

# **EAST OF ENGLAND RURAL FORUM INWARD INVESTMENT DISCUSSION PAPER**

---



## **INWARD INVESTMENT IN MARKET TOWNS IN THE EAST OF ENGLAND**

**Report by**

**Mike King amt-i Senior Research Consultant  
Sally Williams AMT East of England Coordinator  
Pat Holtom, Market Towns East**

**17<sup>th</sup> September 2008**

**'New business investment, or expansion of an existing investment, into an area  
from outside.'**

**[www.planningportal.gov.uk](http://www.planningportal.gov.uk)**



---

**CONTENTS**

---

	<b>Page No</b>
<hr/>	
<b>INTRODUCTION</b>	
Aims and Objectives	3
Methodology	4
Research Schedule	5
<hr/>	
<b>CASE STUDIES</b>	
Howden	7
Wymondham	14
St. Neots	20
Ely	28
<hr/>	
<b>KEY FINDINGS</b>	<b>35</b>
<hr/>	
<b>APPENDIX 1: A CHECKLIST OF THE PRIMARY SUCCESS FACTORS FOR INWARD INVESTMENT IN MARKET TOWNS</b>	<b>43</b>
<hr/>	

## INTRODUCTION AND METHODOLOGY

---

### Aims and Objectives

Inward investment is defined as the attraction of new businesses to a locality from outside the area, in order to stimulate employment or develop a business infrastructure.

A total of 1,573 foreign direct investment (FDI) projects from 48 countries were recorded in the UK during 2007-8, a 10 per cent increase. 42 per cent of investment projects were new investments; 28 per cent were expansions; and 30 per cent were mergers and acquisitions (M&A). In total, inward investment during the year created over 45,000 new jobs and safeguarded over 58,000.

The UK Competitiveness Index shows significant improvements in the competitiveness of UK towns, cities and regions but this is offset by significant drops in the competitiveness of rural economies. Of the 1,573 FDI projects only a minority were located in rural areas. Commenting on the issue, Professor Robert Huggins, of the Centre for International Competitiveness at the University of Wales Institute, stated, 'increased effort is required to explore how the competitiveness of rural economies can be improved in coming years.'<sup>1</sup> The role of inward investment has thus become important to market towns, Powe, Hart and Shaw in their 2007 publication *Market Towns: Roles, Challenges and Prospects* noted, "There is a need for towns to maintain a competitive position by attracting customers and investment."<sup>2</sup>

Market Towns East (MTE), a sub group of the East of England Rural Forum, represents the interests of the region's 120 market towns. It recognised that while some towns were consistently attracting investment the majority were not. In 2008 MTE decided to undertake a small research exercise to identify the factors that contribute to successful inward investment in market towns. The following paper has been funded by the East of England Rural Forum and prepared by Mike King from amt-i, Pat Holtom and Sally Williams from Market Towns East.

The report is structured around four case studies, followed by a summary of both the key findings from qualitative research, and a brief literature review, both conducted to provide a contextual background. The appendix provides a list of possible positive and negative effects of inward investment. It is accompanied by a checklist of the key factors required for inward investment in market towns. The checklist has been designed to be used as a guide for towns assessing any planned or existing inward investment projects.

---

<sup>1</sup> Commission for Rural Communities, *Productivity Rural England*

<sup>2</sup> N., Powe, T., Hart and T., Shaw, *Market Towns: Roles, Challenges and Prospects* (London, Rutledge, 2007) p.145.

### Methodology

Market Towns East worked with four towns where inward investment has occurred, or is being encouraged, these were; Wymondham, Ely and St, Neots in the East of England and Howden in the East Riding District of Yorkshire

- Wymondham was selected because, with improved transportation links, room for expansion and the opening of the Gateway 11 Business Park, the town has been seen as something of a ‘hotspot’ for businesses to relocate to.
- St Neots has attracted significant sized companies such as Bosch, Sealed Air and ABB and local organisations work in partnership to create business space for small and growing industries.
- Howden offers an insight into two areas of inward investment. Firstly how a well defined local authority economic development strategy can rejuvenate the local economy of a market town and area, and secondly how the attraction of one large company stimulates further success.
- Ely’s success has been less clear cut, but it offers an understanding of the issues which need to be considered when dealing with inward investment.

