to developers. Instead, there is a need to ensure that there is sufficient serviced land to cater for future need.

Holt

- 5.73 Holt does not have the industrial mass of North Walsham or Fakenham, but remains an important town about half-way between Cromer and Fakenham. No currently marketed industrial premises were identified in Holt, although there were five office premises identified, the largest being a significant 679 sqm. Holt has recorded a small but consistent level of transactions in recent years.
- 5.74 The provision of land in Holt suggests further capacity to absorb industrial demand in coming years. However, it is understood that there are significant difficulties in making the project viable at this stage due to a small market and high development costs. Therefore, given the lack of industrial premises available to the market, there is a risk that businesses looking to locate to this market will be unable to find suitable stock. Coupled with Cromer's lack of supply, the market in the central area of North Norfolk is tightly constrained. There is a need to unlock development in Holt and deliver serviced sites.

Stalham/Catfield

- 5.75 The Stalham area has a steady long term turnover of space, and this is based on a strong engineering and manufacturing base in the area. The Catfield estate provides a reasonable level of floorspace, and currently has the greatest level of vacant stock to meet needs.
- 5.76 In the longer term there is likely to be an ongoing requirement for land and premises. NNDC has made provision of land both at Church Farm where Hopkin Homes have been marketing a small site next to its new housing, and at Stepping Stone Lane. If development is going to take place it may come from larger requirements, and Stepping Stone Lane can meet this need. If a smaller workshop scheme can be made feasible, the Church Farm site could support this.

Ex-RAF Bases

- 5.77 The ex-RAF bases converted to business parks are sources of substantial supply of built stock and potentially a source of developable land, subject to planning. West Raynham Business Park and Tattersett Business Park in the west of the District and Scottow Enterprise Park in the east of the District could provide increased choice for premises, relieving bottlenecks in the supply pipeline.
- 5.78 West Raynham Business Park is currently marketing some 11,240 sqm of built stock over eight premises described as workshop/warehousing and an additional office building of 828 sqm. This constitutes about 40 percent of both the total industrial and total office stock currently being marketed in the District.
- 5.79 Scottow Enterprise Park is currently gearing up its marketing of premises, with the focus up until now being on improving infrastructure provision on site. The four main hangars are currently occupied with low-value uses (three of the four are for bulk sugar storage). Total floorspace at Scottow has some 78,000 sqm of warehousing and office stock.
- 5.80 Therefore, it is apparent that these sites can absorb several years' of demand for premises. However, these sites are in out-of-the-way locations, with difficult, narrow road access. As identified with the consultation with property agents, the quality of stock is poor and may not meet the needs of the market. The stock is inexpensive and this would appeal to some businesses seeking stock, however it would not substantively provide a solution for the lack of space in the key towns, particularly Fakenham and North Walsham.

6.0 STAKEHOLDER CONSULTATION AND BUSINESS SURVEY

6.1 A variety of public and private sector representatives and agencies were consulted to gather a broad range of opinions on the local economy. The full list of consultees is attached in Appendix 1 and the commentary of their feedback is provided in Appendix 2.

6.2 The key themes emerging from the stakeholder consultation are:

Economy

- The quality of life in North Norfolk is a key asset.
- Many small businesses, often sole operators, are in the area, attracted by the lifestyle. A focus of business development should be to support these enterprises.
- North Norfolk is a tourist destination, busier in the summer, but with wildlife tourism and food and drink visitors there are opportunities to continue to extend the tourist season.
- Important economic sectors in and around North Norfolk include:
 - Food and drink
 - Energy
 - Engineering/advanced manufacturing
 - Tourism
 - ICT
 - Creative industries (focussed in Norwich)
 - Life sciences (focussed in Norwich)
 - Financial services (focussed in Norwich)
- North Norfolk is seen as a low cost and attractive area from which to operate a business – with low labour costs, good lifestyle to attract employees, low employee turnover and a sound knowledge base. While remote from the main centres of the UK, there was recognition about its proximity to Europe, relative to other UK locations.
- Accessibility is an issue, with no local motorways and often the local roads being narrow. However, local businesses understand this and it is considered part of the business conditions. Some business owners specifically are attracted to the isolation of the region.
- A focus of economic development in North Norfolk should be on the retention and support of existing businesses, rather than focussing on attracting inward investment.

- A business in North Walsham report that the majority of its workforce walked or cycled to work, which is consistent with the data presented in Chapter 3.0 that demonstrated that over half of North Norfolk's workforce live and work in the same MSOA. The business reported that any move outside of North Walsham would therefore have significant impacts on its workforce.

Region

- The regional coordination of public and private sector agencies and local authorities is considered to be working well and the New Anglia LEP is well respected as an organisation for encouraging economic development.
- Norwich is the primary economic centre in the region, with a strong higher education sector, major retail node, creative economy, digital economy.
- The economic mass of Norwich provides an opportunity for surrounding boroughs, including North Norfolk.
- Neighbouring authorities are focussing on similar industries as key growth sectors to North Norfolk.

Built Stock and Employment Land

- Limited built stock available in Fakenham, Cromer and North Walsham.
- The former RAF bases around North Norfolk are seen as a potential resource and location for employment, although are not considered ideal business locations.
- There is a lack of good quality commercial premises in the District.
- Businesses in North Norfolk have had difficulty in acquiring vacant employment land to build new premises.
- Some businesses have considered locating to Scottow Business Park as there will be available space, but negatives cited have included that the space is not yet available to the market, it is out of the way and difficult to get to, particularly for existing staff, the workforce would need to be bussed to and from work and that the premises are not suitable for manufacturing.
- Norfolk is behind in its housing targets.

North Norfolk District Council

- NNDC is perceived as being less active in promoting or assisting local businesses and could have a more visible or proactive role.
- Businesses having difficulty with acquiring new space have had assistance from NNDC and overall have been considered helpful.

Business Support

- Local businesses have reported some difficulty in identifying business funding or other assistance that would be available to them. A simpler, quicker and more streamlined system of researching and applying for business assistance would be beneficial.
- There is an opportunity for a small business centre to provide a location for businesses currently working from home.
- Businesses could access funding through the Regional Growth Fund.

Infrastructure

- There is a diversity of opinions in regards to the extent and quality of superfast broadband in North Norfolk. While it was pointed out that the percentage coverage of broadband in North Norfolk was above 85 percent and likely to increase to 90 percent, it was commented by some respondents that the speed of that broadband is insufficient for modern business purposes.
- Mobile phone coverage is considered poor in many areas of North Norfolk, which limits business operations.

Skills

- Skills of the local workforce is an issue – some skills required by businesses in the area are in limited supply by local residents, due to a lack of supply of housing impacting on housing affordability.
- There should be more of a focus to work with local schools and colleges to develop skills required for the local economy.

- 6.3 The stakeholder consultation gathered a broad array of information and opinions, which have been used as an input into the preparation of strategies for business growth in North Norfolk.

Business Survey

- 6.4 Parallel to the stakeholder consultation, a survey of existing North Norfolk businesses was undertaken in July/August 2015 to gauge the level of satisfaction with existing workspace and the intentions to seek alternative premises within 2-3 years. A sample of 168 business interviews were made through telephone calls.

6.5 The businesses were selected to ensure a cross-section both geographically, and also size and nature of businesses, with businesses that typically occupy B class floorspace being targeted.

6.6 Table 33 below summarises the types of accommodation in which the survey respondents' businesses operate. Some businesses selected more than one answer, therefore the percentages add to more than 100 percent.

Table 33 – Types of Business Accommodation

Use	Business Site Count	Percent of Responses
Offices	55	32.7
Serviced Offices	14	8.3
High-tech/Laboratory	0	0.0
Industrial	69	41.1
Warehouse	25	14.9
Undeveloped site	3	1.8
Barn conversion/farm location	5	3.0
Home	13	7.7
Showroom	3	1.8
Total	187	

Source: Business Survey, BE Group, 2015

6.7 The median number of workers per respondent business was six, including full-time and part-time workers. This is consistent with the published data on the number of employees per business in North Norfolk as reviewed in chapter 3.0. Table 34 below summarises the breakdown of respondent businesses by number of workers.

Table 34 – Number of Workers

	Number of Workers					Total
	1-4	5-9	10-19	20-49	50+	
Respondents	68	45	25	18	12	168
Percentage	40.5	26.8	14.9	10.7	7.1	100.0

Source: Business Survey, BE Group, 2015

6.8 There was a fairly even split between premises being leased or owned, with 47 percent reporting their premises being owned and 53 percent being leased. Respondents were asked about the size of their existing premises, which is summarised in Table 35 below.

Table 35 – Size of Premises

	Floorspace Size (sqm)							Total Responses
	0-100	101-200	201-500	501-1000	1000-2000	2001-5000	+5000	
Total Respondents	5	49	50	24	15	12	1	156
Percentage	3.2	31.4	32.1	15.4	9.6	7.7	0.6	100.0

Source: Business Survey, BE Group, 2015

6.9 Businesses were asked as to their level of satisfaction with their existing premises. The overwhelming level of responses were either satisfied or very satisfied (166 responses, 98.8 percent), with only two respondents stating that they were unsatisfied or very unsatisfied with their existing premises.

6.10 Businesses were also asked as to their intentions to relocate premises. Consistent with the overall level of satisfaction, there were only two respondents that indicated an intention to relocate in coming years, both of which were looking for alternative office premises.

Table 36 – Intentions to Relocate Premises

Intention to Relocate	In next 12 months	In next 2-3 years
Considering moving	1	1
Not considering moving	164	163
Total	165	164

Source: Business Survey, BE Group, 2015

6.11 Table 37 compares the responses in regards to intention to relocate with other surveys we have undertaken elsewhere in the UK in 2014 and 2015

Table 37 – Intentions to Relocate Premises

Intention to Relocate	In next 12 months	In next 2-3 years	Total Respondents	With some Intention, Percent
North Norfolk	1	1	168	1
Hartlepool	0	3	87	3
Wrexham	4	9	160	8
St Helens	0	0	200	0
Flintshire	3	11	194	7
Hinckley and Bosworth	4	11	100	15

Source: Business Survey, BE Group, 2015

6.12 The two respondents giving an indication of an intent to relocate were asked further details as to the type, location and size of premises that they require. One of the

respondents indicated a preference for an industrial estate location, with the other respondent preferring a town centre or business park location.