A qualitative research approach was adopted with telephone or face to face semi structured interviews conducted with:

- Local Government Chief Executives
- Local Government Economic Development Officers
- UK Trade and Industry
- Regional and sub regional International Investment Organisations
- Businesses
- Community Partnerships
- Trader’s Associations
- Community Representatives

## Research Schedule

A Research Schedule was designed for the researchers to use as a guide whilst completing their interviews and desk based study. The guide outlined the following areas of research:

- **Infrastructure of Town**
  - Existing transport/ communication links
  - Land availability
  - Public sector support
  
- **Business Advice and Support**
  - Availability to local existing businesses
  - Availability to inward investors
  
- **Local Facilities**
  - Developments as a result of inward investment
  
- **Economy**
  - Fluctuations through inward investment
  - Job creation
  - Job losses
  - Dependency on 'new' jobs
  - Utilisation of local skills
  - Levels of jobs filled from outside
  - Displacement from other areas
  - Effect on local wages
  - Effect on local firms
  - Retention of college leavers
  
- **Environment**
  - Location of any building/ proposed building work e.g. greenfield land
  - Levels of destruction to local Habitat
  - The effect of inward investment on local traffic volume
  
- **Community**
  - Communication with communities when proposed or actual inward investment has taken place
  - Integration of incomers

- **Housing**
  - Effect on house prices
  - Housing developments
    - Provision of mixed housing e.g. executive, first time buyers
    - Allocation and location of new housing

## HOWDEN – A Case Study of Good Strategy

---

*“We are delighted our expansion in Howden has had a positive effect on the local economy, creating new jobs and providing a boost to local businesses.” Sir Harry Roche, Press Association Chairman, October 2003*

The following case study is based on semi structured interviews with representatives from East Riding of Yorkshire Council, the Press Association and from the Howden community. Desk research has augmented the qualitative research.

### Description of Locality

#### Population

Howden is a small market town in the East Riding, a district covering 930 square miles. The population of Howden is 4,454, with 1,863 households.

Howden lies 17 miles south west of York, 3 miles north of Goole and close to the major cities of Leeds and Hull.

#### Industry

Throughout the nineteenth century Howden was famous for hosting the largest horse fair in the United Kingdom. However, due to the development of both the railway and the automobile industry, horse trading was heavily in decline at the turn of the twentieth century. During the First World War, Howden benefited from the construction of the Royal Naval Airship Station which was opened in 1916. The airship hangars provided both protection for shipping along the east coast and jobs for hundreds of civilians.

In the 1970s, with Howden once again in need of investment and employment opportunities, a large furniture manufacturing plant was constructed, and this operation under various names has employed a large number of local people.

#### Infrastructure

Transport links in the town are strong with seven trains a day from the local station to London Kings Cross. The journey takes between two and a half to three hours and trains run from 6.25 in the morning until 7.18 in the evening. Commuters can be in Hull within 30 minutes. The town lies next to the Trans- Pennine M62 stretch of motorway which connects the cities of Liverpool and Hull via Manchester and Leeds.

There are four schools within Howden: an infant's school, two primary and one secondary school.

### Investment/Development

#### Need for Development



As the need for airships diminished, so did the economic fortunes of Howden. New housing developments led to a dormitory effect in the town and the decline of the local shopping centre. Howden was dubbed a 'polo' town, with new housing servicing commuters to York and London, a declining historic centre and a totally undeveloped greenfield hole in the centre. Although Howden traded reasonably with just a few empty shops, the town centre lacked a large scale convenience offer.

### **Role of Local Authority**

The East Riding of Yorkshire Council was created in 1996, when there was strong support from the public sector in terms of attracting inward investment into Howden. With a new chief executive in place and a blank sheet in terms of economic development, the local authority set out to meet the local business sector. A robust analysis of the socio economic profile of the area was conducted with officers leaving their desks to visit local employers and discussing their needs and concerns.

East Riding District Council consulted with organisations and businesses that showed an interest into moving into the locality. Planning for the long term, the local authority did not look to chase grants or financial incentives, concentrating instead on finding suitable investors.

As a result of this proactive approach the Chief Executive of East Riding District Council formed a relationship with the Press Association, a company that already had a small operation in Howden known as P.A. Listings.

The Press Association is the UK's national news agency, covering and supplying news on a 24 hours a day, 365 days a year basis to:

- National and local newspapers
- TV and radio broadcasters
- Magazines, periodicals and contract publishers
- Websites, open space TV and mobile phone operators

The Press Association was in a period of expansion and human resource growth was also accompanied by physical expansion from London to offices in cities such as Hull and Leeds and Howden itself. The Press Association chief executive wanted to consolidate these offices and he began the search for a suitable location. The chief executive of East Riding of Yorkshire Council suggested possible sites in Howden; these included a redundant, but listed, police station, magistrate's court and small farm cottage.

Both parties began a close working relationship with regular meetings between personnel at senior level. The overriding aim of the local authority was to offer excellence in customer care to a potential investor and to foster a close working relationship based on trust.



The old magistrates' court and police station were sold to the Press Association. East Riding of Yorkshire Council brokered the deal. The buildings were demolished, and after 18 months of construction work, the Press Association relocated a large part of their operation to the new state of the art complex in Howden. The £5 million building, housing some 500 staff members receiving reports from correspondents from around the world, was officially opened in October 2003 by the Prince of Wales, courting high levels of publicity for the town.

## What Worked Well in Howden

### Strategy

A long term vision and strategy for inward investment, managed by a proactive chief executive and an innovative inward investment team within a newly formed East Riding of Yorkshire Council, was key to the success of the Press Association's expansion in Howden. The initial strategy to find companies that were right for Howden had paid off.

### Communication

Communication was a key part of the success of the Press Association's relocation to Howden. The local authority pulled together information on local schools, training providers and facilities in the region. The local community, including residents and town and parish councils were consulted before development began.

As with any change within a community, there was a small amount of antipathy towards the Press Association's investment, mainly concerning traffic congestion and the loss of the police station and magistrates' court. The local authority prepared for negative reactions and they held discussions with the wide range of people who were not supportive of the redevelopments to present factual information and allay their concerns. Although certain sections of the community were not appeased, a clearly

defined and well communicated strategy helped East Riding of Yorkshire Council to achieve their vision for the town.

### **Knowledge**

East Riding of Yorkshire Council ensured that they understood the work of the Press Association and their needs for a new office. This enabled them to tailor their offer, provide appropriate support and speak with authority and knowledge.

### **Drive**

Before making the final decision on the location of their new offices, the Press Association needed to discuss some small issues at short notice. They invited members of Hull City Council, the other location on their shortlist, and ERYC to a meeting on Christmas Eve. Several senior members of ERYC attended the meeting, Hull City Council managed only to provide one junior staff member. The drive of the local authority, and their ambitions for the town, were evident to the Press Association and the deal went to Howden.

### **Success breeds Success**

In 2006, Ebuyer, the online technology retailer, relocated over 200 members of staff from sites in Sheffield, Holbrook and Eastrington to a new £19m headquarters and distribution centre in Howden Dyke, a site which had been for years earmarked for industrial development.

Tesco has recently constructed a large distribution centre in Goole, three miles down the road from Howden, creating hundreds of job opportunities.

From being considered a 'Polo Town' just over a decade before, in 2005 Howden was featured in The Times top 20 list of places with the best standard of living in the UK. These quality of life indicators are used as a selling point to possible Press Association staff.

The town centre in Howden is now a scene of 'hustle and bustle' with workers from the Press Association populating the local shops, cafes and tea rooms at lunchtimes.

### **Reversal of Commuting Patterns**

From being labelled a dormitory commuter town it is estimated that 70-75% of Press Association staff live in the 'DN14' post code covering Howden.