- 6.13 Only one respondent indicated a preferred location, which was Cromer or Holt, with the other respondent giving no preferred locations.
- 6.14 Only one respondent stated a preferred quality of premises, being a moderate standard.
- 6.15 The preferred size of premises were 201-500 sqm for one respondent and 501-1,000 sqm for the other respondent.
- 6.16 Reasons stated for wanting alternative premises were that their current site is too small and wanting to upgrade the quality of premises.
- 6.17 The two respondents were asked about the implications if they could not find suitable alternative premises. One respondent stated that they would move their business elsewhere and the other stated that business growth would be slower.
- 6.18 All business respondents were asked as to their satisfaction with their broadband service. Table 38 summarise the responses. While the majority of businesses indicated satisfaction with their coverage, a significant minority indicated dissatisfaction (23 percent).

Table 38 – Satisfaction with Broadband Coverage

Satisfaction Level	Number	Percentage
Very Satisfied	7	4.5
Satisfied	114	72.6
Unsatisfied	32	20.4
Very Unsatisfied	4	2.5
Total	157	100.0

Source: Business Survey, BE Group, 2015

- 6.19 Business respondents were asked what NNDC's priorities should be in supporting the District's economy. Up to three responses were allowed, with the responses summarised in Table 39 below.

Table 39 – Preferred Priorities for North Norfolk District Council

Preferred Priorities	Number	Percentage of respondents
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Preferred Priorities	Number	Percentage of respondents
Improving transport infrastructure	38	22.6
Improving broadband	64	38.1
Improving mobile phone coverage	25	14.9
Business rates relief	94	56.0
Increasing housing growth	11	6.5
Improving business knowledge	14	8.3
Skills and training	53	31.5
Attracting businesses from outside North Norfolk	3	1.8
Supporting start-up businesses	10	6.0
Other		
<i>Less business tax</i>	2	1.2
<i>Reduce building</i>	1	0.6
<i>Cut costs</i>	1	0.6
Total	316	

Source: Business Survey, BE Group, 2015

Summary

- 6.20 The consultation and business survey component of this study draws together input from public agencies, large and small businesses and business organisations. This primary research is used to complement the data gathered from published sources to provide a thorough analysis of the issues and characteristics of the local economy.
- 6.21 As expected, there was a diverse range of opinions expressed through the consultation phase. From a policy perspective, it was generally considered that local authorities throughout the region are coordinating and working together well, with each authority moving in a similar direction. There was a perception that NNDC could have a higher business support profile and be seen to be more proactive in supporting business. However, those businesses that have had cause to have contact with NNDC have found it to be helpful and supportive.
- 6.22 North Norfolk was seen as a reasonable place from which to do business, with relatively low costs and an attractive lifestyle. Concerns were raised in regards to roads and ICT infrastructure. While it was recognised that there is a reasonably wide availability of broadband throughout North Norfolk, some consultees expressed concern as to the quality of that broadband for modern businesses. A significant 23 percent of business survey respondents expressed dissatisfaction with their broadband coverage.

- 6.23 In regards to built commercial stock, the consultation reports a lack of quality stock in the key centres of Fakenham and North Walsham. Businesses have also reported a lack of options in acquiring adequate employment land for new build projects. While the ex-RAF bases, such as Scottow Enterprise Park have been considered by those seeking new premises in North Norfolk, such facilities are considered to be suboptimal as they are not located in the existing key settlements, have poor accessibility and older buildings. One consultee pointed out that their workforce is very localised and movement out of town to Scottow would require their workforce to be bussed to and from work.
- 6.24 It was suggested that business support information and access could be simplified and streamlined. It was considered that there was an opportunity for a small business centre to assist start-up enterprises and those currently based from home.
- 6.25 Skills of the local workforce was identified as an area for improvement in North Norfolk, with suggestions to improve links between businesses and educators.

7.0 SECTOR OPPORTUNITIES FOR NORTH NORFOLK

- 7.1 This chapter analyses the key industry sectors in North Norfolk, both from the viewpoint of their current roles in the economy, but also opportunities for growth and development.

Tourism

- 7.2 Tourism is a key sector in the North Norfolk economy. The District provides a very diverse tourism offer, predominantly due to its varying landscape which comprises a very attractive coastline, extensive countryside, seaside resorts, quaint towns and villages and the Norfolk Broads.
- 7.3 The “Economic Impact of the Norfolk Visitor Economy”, published in 2014, estimated that in 2012 North Norfolk attracted 6.5 million visitors with a total spend of £364.6 million. When this figure is combined with that of the supplier and income induced expenditure – the value of tourism in North Norfolk was estimated to be £416m, supporting an estimated 9,100 jobs in the District.
- 7.4 Being a seaside based tourism region, the industry is subject to seasonal fluctuations, with a peak in the traditional summer holiday season. However, other attractors to North Norfolk, such as birdwatching, seal colonies and food and drink tourism draw visitors at other times of the year.

Existing Offer

- 7.5 There is a wide variety of tourist attractions that appeal to day-trippers and holidaymakers, as well as a number of opportunities that could strengthen the sector even more. The existing tourism offer comprises:
- Traditional seaside resorts of Cromer and Sheringham
 - Beautiful beaches including Holkham and Wells-next-the-Sea, including 4 blue flag awarded beaches
 - Picturesque villages and market towns including Holt and Cley
 - Stately homes such as Holkham Hall and Felbrigg Hall
 - Unique family attractions such as Bewilderwood (Hoveton), the Thursford Collection and The Muckleburgh Military Collection (Weybourne)
 - The North Norfolk Railway and the Wells and Walsingham Light Railway
 - The Norfolk Broads (offering boat trips, boating holidays and water sports), partly in North Norfolk

- The North Norfolk Heritage Coast Path – great for cycling and walking
- Wildlife attractions including the North Norfolk Coast Site of Special Scientific Interest (SSI), which includes the coastal nature reserves at Holkham and Blakeney, and saltmarshes at Cley/Salthouse – popular with bird and seal watchers
- The Coast Hopper bus service linking Cromer to Hunstanton (outside the District)
- The high quality food and drink offer comprising local produce, including some renowned products – Cromer Crab, Stiffkey Cockles and Binham Blue cheese.

7.6 The District offers a range of holiday accommodation including camping and caravan sites, self-catering properties, bed and breakfasts and hotels. There are also youth hostels at Wells-next-the-Sea and Sheringham. The hotel offer throughout North Norfolk is comprised of small, independent operators, rather than national branded hotels, which is a clear gap in the market.

7.7 At present North Norfolk is promoted through a number of websites – Visit East Anglia, Visit Norfolk and Visit North Norfolk. There are also Tourist Information Centres at Cromer, Holt, North Walsham, Sheringham, Walsingham and Wells-next-the-Sea.

Opportunities

7.8 Tourism will continue to be an important component of the District's economy. While the local tourism industry is mature and successful, there is potential for the District to capitalise further from some of its existing attractions and tourism strengths. Opportunities would include continuing to promote diversification, improved marketing and further accommodation options to increase capacity.

Marketing/Branding

7.9 Some consideration is needed with regards to the way in which North Norfolk is promoted as a visitor destination. At present the District is promoted through Visit East Anglia, Visit Norfolk and Visit North Norfolk, with each website having a different style and focus. The marketing of the district needs to be streamlined – with one lead organisation taking control. One approach could see Visit North Norfolk integrated within Visit Norfolk rather than a separate entity. Alternatively, North Norfolk takes the lead for its own promotion but with clear communication with Visit Norfolk and Visit East Anglia.

7.10 It is recognised that promoting North Norfolk both as a specific destination and as part of a broader, regional approach has advantages. The District-specific approach allows North Norfolk attractions and operators to be highlighted without competing with attractions from elsewhere, whereas a regional approach has the potential to promote North Norfolk to a wider audience. While it is not recommended that North Norfolk choose one or the other exclusively, it is recommended that there is streamlining and consistency of image and approach to the District and regional marketing. Visit North Norfolk has a new officer in place and it should be a priority to agree a strategy and branding for North Norfolk. There are also likely to be funding issues and rather than distribute funding to different organisations, North Norfolk should decide how to best direct its resources.

7.11 Critically, the tourist's perception of what North Norfolk is, is different to the local authority boundaries of North Norfolk District. Holidaying in North Norfolk is perceived as the coastal strip from King's Lynn to Cromer, half of which is outside of the District and it ignores significant areas of the District. The North Norfolk Restaurant Week in September and October 2015 has 38 participating restaurants, of which only 16 are within the District boundaries. Restaurants in key North Norfolk towns of Fakenham, North Walsham and Holt are not represented and only one restaurant in Cromer is involved. Therefore there is a mismatch between the brand of North Norfolk and the actual District. Development of North Norfolk's brand should include means of broadening the perception of North Norfolk to the whole District.

7.12 The other high profile tourist location associated with North Norfolk is The Broads (once again only partly within the District). A means of broadening the perception of what North Norfolk is, would be to encourage more links between the northern coastal strip and The Broads. There is a current reality that visitors either holiday in The Broads, or holiday on the northern Norfolk coast. Marketing North Norfolk as a tourist destination should encourage holidaying at The Broads and the northern coast, extending the visitation and broadening the perception of the destination.

Case Study – Birdfair

The British Birdwatching Fair (Birdfair) is an annual event in Rutland that attracts some 20,000 visitors over three days. Marketing itself as the "Birdwatcher's Glastonbury" it has over 300 exhibitors, lectures, birdwatching at the nearby wetlands and a range of networking and information sharing events.

The event reports that it injects some £750,000 into the local economy over the three days, through accommodation, retail expenditure, food and drink and event operations.

Birdfair attracts international visitors and presenters, which otherwise are unlikely to have visited the area. Rutland and the surrounding region is afforded a higher profile, both domestically and internationally, for its birdwatching attractiveness. Therefore the event has benefits outside of the three event days and visitors may wish to return at other times of the year.

Local firms would have the opportunity to exhibit their wares at the fair, providing the potential for on-going benefits for these enterprises.

- 7.13 It is recommended that North Norfolk's wildlife is given a higher profile in the branding and promotion of the District as a visitor destination and its seals are one of its real selling points (see commentary on wildlife visitors below).

Bird/wildlife watching

- 7.14 According to the RSPB, some three million adults go birdwatching every year in the UK. Furthermore the charity has over a million members, including over 200,000 youth members. Birdwatching is a popular all year round pastime, which attracts people to the area outside the 'normal' peak summer season (May – September).
- 7.15 The opportunities in North Norfolk provide a chance to extend the stay of the visitor already coming to the District and with infrastructure dedicated to observing them this can attract visitors that otherwise would not be interested in North Norfolk.
- 7.16 Dedicated wildlife visitors are less concerned with the quality of accommodation opportunities in a region. They will focus their spending on photography equipment, outdoor clothing and guides/access to sites, there are opportunities for uplift of the economic benefit through identifying complementary attractions for dedicated birdwatchers, ensuring local retailers cater for their needs and bird-themed events.
- 7.17 Cley Marshes Visitor Centre attracts over 100,000 visitors a year. The Simon Aspinall Wildlife Education Centre is a brand new facility that has been designed to help visitors explore, discover and be inspired by wildlife, and will offer a series of regular events including guided walks on the reserve and along the coast as well as birdwatching sessions. The Centre aims to attract school groups and community groups as well as more general tourists/visitors, and there is therefore potential for this facility to attract additional, and more varied visitors. There is also potential for the Centre to be linked closely to birdwatching holidays/trips that operate in the area throughout the year.
- 7.18 Seal colonies at Blakeney Point also represent an opportunity for visitor attraction, although already very popular, and at times at capacity in terms of visitor numbers. Visitors to the seals are less likely to be dedicated wildlife visitors and more likely to be casual observers, visiting the seals as one of several activities during their visit.
- 7.19 Obviously, increasing the profile and promotion of seals further as an attraction in North Norfolk must also consider potential impacts on the colonies of increasing numbers of seal-watchers. It is recommended that any strategy to grow and develop

the seal-watching industry include obtaining advice from environmental experts into means of appropriately managing and developing the sector.

Development of a Branded/Budget Hotel

- 7.20 Currently, the stock of hotel accommodation in North Norfolk is limited to independent operators, with no branded, national chains. While this promotes an individuality and authenticity to North Norfolk, large portions of the visitor market would be attracted to branded hotels, as they know what to expect at the hotel, likely prices and standard of rooms. In the summer months the current hotels are well occupied and prices are often high and above levels that the casual and short-stay visitors can afford.
- 7.21 Furthermore, those using loyalty schemes would have a preference for the branded hotel. The business visitor market has a strong preference for branded hotel options.
- 7.22 Both Travelodge and Premier Inn have expressed an interest in developing a hotel in Cromer. Premier Inn has highlighted its desire to develop an 80-bedroom hotel in the town, potentially in conjunction with a Whitbread restaurant, and has already considered several sites in the town. Furthermore Premier Inn is also now looking to develop a 60-bedroom hotel in Holt in addition to its requirement for Cromer. This would bring a new dynamic to Holt converting the popular day-tripper trade to longer stays in the town.
- 7.23 NNDC should ensure it pursues this potential development, and assists both Premier Inn and Travelodge with their site searches. Not only will partnership with NNDC ensure that the hotels are built on the most suitable sites for both parties, but also the development of a budget hotel will widen the accommodation offer, and therefore open up opportunities for overnight stays to a wider audience.
- 7.24 Such operators have exhibited a willingness to locate at the edge of employment nodes on main arterial roads. As such, interest to locate in both Cromer and Holt may be a conduit for establishing an employment node in the towns. Premier Inn would

Case Study – St Anne's Travelodge

Lytham St Anne's prides itself on being a traditional seaside town, and the 'quality' visitor destination on the Fylde Coast.

When Travelodge expressed an interest in developing a hotel in the town, it was met with some opposition, with some hoteliers lobbying against the plan, claiming that competition from the chain could close some hotels.

However 24 local shops and cafes backed the new hotel, which they believed would bring new business into the town. One prominent restaurateur in the town stated:

"Travelodge is a national chain, with national advertising for St Anne's. That's a big free advert for St Anne's and if the hoteliers get the overspill from Travelodge they can build those links with them, and there can be an offering for them as well".

want a pub/restaurant alongside, and such higher value uses can cross-subsidise and pump prime new employment areas.

Local Produce

7.25 There is also potential for the District to develop and expand its 'local produce' showcasing attraction – providing a platform for local food, drink and craft producers to sell their produce. A number do exist, including Walsingham Farm Shop and Back to the Garden. Also a number of roadside stopping places exist for local produce and this demonstrates a demand in the area. North Norfolk should look to build on these locations further, and add value. This could perhaps comprise a visitor centre and cafe, or be linked to an existing attraction. There are a number of successful case study examples, each of which is a successful visitor attraction, for example:

- Darts Farm, Exeter
- Rheged Centre, Penrith
- Rhug Estate, Corwen
- Tebay Services, Westmoreland

7.26 Wiveton Hall is another a good example of using the local produce of an area as a focus of a visitor attraction. Its farm is open to the public for 'pick-your-own' experiences and its built structures include a shop with fresh and gourmet produce and gift items, café, accommodation and art gallery. It is considered that further, complementary opportunities, linking visitors to the District's local produce would be of benefit to the tourism industry and would broaden the attractiveness of North Norfolk, particularly for visitations to rural areas. There is a growing local producers sector beyond soft fruit, vegetables and shellfish and this can be show-cased to the general public and also to the food and beverage trade.

Holkham Estate

7.27 Holkham is one of North Norfolk's largest employers with 200 full time, and 150 seasonal staff. The Estate has five key sectors: Farming, Land and Property, Tourism, The Victoria Inn and Pinewoods Holiday Park, and has diversified into 48 different businesses, including a boutique hotel, a caravan park and 300 houses, which are mostly let to local people.

7.28 Holkham Hall estate hall and grounds are open to the public as a key visitor attraction in North Norfolk, it is a wedding venue, and it hosts concerts and festivals. Each year, more than half a million people visit Holkham beach, which is a national

nature reserve and, unusually, is entrusted to the privately owned estate rather than the government's wildlife body Natural England.

- 7.29 As a key and diverse employer there is potential for the Holkham Estate to continue to build on its strengths, increase its offer further, and attract additional visitors. The Estate does have plans to develop further, some are at an advanced stage (such as the development of a visitor centre at the coast), whilst others (such as opening up the old railway line in Wells-next-the-Sea) are aspirational. Despite the ongoing popularity and success of the Estate, these opportunities should not be overlooked. NNDC have a good dialogue with the Estate and this should be built on to ensure Holkham continues to be one of North Norfolk's major visitor draws and also a major employer.

Deep History Coast Project

- 7.30 There is potential for North Norfolk to expand on the 'Deep History Coast' Project, which will emerge in the County over the next few years. This project is being led by curators at Norfolk Museum Service (NMS) with the aim to display the 600,000 year old Steppe Mammoth skeleton (discovered in West Runton in 1990), as the centrepiece of a permanent Deep History Coast exhibition in Norwich Castle Museum within five years. A complementary display will be put on in Cromer Museum. In addition there are plans to install interpretation panels (and possibly artwork) along the first Norfolk stretch of the England Coast path from Weybourne to Sea Palling within the next three years.
- 7.31 North Norfolk's long coastline and proposed Deep History Coast display in Cromer means that North Norfolk can have a high profile role in the Deep History Coast promotion of the region. However, it is recommended that the promotion remains at the regional level and North Norfolk contribute to that approach.

Food and Beverage Sector

- 7.32 North Norfolk has a long history of food and beverage production, including seafood and agriculture. The food and drink sector in North Norfolk today can be broadly split into two areas – production/processing and restaurants/pubs/visitors.
- 7.33 The District has a good brand and reputation in the food and beverage sector, particularly Cromer crabs, Stiffkey cockles and Binham blue cheese. Agricultural production of potatoes, asparagus and other fruit and vegetable crops is well

regarded and recognised. The pub and restaurant scene also has a good reputation and a key feature for promotion of the area.

- 7.34 Food products manufacturing accounted for 29 percent of manufacturing employment in North Norfolk in 2013, with beverage manufacturing accounting for a further 3 percent. As a percentage of all employment, the food and beverage products manufacturing sector comprised some 4.3 percent of all employment in North Norfolk in 2013. The agriculture, forestry and fishing sector comprised 3.7 percent of employment in North Norfolk as at 2011 (more recent BRES based data for 2013 excludes farm based agriculture and thus underrepresents this sector).
- 7.35 North Norfolk includes some key processors of fresh food, including:
- Hain Daniels
 - Kinnerton
 - Crisp Malting
 - Place UK
 - Albert Bartlett (to open September 2015).
- 7.36 These companies will have established supply chains from primary producer to customer.
- 7.37 As well as larger food production firms in the County, including in North Norfolk, there are a number of cottage industry/micro businesses that are selling produce direct to the public. These businesses though may find it difficult to access new markets, whether it is the local retail trade, food service companies, larger store chains or the untapped local food and drink market of pubs, hotels and restaurants.
- 7.38 There are industry/networking groups that support the food and beverage sector at the County level, with their differing foci reflecting the breadth of this sector in Norfolk. Norfolk Food and Drink Limited was borne out of the Norfolk Food and Drink Festival, which was a collection of food and beverage related events throughout the County. Norfolk Food and Drink Limited is now a membership based organisation promoting the hospitality industry, overseeing a range of festivals and showcasing Norfolk produce.
- 7.39 Another group, Norfolk Food and Drink Network, is a networking platform for hospitality operators in the region to share information and improve collaboration and linkages. The networking events include lectures on case studies of overcoming

issues and constraints in the industry. The Network is based in Norwich, which has limited the attractiveness of this network for North Norfolk operators.

- 7.40 Both of these organisations appear to be more focused on the hospitality or tourism side of the food and beverage sector, rather than the production or processing aspect of the sector. Thus there appears little support to bring the smaller producers into the supply chain. Local hotels and restaurants want to sell local produce. People on holiday look for local produce on the menu. Therefore there is an untapped opportunity for both ends of the chain.

Opportunities

- 7.41 The excellent base of the food and beverage sector in North Norfolk and in the broader region means that the industry can grow from a position of relative strength.

Key aspects of the food and beverage sector that form the base of an analysis of opportunities for the sector (and which could be used in promoting the sector to investors) include:

- Its good brand and reputation
- The primary production, including seafood and agriculture
- Processors/food product manufacturers that process local and imported produce and have contracts with UK supermarkets
- The array of restaurants and pubs offering quality meals, including local produce serving a large visitor population
- Direct sales of primary produce from farms to consumers in informal roadside stalls
- Food and beverage based tourism trails and sites, such as Wiveton Hall
- The County's food and beverage festivals, including events in North Norfolk.

- 7.42 Opportunities for growth of this sector should focus on further value added opportunities and improving links and collaboration with sector operators.

Value Added Opportunities

Case Study – Pembrokeshire Food and Drink

Pembrokeshire County Council recognise the importance of the local food and drink industry and have a dedicated officer responsible for promoting the sector. Initiatives include:

- Production of a Food and Drink Business Directory
- Organise a week long Fish Festival with restaurants participating in special feasts, tastings and menus, and a range of other events in the different towns around the coast, including fishing foraging, raft races, music and cooking demonstrations
- Development of dedicated food park, with support from regional food processors, and will comprise production units, central distribution hub and retail showroom.