### **Active Recruitment in the Community**

The aim of the Inward Investment Team is to foster economic growth within Howden and the wider region. When companies like the Press Association, Ebuyer and Tesco develop a business locally, the objective is to ensure that local people benefit. The Inward Investment Team has a specialist Workforce Development Officer, whose task is to work alongside other agencies such as Job Centre Plus and the human resources staff of the incoming organisation. The working group will set a pre

recruitment education and attainment skills level which guarantees interview. Local people are then put forward for the forthcoming job opportunities. The benefits of this function are that local people are employed and the local authority gathers immediate feedback from the incoming business on their levels of customer service and the skillset of the local population.

The Press Association has fostered very close links with the local school, and actively recruits both A Level and GCSE students to full time jobs, offering excellent training and professional development programmes. The Press Association also employs a large number of young people from the local school at weekends, offering good work experience and an insight into future career opportunities.

The Press Association also has a strong emphasis on developing internal staff and promoting from within, which is especially beneficial for both Howden's school leavers, but also the members of the local community who have joined the company.

### **Solutions to Problems**

With house prices increasing, East Riding of Yorkshire Council has released land for 500 new houses to be built, 40% of which will be 'affordable.'

The Press Association has also looked to resolve the car parking and traffic volume issues since their relocation. A Park and Ride scheme has been implemented from an out of town venue, car sharing is encouraged and recently land near the town has been bought to provide around 250 parking spaces.

### **Transport**

Since the Press Associations relocation, Hull Trains have included Howden as a stop on their route to London, resulting in the capital being more accessible to local residents.

### **Room for Improvement**

#### **Infrastructure**

The local public transport facilities have proved inadequate for many staff who commute, as much of the Press Association work is done round the clock. This has led to considerable strain being put on Howden's parking facilities, leading to the creation of a controlled parking zone embracing most of the central area of the town.

#### **Increased Local Tension**

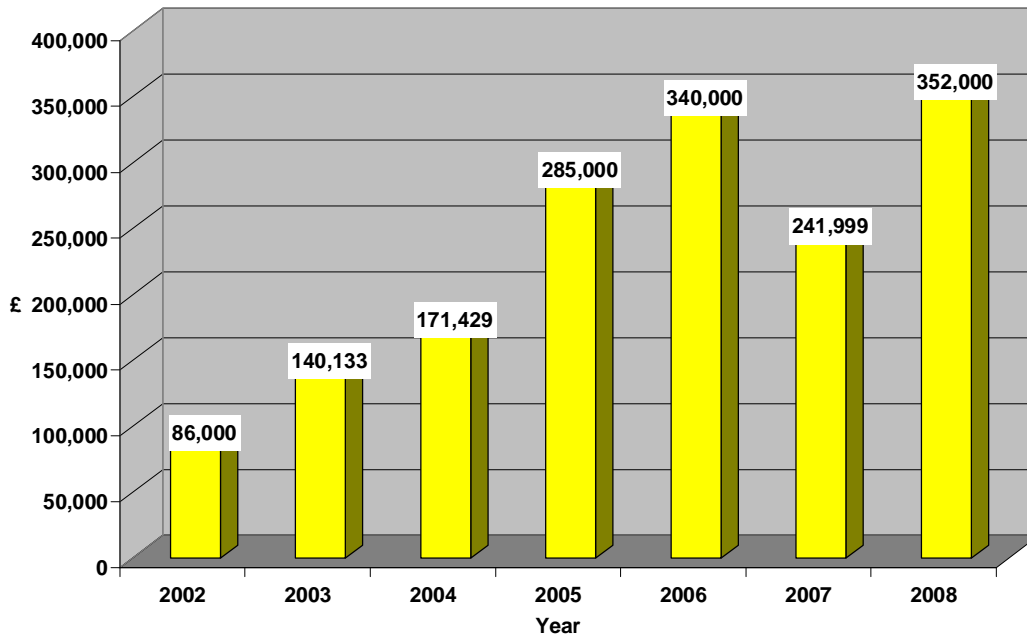
The initial increase in traffic congestion as a result of the investment caused tension within the local Howden community. Wage levels have also increased, especially with the recent Tesco distribution centre, which has worried local businesses.