- 7.43 Value added opportunities in the food and beverage sector should include building the processing elements, improving the supply chain efficiencies and opportunities, particularly for small producers and improving the hospitality/tourism aspect of the sector.
- 7.44 North Norfolk is well placed as a location from which to process fresh produce. It has local primary producers, close to ports that link to Europe (for both importing produce and exporting processed product), moderate skills in the workforce and an established industry and reputation. It has a strong brand in Cromer Crab and should be encouraged to build on its reputation and brand. There is potential to build the brand, possibly through seeking protected name status, and also improving productivity and market penetration. The recent award of a contract to supply crab to Morrisons stores by Jonas Seafood in Cromer demonstrates the potential of the Cromer Crab brand.
- 7.45 However, on balance it is considered that there are further processing opportunities in North Norfolk and in the broader Norfolk region. Therefore, site allocations and availability of premises in North Norfolk should be flexible enough to accommodate a food processing operation locating in North Norfolk. Such operators would have bespoke design requirements, although in general would require access to A-roads, proximity to suppliers and markets, large floorplates, capacity for refrigeration areas, high water and electricity requirements and hygienic spaces.
- 7.46 It is not considered that there is sufficient demand in the short or medium term for a dedicated food processing hub to be located in North Norfolk, although economic development considerations in the future should continue to monitor this need.
- 7.47 The good brand of the food and beverage sector in Norfolk means that higher-end products (gourmet goods, organic produce) have a solid base upon which to be marketed. Cottage industry producers of food and beverage products should be encouraged through the establishment of a common platform from which to market their products and collaborate with fellow producers. The area does embrace its produce in local festivals – The Crab and Lobster Weekend in Cromer and Sheringham and the Food and Drink Festival, but this encapsulates one area of the coastline. The whole District should embrace its food offer and work together to build North Norfolk as a fine food brand.
- 7.48 Other value added opportunities in the hospitality/tourism sector would be the development of a small number of quality and sophistication of direct-to-market

facilities linking recreation and farmers to consumers. North Norfolk does have some popular shop/café destinations, for example, Walsingham Farm Shop, Back to the Garden and Wiveton Hall, which provides a very good range of food, retail and accommodation uses. It is considered that there may be an opportunity for further attractions that can link this strong food and drink offer with recreation focussed or farm-based uses. While it should be left to the market to determine the precise mix of uses appropriate for such enterprises, uses that would be appropriate would include:

- Small retailing (fresh produce, gourmet goods, giftware, etc)
- Café/restaurant
- Nursery
- Spaces for cooking classes
- Small gallery spaces
- Cottage/farm-stay accommodation
- Wedding/function spaces
- Interactive farm activities (e.g. pick-your-own produce, self-bottling, brewing)
- Micro-breweries
- Play areas.

7.49 It would not be appropriate or beneficial for the local economy if all such sites included all of the above uses, and they should be seen as a complementary mix rather than competing with the existing offer. Diversity in size and uses should be encouraged.

7.50 The pockets of roadside stalls cannot all develop beyond their current status, but there may be limited opportunity for operators to combine to improve the visitor attraction, for example on a cooperative model.

Improved Linkages and Collaboration

7.51 The industry is broad, with several aspects of note in North Norfolk and the broader region, including primary production, processing, pubs/restaurants, farm-to-consumer stalls and food tourism and events. That is, there are production, manufacturing, retailing and tourism elements to the sector, with individual operators having their own focus.

7.52 There is evidence of collaboration and linkages between operators in the area, including purchasing of local produce, festivals, cross-promotions and information sharing. Furthermore, there are membership organisations such as Norfolk Food and Drink Limited and Norfolk Food and Drink Network to provide a County-wide

promotion of the sector.

7.53 However, it is considered that there are significant opportunities to expand and improve collaboration and linkages within the sector, including:

- Links between producers/processors and the tourism operators
- Linking large and small producers/processors
- A membership network that covers the broad aspects of the sector, beneficial to and inclusive of farmers, seafood producers, processors, hospitality and tourist operators
- An information sharing platform for the broad sector.

Case Study – North West Nuclear Forum

The forum is supported (not financially) by the public sector, but run by the industry, primarily the Tier One nuclear contractors. It is a networking forum but with the specific aim of informing and engaging Tier 2 and 3 contractors and sub-contractors within the nuclear decommissioning maintenance and new build supply chain.

The rationale is to ensure a wide knowledge base within the industry, development and retention of the skills base, and engender collaboration.

The Forum meets regularly with updates on contracts, technical talks and networking opportunities.

7.54 A potential means of improving and coordinating collaboration within this sector would be for North Norfolk to have a dedicated food and beverage officer. The remit of this position would be to promote and develop a broad understanding of the different elements of the sector in North Norfolk and encourage the varied elements to collaborate, share information, share skills, purchase products and expertise from each other and present the sector as a united front.

7.55 It is recognised that there are membership organisations currently operating within the region, with varying levels of activity and success and generally focussing on the hospitality/tourism side of the sector. North Norfolk businesses only appear to be involved to a very limited degree. While a further membership organisation may appear to further complicate the sector, it is considered that there is need for an overarching organisation that can attract and engage the broader scope of the sector.

7.56 A broad organisation, provided it is active and successful would provide a focus for information sharing and linking of different parts of the sector. Within such an organisation, collaboration could be encouraged. For example, large processors could be encouraged to guide/mentor cottage industry operators or provide access to spare capacity within laboratories, equipment or processing lines. Larger operators could be encouraged to improve links with research organisations and educators in the region, extending relationships throughout the sector. Improved links between

North Norfolk businesses and the Institute of Food Research within the Norwich Research Park is recommended.

Energy

- 7.57 The energy sector is important, both at the District level and for the broader East Anglia region. The energy sector has substantial opportunities for further growth and diversification.
- 7.58 Traditionally the region's energy sector has been based on the North Sea oil and gas. Bacton Gas Terminal provides a two-way gas pipeline between the UK and Europe. Great Yarmouth and Lowestoft have a substantial range of oil and gas businesses providing engineering, construction and maintenance services to the offshore platforms and port operations and bulk handling. Professional services and regional headquarters of energy sector operations are based in Norwich.
- 7.59 The region also produces nuclear-generated electricity at Sizewell in Suffolk. Sizewell B is currently operational and produces about 1,200 MW of electricity. Sizewell C is proposed to be developed in coming years and produce about 1,600 MW of electricity. EDF Energy, the owners of Sizewell, report that construction employment of Sizewell C would peak at about 5,600 people, with 900 operational jobs.
- 7.60 Latterly the wind energy sector has developed in the region, including North Norfolk. Whilst the removal of government subsidies is slowing onshore wind, offshore wind production is projected to substantially grow in coming years, with several major projects mooted for the region. Sheringham Shoal is located off the coast of North Norfolk and is currently serviced out of Wells-next-the-Sea. Further projects are proposed off the coast of Norfolk, including larger, further offshore shoals that would be serviced from Great Yarmouth.
- 7.61 A bio-fuel ethanol production plant is proposed near Downham Market, to the south-west of North Norfolk, further broadening the region's energy sector.

Opportunities

- 7.62 North Norfolk is an important part of the overall energy sector in the region and there are opportunities for it to continue to provide an important role in coming years. Opportunities for North Norfolk businesses will generally be in the servicing and maintenance of the region's energy assets and providing skilled trades for construction of further regional assets.

Offshore Wind

- 7.63 The region is gearing up for a substantial expansion of the number of offshore wind turbines. Projects proposed will involve larger shoals, larger turbines, shoals further away from the coast and a different approach to maintenance and servicing. Maintenance and servicing would be undertaken from larger ships/platforms serviced by helicopters with operational crews that would stay out at sea for considerable periods, rather than returning to shore daily. Great Yarmouth and Lowestoft are likely to be the bases for these operations.
- 7.64 Maintenance services for the Sheringham Shoal are currently being operated out of Wells-next-the-Sea. However, these services are limited by the constraints on the harbour, which despite some improvements still limits vessels to enter/exit the harbour at high tide. Wells-next-the-Sea would not have the capacity to be a base for the larger servicing vessels. The area supports a strong supply chain of maintenance, training and other contractors linked to the maintenance of the Sheringham Shoal. This expertise must be retained and developed where possible.

Construction, Engineering and Support Services

- 7.65 North Norfolk businesses do have the opportunity to benefit from the increase in economic activity in this sector, even if opportunities out of Wells-next-the-Sea specifically are limited. Businesses in the east of the District are well positioned to link with Bacton, Great Yarmouth and Lowestoft. Businesses can supply services and expertise to the energy sector as a whole, including oil and gas, nuclear and renewables, although Great Yarmouth will continue to be competition as a location for businesses to locate.
- 7.66 Substantial opportunities will be available in the construction phases of major projects, particularly for Sizewell C and renewable projects. Existing businesses in North Norfolk should be cognisant of opportunities for contracts within these projects. North Norfolk could also be a beneficiary of construction businesses looking to locate to the region to exploit the growth in construction activity. While the main locations of new businesses would be in Norwich and Great Yarmouth for offshore wind projects, and Ipswich for Sizewell C construction, North Norfolk can promote itself as within the catchments for these projects and providing an attractive lifestyle for workers/owners.

- 7.67 It is noted that the proponents of Sizewell C anticipate a peak construction employment of some 5,600 workers. The scale of such labour demand means that it would necessarily draw from a very wide area. North Norfolk businesses and labour force would be within such an area and could tender for this project.
- 7.68 Potentially of more long-term benefit for North Norfolk would be the opportunities to provide services up the supply chain of the construction and maintenance of energy assets in the region. The engineering and machining skills of North Norfolk would be in demand to provide components, cabling, supply and maintenance of specialist tools and expert services to the energy sector. Once again, North Norfolk can position itself as an ideal lifestyle location for such businesses within the catchment of the growing energy sector.
- 7.69 North Walsham and Stalham, being in the east of the District, closer to Great Yarmouth, Norwich and Bacton, are likely to be the main foci for North Norfolk's construction, engineering and support services to the energy sector.
- 7.70 However, maintaining these engineering, fabrication and construction businesses in North Norfolk is a challenge. East of England Energy Group (EEEGR) does not list one North Norfolk fabrication company in its directory. NNDC must work to ensure labour force, skills, land and opportunities to transfer skills are known and available to the companies operating in the sector.

Skills and Training

7.71 The substantial growth of the energy sector, both through the construction and operational stages, has considerable labour demands. North Norfolk's labour force and existing businesses need to be agile and skilled to take advantage of the growth opportunities in the region. But locally and nationally there is a growing skills shortage in science, technical and engineering sectors.