#### **House Prices**

## MARKET TOWNS EAST – INWARD INVESTMENT

The transformation of Howden, as a result of the Press Association’s relocation, into one of the most desirable places in the country to live has resulted in house prices increasing, leaving many youngsters priced out of the market. The table below illustrates that since April 2002, the average selling price for a detached house in Howden has gone up 309%. The increase from the 2003, when the Press Association moved into Howden, is particularly marked.

Average Property Selling Prices in Howden for Detached Housing



Source: [www.home.co.uk](http://www.home.co.uk)

## **WYMONDHAM – A Case Study of Good Location**

---

*'Wymondham is a rapidly growing town and is standing on its own two feet rather than simply being a satellite of Norwich - the potential for the business park and the town is great.'* Wrenbridge, Commercial Property Developers. 2008

### **Description of Locality**

#### **Population**

Wymondham, situated in South Norfolk, 9 miles south of Norwich, is one of the largest parishes in the county. The town is long established with a charter issued by King John in 1204.

In 2001 the Census recorded the population as 11420. However, by 2004, the figure had increased by 5.6% to 12,075. The rate of growth was higher than those witnessed in Norfolk (2.2%) and the East of England (1.7%). ONS statistics indicate that 72.2% of the population is economically active, which is once again higher than that of Norfolk (65%) and the East of England. (69.2%) There are plans for further development at Wymondham under the Local Development Framework, with an estimated construction of 3,000-7,000 new houses.

#### **Industry**

Wymondham is an attractive tourist centre for the area. Amongst the major attractions is the 900 year old Abbey and the centre of the town contains many fine 17th and 18th century houses scattered about the winding streets. The Market Cross built in the early 17<sup>th</sup> century in the centre of the town contains the Tourist Information Centre and there is a Heritage Museum housed in the former Bridewell, which was originally a prison, a women's' house of correction , a police station and finally a Magistrates Court. There is a thriving weekly market selling a wide variety of produce and goods and a Farmers' Market once a month featuring local grown produce.

Wymondham has had a number of key industries over the centuries. The Town was once a renowned centre for woodturning, which eventually evolved into brush making, lasting until the latter part of the twentieth century. It was also part of the Norwich-based handloom weaving industry for several hundred years. In the early part of the 19th century it specialized in the manufacture of bombazines (used in mourning clothes) but was eventually defeated by more modern weaving methods. Currently, the Wymondham area has diverse industries, such as the world famous Lotus Cars at nearby Hethel and the Operations Centre for Norfolk Constabulary.

**Infrastructure**

The Mid Norfolk Railway provides a tourist link between Dereham and Wymondham Abbey station, with plans eventually to link to a new platform at the main line station. The opening of the line directly to Cambridge from Norwich stopping at Wymondham has improved transport links to both cities as well as establishing easier communications into London and the Midlands

The dualled A11 provides excellent links between Wymondham and Norwich as well as leading further south to the M11, A14, A1 linking London, Cambridge and the Midlands. The long-awaited Attleborough bypass was opened in 2006, resulting in the eight miles of road south of Thetford now being the only stretch of the A11 that remains undualled.

The National Express coaches stop regularly in the town providing gateways to the four major airports of Stansted, Luton, Heathrow and Gatwick.

**Investment/ Development**

In the mid 1990's Wymondham was identified by the local community partnership to be declining. A growing population was augmented with town centre shops closing. However, with the bypassing of the A11, new development land was opening up, allowing the fast-growing A11 corridor to become one of the region's hotspots for commercial growth. Allied with a shortage of land for development in Norwich, Wymondham provided a good strategic location on the A11.

With traffic congestion problematic in Norwich, City Centre companies actively began to search for alternative locations, resulting in a new development, Gateway 11. Gateway 11, a prominent site with good infrastructure, offering excellent parking, was established just outside Wymondham.