7.72 There is an immediate demand to increase the engineering and construction skills of North Norfolk, with specific relevance to the energy sector's requirements. Furthermore, operational phase skills need to be developed in the region. Implementing the findings of the Skills Analysis is vital. But this should not be done in isolation. EEEGR are currently

producing a document that identifies cases across East Anglia with a view to educating students on opportunities. NNDC should link with professional bodies such as EEEGR, EEF, Sector Skills Councils and education providers to build a coordinated approach to developing skills. NNDC should continue to encourage apprenticeships with a particular focus on the engineering and construction trades to support North Norfolk's capacity to contribute to the energy sector.

Engineering/Manufacturing

7.73 The engineering and manufacturing sector in North Norfolk is considerably broader than supplying services to the energy sector. This section reviews the engineering and manufacturing sector more generally.

7.74 Manufacturing is concentrated around North Walsham, Fakenham and Stalham, including in areas outside of the main settlements. Particular manufacturing sectors with relative strength in North Norfolk include food product manufacturing, plastics, machinery and equipment manufacturing and metal fabrication. Particular machinery and equipment manufacturing includes boatbuilding and maintenance and the manufacture of agricultural equipment, which reflects the District's positioning near The Broads and its rural economy.

Opportunities

Case Study – Manchester Metropolitan University Schools Liaison

The Faculty of Humanities, Languages and Social Science at Manchester Metropolitan University offers schools a wide range of outreach activity for students.

The "Walking in Their Shoes" programme offers a number of events and projects to provide school students with an insight into what the different university courses entail.

It is delivered by current students and academics, and bursaries are available for any events which request a small charge in order to support a wide participation of schools.

The liaison between the university and schools not only builds links with local schools, but also serves to promote the University and its courses.

- 7.75 As identified in the Energy commentary, there are substantial engineering and maintenance opportunities for North Norfolk businesses in coming years in this sector. The food and beverages section outlined food product manufacturing opportunities for North Norfolk. The following section outlines further engineering and manufacturing opportunities for North Norfolk.

Boatbuilding

- 7.76 Norfolk's reputation as a holiday and leisure destination will continue to stoke demand for boatbuilding and maintenance/refit but this also extends to a healthy export trade. The cluster of boat enterprises around The Broads (both inside and out of North Norfolk's borders) should continue to be supported through the provision of adequate employment land and industrial stock in appropriate locations. Site requirements for marine industrial operators include hardstand areas, high ceiling premises, direct water access and room for manoeuvrability of vessels.
- 7.77 Support engineering services, such as component manufacturing and marine engine servicing tend to cluster around marine industrial areas, but do not require direct water access. Industrial estates in Stalham and North Walsham can provide for such enterprises, within the context of North Norfolk's marine industry.

Machinery and Equipment

- 7.78 North Norfolk has a solid base in the production of machinery and equipment, with a particular niche in rural machinery. The support of this sector would generate jobs both in engineering directly, but also continue to support the local agricultural sector. Furthermore, this sector has the potential to be a significant regional export sector.
- 7.79 Building on the established engineering nodes of North Walsham and Fakenham, and surrounding rural areas, would be appropriate for this sector, and utilise the local skills. Premises would need to adhere to general engineering/industrial requirements, rather than particular design specifications, with recognition that there needs to be sufficient space for machining, assembly and storage.

Skills and Training

- 7.80 As mentioned in the energy commentary above, continued investment in developing skills and apprenticeships in the engineering and construction trades is important for business development in North Norfolk. As outlined in policies at the regional and District level, connecting businesses, educators, skills providers and jobseekers is vital to economic development. Businesses need to be confident that they can find

sufficient labour with the right skills in order to invest and jobseekers and graduates need to be confident that there are attractive jobs locally in order to stay in the area.

- 7.81 As with each of the sectors, encouraging, creating and maintaining links between the higher and further education providers, businesses and schools is vital, in order to promote college and university courses, apprenticeship opportunities and job vacancies, and encourage local young people into engineering and manufacturing careers. Ultimately this can increase the number of local skilled people in the area and ensure that local companies are able to employ local people.
- 7.82 There is presently a disconnect between these organisations. Whilst it is not the role of the Economic Development team to provide skills, it can engender collaboration and work with the LEP and other organisations to build the skills base.

Locations

- 7.83 North Walsham and Fakenham should continue to be the main nodes of engineering/manufacturing in North Norfolk and sufficient site allocations and premises should be provided to ensure continuity and growth of these areas. The ex-RAF bases nearby (Scottow Enterprise Park near North Walsham and Tattersett and West Raynham Business Parks near Fakenham) provide a potential alternative stock of available land, it is strongly recommended that a policy to ensure industrial land within these areas are protected. The ex-RAF bases provide a budget alternative for the provision of industrial land and whilst these sites, particularly Scottow and West Raynham, are difficult to find and get to, especially for heavy vehicles they are proving to meet a level of demand. With access, infrastructure and premises upgrades, the ex-RAF bases should be seen as an additional source of inexpensive employment land stock, rather than a solution for shortages in North Walsham and Fakenham.
- 7.84 Furthermore, anecdotal evidence obtained through the consultation, corroborated with the travel to work data analysed in Chapter 3.0, suggest a strong preference for living and working in the same town in North Norfolk, which has led to high incidences of walking or cycling to work. The pursuit of using the ex-RAF bases as a primary source of employment land would reduce opportunities to live and work in close proximity and would be unacceptable to a considerable proportion of the local workforce.

ICT/Creative Industries

- 7.85 ICT and creative industries is a broad and diverse sector. It has been recognised throughout the UK and abroad as having substantial potential as a growth and high-value sector to drive economic development.
- 7.86 ICT and creative industries in the Norfolk region are highly focussed in Norwich. Such sectors generally are focussed in major urban centres, which have the critical mass of entrepreneurs, creative spaces, higher education institutions and skilled personnel. Norwich, as Norfolk's epicentre and location of its universities is the natural focus of the ICT and creative industries.

Opportunities

- 7.87 North Norfolk's position in the ICT and creative industries are likely to remain as a secondary or periphery location in the foreseeable future. However, the industries still provide niche opportunities for North Norfolk, which the District can use its comparative advantages to attract investment.

ICT

- 7.88 The substantial majority of ICT business growth in the region will be outside of North Norfolk. However, there will be a small proportion of micro businesses in the ICT sector that locate to North Norfolk for lifestyle reasons. It is likely that such enterprises will be home based or require a very small office space. While it is not considered that a dedicated ICT hub would be supportable in North Norfolk, business conditions should be of such quality as to not discourage enterprises from establishing themselves in the District. Of paramount importance is the quality, speed and reliability of broadband connections. Consultation for this study has revealed a range of opinion on broadband. While it is recognised that coverage in the District is reasonable and improving, the quality and speed of that coverage was considered substandard by some respondents. Mobile telephone coverage is also important for this footloose and highly connected sector, which is needed to be improved in the District.
- 7.89 NWES are looking at the development of a business or enterprise centre for North Norfolk. This should be encouraged, probably as a generic office centre, which would provide high quality space to a mix of small companies. Whilst the business survey identified very limited demand for new space, this was a sample. The skills survey did note significant opportunity for growth and as companies grow that need for property will come. Much of the small business sector is office based and a service office will help the ICT and other sectors expand.

Creative Industries

- 7.90 According to ONS data, there are 255 businesses operating in North Norfolk identified in sub-sectors that could be classed as creative industries, and these employ around 500 people.
- 7.91 The businesses include specialist design, publishing, advertising, artistic creation, as well as computer related consultancies and web designers, and these which number around 85 companies overlap with ICT activities.
- 7.92 The numbers suggest that the vast majority are micro businesses, with the largest numbers working in computer related business, architectural and publishing. These uses support the potential demand for office type space on a small scale such as a business or enterprise centre.
- 7.93 The film and television sector is a thriving and substantial sector in Norwich and North Norfolk has the opportunity to benefit as a satellite entity of that cluster. North Norfolk's desirable location for filming should continue to be promoted and exploited. October Films' take-up of hangar space at Scottow Enterprise Park shows the potential for this sector in reutilising derelict sites as creative spaces. Such underutilised spaces may also provide opportunities for reuse as teaching locations for film and television courses.

Other Opportunities Considered

- 7.94 An opportunities analysis such as this, which reviews the local and regional markets and identifies and critiques a range of options, must reject some opportunities that were considered and assessed. This may be due to them not representing the most efficient use of finite resources, being less likely to succeed or likely to provide less of a benefit to the economy.
- 7.95 The LEP and County-wide sector opportunities identified in the regional strategic planning documents (see Chapter 2.0) are not all applicable at the District level. These were considered as part of this study along with the sectors outlined above, to establish whether opportunities exist to grow these sectors within North Norfolk. The nature of these further priority sectors were not considered significant enough to warrant specific recommendations.
- 7.96 In particular, sectors that were considered and discounted were:

- **Finance and insurance sector** – this sector is a key regional strength, but focussed in the cities of Norwich and Ipswich. This sector has a strong preference for city-centre locations and unlikely to have a significant presence in North Norfolk, outside of localised services. This is borne out through the BRES data and also the economic growth forecasts for the District. Any action should be directed at retaining the local financial services within the retail centres to ensure a diverse and balanced town centre.
- **Life Sciences** – this sector is strong in Cambridge and Norwich and typically locates close to universities for research collaboration. The sectors rely on a strong graduate pool, or existing established business base. North Norfolk does not have either. With the availability of space in and around the established clusters, it would be difficult to attract a significant operator to the District.
- **ICT/Creative** – this sector was discussed above as potentially having a secondary role in the region. There are a number of ICT and creative companies in the district, but overall ICT represents less than 1 per cent of the working population, or 290 jobs. In the main, the companies are small, and whilst they may be attracted to small business space, this tends to be generic office space. With such a limited level of activity, it is unlikely that a more substantial hub could be established within North Norfolk without significant public funding for construction, infrastructure and subsidising occupiers, which is unlikely to be the most efficient use of resources.

7.97 Specific sectoral business centres were considered to encourage investment in the target sectors. For example, a specific food and beverage centre was considered to encourage further processing and value added opportunities in North Norfolk. While this is likely to have benefits to the sector, it is unlikely to have sufficient critical mass of food and beverage tenants to make the centre viable in the short to medium term. While it is considered that this should remain a longer term possibility, it is not recommended at this stage as there is insufficient demand at this stage and it will not provide sufficient return on investment.

7.98 Other sector specific facilities, for example, an ICT hub, would need to draw much of the existing business base and then generate significant additional interest. Larger urban centres with links to universities or a large business base can support such facilities, but even then, the operators of such facilities often have a fairly loose policy for business attraction.

- 7.99 A more generic enterprise centre could provide high quality space that would be available to all target sectors, thereby more likely to be viable and providing broader economic benefits.

8.0 BUSINESS NEEDS AND INVESTMENT STRATEGY

- 8.1 The opportunities identified in the previous chapter, in corroboration with areas that have been identified as needing addressing through the consultation and research phases forms the foundation of the following action plan for business development.
- 8.2 The action plan is separated by key themes, with a clearly stated issue/objective to be addressed through the action plan and specific and implementable tasks listed.

Business Engagement and Business Support

- 8.3 A key element in a business needs strategy is for NNDC to develop and maintain a strong relationship with the business community. NNDC through the Economic Growth (EG) Team run and are involved in a number of initiatives to maintain a level of engagement with businesses and where required provide business support.
- 8.4 Feedback from stakeholder and business consultation has highlighted that some North Norfolk businesses are unsure where to go for business support. One such example, in the consultation with the Fakenham Business Community (FABCOM) highlighted that their members often approach them for direction in regards to funding opportunities and support and FABCOM has identified a gap for a single, simple and centralised support entity. Business support covers a wide range of in terms of advice, help with accessing funding, how to find business premises. Furthermore businesses may not be effective at self-identifying their needs and, may need assistance to ensure they can be successful and efficient.
- 8.5 NNDC recently produced its Business Engagement Strategy, which sets out a number of options for NNDC to take a more proactive role in business engagement. This Paper was in part supported by the findings of the Local Growth Agenda Report prepared by Ingham-Pinnock Associates, in 2014, which aimed to analyse the North Norfolk business sector looking at both individual businesses, industry sectors and the North Norfolk Business Forum (NNBF).
- 8.6 The Business Engagement Strategy looked at current activities and also proposed a series of new initiatives to increase the level and quality of engagement and support. These activities can be summarised in Table 40.

Table 40 – Review of Current Activities, Business Engagement Strategy 2014

Activity	Description
Current:	
Enterprise North Norfolk (ENN)	Support to start-up businesses running until December 2015 after which New Anglia LEP (NALEP) Growth Programme will provide this support.
Planning for Strategic Growth	Part of ENN which comprises a workshop to provide information on business growth for small businesses.
Business Advice Database	Consists of around 800 businesses built by NNDC and the basis for site visits and other contacts by NNDC. The database is still used as a record keeping tool. NCC and NALEP are looking at an LEP wide database which will be available to the District which should provide a more detailed listing.
Current Engagement	Targeted meetings, and responses to requests for assistance by the EG team. The team may provide direct advice, or signpost business to other departments, or increasing the NALEP Growth Hub.
Business Events	NNDC has held events for businesses involving Bizmagic and Growing Your Business. These events held annually provide a range of speakers, topics and exhibitors providing advice of business growth feedback overwhelmingly supported future events.
Internal Partners	The EG team has held meetings to build an understanding of business issues including business rates and the commercial team, but until now no structural internal support path exists.
Business Groups	<p>Dissolved in April 2015, the NNBF was the only District-wide forum for businesses. The Chambers of Trade exist to support principally town centre retail businesses.</p> <p>The Ingham Pinnock report recommended a need to develop a business group for the District but not following the NNBF format.</p>
Proposed:	
Business Engagement Framework	<p>Creating a structure to current business engagement activities.</p> <p>Targeted Business Engagement – to 30-50 key businesses through a programme of meetings and follow-up meetings. Businesses will be high growth, large, and those with strong supply chains.</p> <p>Pro-active support – highlighting current support and increased sign posting and linking to NALEP Growth Hub.</p> <p>Responsive Services:</p> <ul style="list-style-type: none"> • Co-ordinating advice to enquiries to assist in investment decisions and signposting • Also provide support for companies that have business issues such as redundancy
Events	<p>Building on the successful events, further formats are being considered such as:</p> <ul style="list-style-type: none"> • Business awards • Sponsored events • Business breakfast <p>NNDC have looked at how Broadland, Breckland and South Norfolk have used a marketing agency to promote events.</p>

Activity	Description
Internal Partners – Pathway to Business	A structure for bringing internal NNDC advice forward to businesses is being considered to ensure they have a clear pathway to advice The structure will address internal referral, information sharing, and external promotion through a business landing page A number of working groups will provide advice.
Business Groups	The EG team has embarked on formulating a North Norfolk Business Partnership, through discussions with existing groups. This will provide an understanding of how current groups perform and what they provide. From this a framework for a new NNBP will be developed. A number of approaches are being considered which will bring together businesses and business groups into a co-ordinated partnership. The partnership can then co-ordinate and run events, town initiatives and lead local programmes such as LEADER.

Source: Business Engagement Strategy

- 8.7 The Business Engagement Strategy is a positive from the current position and presents means of increasing the proactive engagement of Council in the business community, an area that had been identified in the consultation stage as needing improvement. From the investigations for this study, it is recommended that additional activities for the Business Engagement Strategy should be incorporated.
- 8.8 One area that is not highlighted is the small business sector, which has been identified as an important part of the economy. NNDC has limited resources, but the LEP's Business Hub, and a new Enterprise Centre can be the main point of help for new business. NNDC should seek to develop a specific strategy to signpost new business to this help.
- 8.9 NNDC needs to be coordinated and proactive in providing support, with one key person, or a team of individuals taking responsibility for any calls or emails that come in requesting business support. Not only this but it is vital that the first point of contact (most likely the main switchboard call operative) can identify calls requesting business support, and direct them to the correct individual. It may well be that the correct individual would be within the LEP's Business Hub and the protocols for incoming calls may include this option, although to avoid confusion it is recommended that this signposting should be undertaken by the Economic Development team.
- 8.10 NNDC also can play an important role facilitating contact between businesses, skills providers, education institutions and other public sector partners. The Business

Engagement Strategy addresses this need. Experience from other areas shows that sector specific groups can work well as information and networking forums.

- 8.11 Smaller and fledgling businesses benefit from contact with larger organisations. In some cases this is through a structured forum aimed at building supply chain/collaboration. Ultimately such groups should be self-funded and managed, but NNDC can take the lead in establishing a series of sector specific groups.
- 8.12 Proposed additional activities for the Business Engagement Strategy are:

Table 41 – Recommended Additional Tasks for Business Engagement Strategy

Activity	Description
Enquiries Protocols	Revise protocols for incoming business enquiries by phone and email with the objective of quickly and efficiently forwarding to the appropriate specialist officer
Specialist Sub-area Engagement	Specific economic development officers for North Walsham and eastern area (Sub-area 1), Cromer and central areas (Sub-area 2) and Fakenham and western areas (Sub-area 3) to have targeted engagement with these key employment areas.
Small Business Support	Develop a strategy for assisting new and small businesses to grow in conjunction with the LEP's Business Hub and the new NWES Enterprise Centre
Specialist Sector Engagement e.g. Food and Beverage (others may be energy, tourism or engineering)	Specific economic development officer for the food and beverage sector, to draw together the primary production, processing, retailing, hospitality and tourism aspects of this sector, with a remit to improve collaboration and interaction in the sector.

- 8.13 Therefore it is recommended that the roles within Economic Development are redefined to incorporate specialisation in location and sector. This may include additional staffing in specialised economic development roles or the redefining of existing staff roles.
- 8.14 It is further recommended that sector specific approaches to support and engagement is proposed, which is elaborated upon later in this chapter.

Skills and Training

- 8.15 North Norfolk's workforce is moderately skilled. However, in order to maximise the District's capacity to exploit sectoral growth in coming years, particularly in the energy sector, engineering and ICT and creative industries, further skills growth is required.
- 8.16 Furthermore, with an ageing population, labour supply will be constrained. Therefore the limited available labour would need to be as skilled as possible to effectively meet business needs. It is likely that the 65+ age cohort would be taking an increasing role in the labour market in coming years. On-going updating of their skills will be increasingly important to maximise the labour market.
- 8.17 The LEP and NCC have identified skills growth as an important focus and any approach of NNDC should be consistent with this.

Table 42 – Skills and Training Tasks

Theme	SKILLS AND TRAINING
Issue	<ul style="list-style-type: none"> There is a need to continue to develop the District's skills to ensure local businesses have the capacity to exploit growth opportunities
Tasks	<ul style="list-style-type: none"> Continue to support the LEP and NCC initiatives for skills improvement Seek to implement the recommendations of the Skills Analysis Engage with North Norfolk businesses to identify priority skills area shortages in the District Identify a list of local industry representatives that can be recruited to promote key industry sectors as career options in schools and colleges Work with industry representatives such as EEF or EEEGR to develop a list of skills needs that would be addressed at the local school, further education and regional higher education levels Promote the need and importance for business etiquette and social skills in schools and colleges Engage with schools and colleges to promote specific vocations, including engineering trades, business computing, digital marketing, care services and other vocations identified through engagement with local businesses Engage with region's universities and further education colleges to promote opportunities for internships and sponsored placements to be undertaken in North Norfolk Engage with Skills Council and other skills providers to look at sector specific development Encourage local businesses to sponsor scholarships in FE colleges and universities Develop a programme of on-going collaboration with FE colleges and local businesses to guide apprenticeship and course curricula Encourage apprenticeships in the rural sector Facilitate a programme of skills improvements in the rural sector to promote value adding opportunities including crop diversification, organic certification, tourism and marketing Assistance programmes for individuals and employers for reskilling of the 50+ age cohort Investigation of apprenticeship-type programmes for long-term unemployed 50+ year olds Encourage leading industry individuals in North Norfolk to present information to schools and colleges to generate interest in careers in the sectors

Inward Investment

8.18 Inward business investment is an important component of a District's economic growth. However, as a business location, North Norfolk has a relatively low profile. In regards to attracting businesses from other regions or from outside of the UK to North Norfolk, they will consider the region as a whole, rather than specifically North Norfolk. Their focus will primarily be on the region's major centres, particularly Norwich. Therefore inward investment strategies that focus on North Norfolk are likely to be an inefficient use of Council's resources and be ineffective. This can be seen from recent data on inward investment need analysis of sectors from UKTI.

- 8.19 It is recommended that North Norfolk does not approach inward investment strategies in isolation, rather it coordinates and is consistent with the LEP's and NCC's approaches to inward investment. The greater critical mass that is achieved through promoting the region as a whole is more likely to be effective for North Norfolk than in operating in isolation. While only a relatively limited proportion of businesses attracted to the region would choose North Norfolk specifically, this proportion would still be of benefit for the District. Furthermore, the overall increase in economic activity at the regional level would have economic benefits for existing North Norfolk businesses, particularly those that are within or service the growth sectors being promoted.
- 8.20 Within the strategies and programmes of NCC and LEP, North Norfolk can promote its area as a strong business location. The District should be promoted on the basis of its growth sectors, its competitiveness, lower staff turnover and its enviable lifestyle opportunities. Explaining and promoting North Norfolk's role within the region, particularly its manufacturing and support of the region's food and beverage, energy and machining and engineering sectors will assist businesses in understanding the potential to service the whole region from North Norfolk. Ensuring that there is sufficient and adequately serviced employment land and premises for businesses to easily and quickly relocate to the District is an important component of promoting the area for inward investment.
- 8.21 It is not considered that the ex-RAF bases should be promoted strongly as a leading example of employment land stock in the District. While these sites have a complementary role in the provision of inexpensive premises in North Norfolk, they do not represent an example of high-quality, attractive stock likely to place North Norfolk above competitive areas. The strengths of the industrial markets in North Walsham and Fakenham and ensuring there is sufficient stock in those centres, should be the focus of the inward investment campaign, rather than promoting the ex-RAF bases.

Table 43 – Inward Investment Tasks

Theme	INWARD INVESTMENT
Issue	<ul style="list-style-type: none"> To promote investment in North Norfolk and increase the District's profile in the region
Tasks	<ul style="list-style-type: none"> Continue to support and take an active role in the County and LEP initiatives for business attraction identifying and promoting key priority sector – e.g. offshore wind, food and beverage, engineering Continue to share resources, including staff secondments, to County and LEP programmes for economic development Identify a clear and coherent message for potential investors as to North Norfolk's offer, its economy and its position within the broader region (see discussion on future investment prospectus) Promote North Norfolk as a business location through the County and LEP's channels for business investment Encourage investment and sites within and around the existing townships Encourage and contribute to the development of sector-specific business development strategies in the key target sectors for Norfolk and the LEP. Support the region's collaboration and engagement with trade organisations and UKTI Ensure there is sufficient employment premises and land to enable businesses to easily locate to North Norfolk, through an employment land review and regular monitoring

Property Provision

- 8.22 The adequate and appropriate provision of commercial property, both built stock and land, is critical in being able to encourage economic development and exploit regional growth.

Land

- 8.23 The research and investigations as part of this study have identified significant uncertainties in the data regarding available employment land in North Norfolk. It is recommended that a fresh accounting and critique of the allocated employment land be undertaken as an initial exercise in planning for economic land provision. While the annual monitoring reports suggest that there is currently some 79.44 ha of employment land available in the District, analysis of this supply suggests that readily available stock is limited to about 34.4 ha, with some areas having no supply. In summary, the supply within the key towns is:

Cromer	No employment land. Historic land take-up has been constrained by a lack of supply
Fakenham	Only 2 small in-fill sites immediately available, totalling 1.6 ha. Strong take-up in past years suggests further allocations are required immediately to continue growth
Holt	Allocated land is 2.3 ha in Hempstead Road Industrial Estate. Current market conditions suggest cost of development is too high for potential returns. Further 2.43 ha of employment land in Heath Farm development, which would meet the needs of the town if brought to the market in a timely manner.
North Walsham	Actual available land (7.7 ha) is significantly less than in AMR (32.16 ha). The only notable site is the expansion of the North Walsham Industrial Estate
Stalham	6.0 ha of available employment land, with infrastructure investment required to bring it to the market

Premises

- 8.24 In order for North Norfolk to continue to grow and to have a significant role in growth industries, such as servicing the energy sector, the provision of immediately available employment land, particularly in North Walsham and Fakenham would need to be achieved in the short term. Further industrial space would need to be available as a matter of urgency in Fakenham appropriate for engineering, food production and general industrial/warehousing needs. Further industrial premises appropriate for machining, metal fabrication and engineering needs to be established in North Walsham. Both areas ideally should have a level of choice of space of up to 1,000 sqm. Unless second-hand stock comes to the market, this should be provided through a programme of speculative development. There is a need to meet larger requirements, but this should in the short term be met through the provision of serviced sites.
- 8.25 The remaining land at Hempstead Road Industrial Estate and the further allocation within the Heath Farm development will be sufficient land for Holt's needs, if brought to the market and taken-up in a timely manner. Development mechanisms need to be found to deliver the land.
- 8.26 Cromer has a lack of built premises and vacant land that is readily developable. Further allocations of land is recommended in Cromer to provide opportunities for the growth of businesses in this town. The availability of land in Holt would be a suboptimal solution for Cromer's needs as there is a strong preference for workers to live and work in the same town, particularly in Cromer and therefore a business moving from Cromer to Holt to expand would have significant impacts on their workforce.

- 8.27 The role and adequacy of the ex-RAF bases in providing further stock needs to be understood at the District and County level. There is a substantial quantity of built stock on these former bases, equivalent to decades' worth of employment premises demand in North Norfolk. However, their locations outside of the main settlements, poor access and poor quality of stock means that in reality these parks can only provide a part solution to the need for further stock in North Norfolk. In particular, the published travel to work data and the findings of the consultation point to a strong degree of localism in the market. Businesses relocating even by a few miles are likely to have significant impacts on the commuting patterns of their employees. Therefore, while providing an inexpensive alternative for built stock in North Norfolk, the ex-RAF bases should be seen as only providing a complementary function to the commercial space market in North Norfolk, rather than a substantive solution.
- 8.28 Further innovation in the District can be encouraged and supported by the provision of employment space appropriate for start-up enterprises and micro businesses. It is recommended that space be provided in the District to encourage business growth and innovation in the District and to enable North Norfolk to remain competitive with neighbouring boroughs seeking to encourage similar enterprises. Start-up space will present opportunities for businesses currently operating from home to establish a more professional, corporate image and grow their business.
- 8.29 Start-up enterprises are not uniform and do not have uniform workspace requirements. Some will require office space, some a mix of office and workshop/storage space and some predominantly an engineering workshop space. Start-up enterprises often require assistance and have very restricted budgets and thus benefit from shared premises or serviced space. Flexibility in rents, including short-term leases, is also attractive to start-up enterprises.
- 8.30 There are a range of options that Council can employ to encourage the timely and appropriate delivery of employment land to the market. This commentary provides development options for the employment sites considered developable in this study. It identifies the site's development potential, mechanisms and actions for securing delivery (See Table 46).
- 8.31 In terms of specific delivery mechanisms, Table 44 identifies a range of mechanisms which are utilised in the contemporary property environment of limited public sector gap funding.

Table 44 – Delivery Mechanisms

Mechanism	Description
Private Sector Led/Private Sector Funded	Assumes a development is financially viable and has a willing developer. Public sector input will be limited to positive engagement by planning and economic development officers, to ensure a smooth delivery of the relevant property mix.
Revised Development Mix	Assumes a development viability gap, but no direct public sector intervention. Rather council officers and the developer negotiate a revised development mix which includes a stronger element of higher value uses to offset the gap. This does not automatically mean housing but could include retail or leisure uses, appropriate to the location, which can also improve values. Pubs/restaurants, a gym or hotel are examples of uses that both generate reasonable returns for developers and can improve the offer and attractiveness of a business park scheme.
Low Level Public Support	Public sector support does not always mean large scale investment. Sometimes a landowner may simply be unaware of the full potential of his site, level of market demand or how site constraints can be overcome. An increasingly common approach therefore is for local authorities to assume some of the initial research costs, producing for example a planning brief or masterplan to show the owner/developer what is possible and prompt development. Support on site/area marketing may also be welcome.
Acquisition	Council buys the land to undertake direct development or in partnership.
Joint Venture Agreement	<p>A defined agreement between public sector agencies and private developer partners. It is most commonly used where land is, at least in part, owned by the public sector. The public sector can then support development by inputting the land at low or nil value or by seeking out infrastructure funding.</p> <p>Such a Joint Venture partnership can take a number of forms:</p> <ul style="list-style-type: none"> • Contractual Partnership – Normally a short term arrangement where the parties enter into a contractual arrangement where one party, usually the developer, will deliver. It would relate to the most straightforward developments. • Joint Venture through formation of a limited company formed through share issue - A common arrangement where each party will put in an element of cost and risk, and the return reflects the share. NNDC may put in land and/or capital, the developer will often meet development costs. The arrangement may see proceeds distributed in different ways. This could be a revenue share, or a share on sale of the investment. The party taking the greater level of risk will normally have first call on the profit. • Company limited by guarantee – Tends to be more for non-profit making arrangements, and can introduce a number of partners to the company. This arrangement is more likely to be suitable for marketing and promotion of regeneration schemes rather than a Joint Venture to deliver development.
Direct Public Support	This may be in the form of direct development funding or funding infrastructure. It may also be through rental guarantees or other forms of security.
Annuity Rent	This is also increasingly used to support investments by pension funds and other major financial institutions into developments. The institution will fund the development in exchange for a lease of circa 35 years and an annuity rent paid by a secure covenant such as NNDC acting as developer. This would be a low but secured rent over the time period with agreed uplifts. The developer can then sub-let at market value to obtain a profitable rent. At the end of the 35 years the property will revert to the developer for £1

Mechanism	Description
	and the developer retains the long term asset value.
Revolving Infrastructure Fund	A method for paying for supporting infrastructure development on sites with otherwise good development potential. The public sector may use a range of funding such as prudential borrowing to provide funds in exchange for a long term payback of Business Rates, land receipts or associated income uplift. Where development is BREEAM Excellent, 100 per cent of business rate levied can now be retained by the borrowing agency.

Source: BE Group, 2015

- 8.32 The knowledge of the actual supply within NNDC is not complete. There is a relationship between NNDC and landowners at the planning stage, but not clear interaction to encourage business development. NNDC would benefit from an ongoing dialogue with agents, owners and developers.
- 8.33 NNDC can work with landowners and developers to explore how each site can be developed, in terms of addressing constraints, development costs, timing and the marketing of sites. Where land is not being held by developers for longer term development, NNDC should consider building a panel of preferred developers to bring sites forward. In this way landowners can be helped to procure development in partnership or sell sites.
- 8.34 Therefore in encouraging the development of sites and bringing premises to the market, the following tasks are recommended.

Table 46 – Property Provision Tasks

Theme	PROPERTY PROVISION
Issue	<ul style="list-style-type: none"> To ensure there is adequate supply of appropriate employment land in North Norfolk to encourage business growth
Tasks	<ul style="list-style-type: none"> Undertake a fresh and full audit of site allocations and built stock to fully understand the existing situation for employment premises and land Review and amend site allocations, policies and strategic documents to reflect the updated audit information Investigate options for the short term release of further employment land in Cromer, with a particular focus on industrial/warehouse units Continue to engage with the proponents of the F01 site in Fakenham to deliver further employment sites as soon as possible Investigate site options for further industrial land in North Walsham, deliverable in the short term Actively encourage the speculative development of industrial sites in Cromer, North Walsham and Fakenham Consider the appointment of a panel of developers to work directly with landowners not involved in the development of their own land Serviced offices/start up space to be provided in the District, with potential locations in Fakenham, Holt or North Walsham Continue to engage with NCC in regards to bringing forward premises in Scottow Enterprise Park Review the planning provisions at Scottow with an objective of streamlining and reducing planning constraints on the site Improve collaboration and information sharing between economic development and planning officers within NNDC and between NCC and NNDC officers Establish more direct dialogue with the property industry through regular meetings, direct annual monitoring and possibly a property forum.

Supply Chain Improvement/Sector Collaboration

- 8.35 A recurrent theme in this study is the need to support and build upon the sector strengths in North Norfolk and the broader region. There are substantial opportunities for growth in the energy, manufacturing, tourism and food and beverage sectors in which North Norfolk can play a key role. In order to fully exploit the opportunities, NNDC should create a supportive business environment, have a clear strategic direction and a coordinated approach to sector growth.
- 8.36 NNDC can take a facilitator role in supporting key sectors. NNDC does not have the sector specific expertise, but does have the coordinating power, public and private sector contacts and policy leverage to assist in sector specific economic development for North Norfolk. A clear message that NNDC should promote to the sectors is the benefits of promoting the industry at a regional level, using the resources and contacts of the LEP and NCC.
- 8.37 With regards to the energy sector, most of the regional growth opportunities are likely to occur outside of the District. However, businesses within North Norfolk will have

opportunities to benefit, provided that they are well-positioned and aware of the opportunities. The opportunities for North Norfolk businesses will be in providing construction, maintenance and engineering services for the energy sector across the region. Therefore in regards to exploiting this opportunity for North Norfolk, it will be critical that local firms are engaged and active at the regional level.

- 8.38 Opportunities in the food and beverage sector are in relation to value adding to existing products. Furthermore it is recommended that further collaboration between the different components of the sector would be of benefit. While Norfolk has several organisations representing the sector, they are primarily focussed on the hospitality side of the industry and are not engaging North Norfolk's processors to a significant degree. A broader organisation, engaging primary producers, processors, pubs/restaurant and tourism operators in North Norfolk will assist in opening up supply chains and markets for local businesses and improve industry knowledge and collaboration.
- 8.39 Essentially, encouragement of true cluster-style approaches to the local key sectors should be at the forefront of the Council's efforts, where public agencies, industry organisations and small and large businesses are regularly engaged with each other and presenting a united front in marketing of the sector. The Council's role should be looking to smooth pathways between its businesses and the growth opportunities. Inward investment efforts should be targeted towards identified gaps in the supply chains of the key sectors, informed and supported by key industry stakeholders. NNDC has recognised this and is looking to encourage further investment in the energy sector around Egmere, for example.

Forums

- 8.40 Small companies often work in isolation and are not aware of the benefits of working with local companies. The establishment of business forums, to bring newly established companies, SMEs and large employers together can have many benefits to the local economy. Forums provide a platform for networking, information sharing, supply chain creation and business support. Furthermore with experienced and proactive people leading them they can lead to further benefits such as business mentoring schemes, joint training initiatives, facility and equipment sharing.
- 8.41 The North West Nuclear Forum, which is an example of large and small operators within the industry collaborating and developing the region's industry as a whole. This

model of collaboration and knowledge sharing may be appropriate within Norfolk's key sectors.

- 8.42 Many of the tasks of the previous sections of this chapter can help support industry collaboration and sector development. Further tasks in this area include:

Table 47 – Supply Chain Improvements/Sector Collaboration Tasks

Theme	SUPPLY CHAIN IMPROVEMENTS/SECTOR COLLABORATION
Issue	<ul style="list-style-type: none"> To support and improve economic growth in the identified key sectors for North Norfolk
Tasks	<ul style="list-style-type: none"> Review Council's capability and resources for facilitating each of the key growth sectors for North Norfolk, including in-house knowledge, staffing, NCC and LEP resources available and budget Encourage and incentivise large organisations in each key sector to widen supply chains with local smaller and medium operators Establish a series of key cluster groups which should become self-managing, but with the aim of building collaboration, supply chain development, mentoring, including: <ul style="list-style-type: none"> Food and Drink: Facilitate and assist in the establishment of a North Norfolk food and beverage sector body that includes and engages the primary production, processing, hospitality, retail and tourism aspects of the local industry Energy and Engineering: Encourage higher involvement of North Norfolk firms in the East of England Energy Group, particularly support engineering and componentry businesses Small Business: Offer hosting of County-wide and LEP wide business organisation events to encourage higher participation of District businesses, work with Enterprise Centres to promote services to small businesses Tourism: Promote collaboration between north coast tourist facilities and The Broads tourist facilities to encourage visitations that incorporate both destinations Property: Bring together developers and agents to advise informally, or even formally on development, marketing and regeneration.

ture Investment Prospectus

- 8.43 This study has outlined the key characteristics of North Norfolk's economy and identified several opportunities for growth in the District. These findings can be used as an input into an investment prospectus for North Norfolk, as a tool to encourage investment in the District. The rationale for the investment prospectus is twofold:
- For the marketing of employment sites in North Norfolk
 - To assist in bids for public sector funding to overcome constraints and provide infrastructure improvements.
- 8.44 The two objectives of the investment prospectus would each result in the promotion of different aspects of the market, suggesting that more than one document would be appropriate. A site-focussed prospectus would promote the positive stories of North

Norfolk as a whole and highlight opportunities for the specific locality. A prospectus to accompany a bid application for funding would outline the growth opportunities in the District and region and highlight improvements that are needed in order to fully realise the growth opportunities. It would promote the positive impacts of the funding on the economy, including growth sectors.

8.45 The basis for the investment prospectus will be a schedule of development land identifying the opportunities on a town-by-town basis, with key investment information:

- Site area
- Services
- Local facilities
- Ownership
- Acceptable uses.

8.46 For each site the development opportunities should be highlighted, including permissible uses and key active market sectors. Any potential market gaps, such as types of units or size of units should be included. A list of further actions required to bring the sites forward would be useful for the reader to understand the development prospects for each site.

8.47 Table 48 summarises the key local characteristics to be promoted of the three sub-areas identified in the discussion on functional economic market areas in Chapter 3.0. These characteristics would complement the information on the specific site opportunities in demonstrating that the locality is a strong place in which to invest.

Table 48 – Key Marketing Characteristics of Three Sub-areas

Sub-area within North Norfolk	Key Characteristics to Promote
<i>Sub-area 1</i> East of NN, including Stalham, North Walsham, Bacton and rural areas	<ul style="list-style-type: none"> • Strong manufacturing base, especially in machining, boatbuilding, engineering and plastics • Bacton Gas Terminal • Growth opportunities in the energy sector • Excellent links to Great Yarmouth, Norwich and The Broads • Tourism opportunities around The Broads and coastal areas • Examples of business success stories – Coda Plastics, Sands Agricultural Machinery, Place UK, Oyster Yachts, Albert Bartlett
<i>Sub-area 2</i> Central NN, including Cromer, Sheringham and	<ul style="list-style-type: none"> • “Heart of North Norfolk” including administrative centre in Cromer • Strong tourism brand and offer, including natural environment, wildlife, restaurants/pubs and accommodation • Attractive, coastal lifestyle

Sub-area within North Norfolk	Key Characteristics to Promote
rural areas.	<ul style="list-style-type: none"> • Strong labour retention • Examples of business success stories – Structure Flex, Big Prawn co
<i>Sub-area 3</i> West of NN, including Holt, Fakenham, Wells-next-the-Sea and rural areas.	<ul style="list-style-type: none"> • Strong manufacturing base, especially in machining, engineering, food processing • Links to King's Lynn, Peterborough and Cambridge • Wells-next-the-Sea energy maintenance and servicing • Egmere • Holkham Hall • Fakenham has a good mix of industrial, retailing and office uses • Nature reserves on the northern coast with excellent birdwatching and wildlife attractions • Examples of business success stories – Jack Richards and Son, Hain Daniels, Kinnerton, Crisp Maltings

Source: BE Group, 2015

8.48 Furthermore there would be general characteristics common to each sub-area that should form part of the overall marketing for North Norfolk. Such characteristics include:

- the District's solid overall economy
- low cost of doing business
- moderate skills level
- attractive and enviable lifestyle
- diversity in growth sectors
- links to broader region
- consistency in direction and policy with NCC and the New Anglia LEP
- links to the region's energy sector, which has substantial growth potential
- links to Europe through the ports to the south.

8.49 For an investment prospectus with an objective to win funding bids for the District, the focus would be on the potential opportunities that could be realised for the District, which would be enhanced or assisted by the funding. Therefore, areas to promote in the prospectus would be:

Bottlenecks to growth

- The District has moderate skills but improvements are required in growth sectors, especially skilled engineering and construction trades, digital media/marketing, care services and other skills identified through proposed engagement with local businesses.

- There is a shortage of readily available and serviced industrial land to fully capitalise on regional economic growth, which risks North Norfolk being left behind.
- While broadband coverage is good in the District, there are concerns that the speed of the service is insufficient for local business needs.
- Ageing population is likely to result in a decline in the working age population cohort, which would restrict businesses' ability to recruit staff, stymying growth.
- Housing shortages and affordability constraints in North Norfolk restrict population growth, limiting the labour supply available for local businesses.

Growth opportunities

- The regional energy sector, including oil and gas, wind, nuclear and biomass has substantial growth prospects.
- North Norfolk has an excellent opportunity to provide an engineering, servicing, maintenance and complementary role in the energy sector, building on its existing function and strong engineering base.
- Broader engineering/manufacturing base in North Norfolk, particularly building on strengths in machinery and equipment, food products and metal fabrication.
- Broadening of the food and beverage sector, expanding food processing in the District and improving links between production and consumers.
- Expanding on the tourism offer in North Norfolk, through additional specific attractions, wider array of accommodation and improved marketing of the local offer.

Benefits of funding

- The prospectus should include specific and quantified benefits that would be expected from the funding/project.

8.50 It is recommended that the bid prospectus be refined and targeted for each funding bid, highlighting particular opportunities that can be realised by the proposed project or funding.

8.51 An example investment prospectus is provided in Appendix 3.

Appendix 1

List of Consulted Organisations

Appendix 1 – List of Consulted Organisations

Albert Bartlett
Arnold Keys
Coda Plastics
East Anglia LEP
East of England Energy Group
Fakenham Business Community
Filterworld
Great Yarmouth Borough Council
Holkham Estates
Cr Maggie Prior
Monica Vinader
MP Real Estate, representing Premier Inn
Norfolk Chamber of Commerce
NCC – Economic Development
Norfolk Food and Drink
Norwich City Council
Roche Surveyors
Sands Agricultural Machinery
Scottow Enterprise Park
Statkraft
Visit East Anglia
Wells Business Forum
Wells Port
William H Brown

168 businesses in North Norfolk were surveyed via telephone for the business survey.