The Gateway 11 Business Park provided 250,000 sq ft for office and industrial use. Norfolk Constabulary was among the first to realise the potential of Gateway 11, constructing a new £21m operations and command centre at the site under a private funding initiative. The 17,000sq metre project replaced cramped working conditions in Martineau Lane, Norwich and brought together 14 scattered administrative locations from across the city. Further employers moved in, Doyen Medipharm a world class supplier of medical packaging, Carbon Fibre Technology, and Williams Lea a sub group of Norwich Union.

More recently, CgMs have provided expert retail advice in connection with a full planning application for the development of a Focus DIY store, garden centre and car parking. The successful application has seen a £6.5 million development containing 26,000 sq. ft of floorspace plus a 10, 000 sq. ft. garden centre, significantly enhancing the level of provision in Wymondham, which is not served by any of the major national DIY chains.

Other developments include East Anglian Motor Auctions relocating from Aylsham Road, Norwich, to a new purpose-built complex on a 4 acre site within the Gateway Business Park. East Anglian Motor Auctions have subsequently increased their staffing levels by around 23%. Commenting on the move, the firm's General Manager said, 'it has been everything we hoped it would be. I probably put that down to the location as much as anything. It's a much pleasanter place to work, not just because we have a purpose built building which does make a difference, but Wymondham is generally a nice place.'<sup>3</sup> Other advantages mentioned included, ease of access and parking for employees, the potential for growth, the availability of banking in Wymondham with easy parking and less security problems than those experienced in Norwich.

### **Potential for Growth**

Thirty further acres remain available for mixed use development, including retail, hotel, leisure, offices and industrial distribution space, and the growing role of Wymondham as a major player within the Norfolk economy has seen the start date for work being set sometime in 2009 – 2010.

### **Role of Local Authority**

In 2000, South Norfolk District Council under the new cabinet regime allowed for an economic policy postholder. A new political will resulted in resources being put into place to assist in the development of the economy within the district. An economic development officer was appointed and within the planning system key sites were identified for development. The building of the Wymondham by-pass created land suitable for industrial purposes and the council was fully supportive of the developmental approach.

In the current economic strategy, South Norfolk District Council is committed to promoting the area for inward investment, and works with the County Council, the Norwich Area Development Agency, the EEIIA (East of England Inward Investment Agency) and other districts to promote the many benefits of the area. With potential growth at Wymondham with plans in the Local Development Framework for 3,000-7,000 new houses, it was felt that the need for local employment was paramount. The Council was fully supportive of the Gateway 11 development, and planning applications were on the whole well received and handled efficiently.

The Councillors with their emphasis on local involvement, worked closely with the Wymondham Community Partnership and meetings were arranged with the partnership and proposed incoming businesses.

---

<sup>3</sup> Wymondham- Gateway to the Future, accessed 26 March 2008



### **Role of the Community Partnership**

The Wymondham Community Partnership (WCP) was formed in 1998, growing out of a perceived economic recession due to retail outlets closing, the chamber of trade fading, lack of local employment and residents living on new estates commuting to Norwich. WCP identified that economic success depended on a lively and thriving town centre drawing in shoppers, day visitors and longer term tourists. Much of the partnerships focus was on the retail offering, and protecting the environment by safeguarding nature reserves, open spaces and green wildlife corridors. As a result WCP contributed towards the development of:

- Wymondham Learning Centre, successfully providing IT training since 2003, first in purpose built accommodation and now based in the High School
- Wymondham Farmers Market
- Wymondham town website
- Wymondham Tourist Forum
- Annual St George Celebrations

As part of the partnership, the Wymondham Business Forum was established. The forum aims to ‘encourage and empower Wymondham’s business community to grow and develop in supporting and promoting each other, resulting in a vibrant community and reducing our carbon footprint.’ The Forum currently has 54 members, some of which are on the Business Park.

Wymondham Retail Group has also been formed to liaise with South Norfolk Council about the concerns of the town’s traders and to encourage people to shop locally. The Group gives retailers in Wymondham and the surrounding area the opportunity to get together and discuss issues as they arise.

### **Regional Support**

Shaping Norfolk Future’s Strategy – the Economic Strategy for the County

Strong support is given to Norfolk's key sectors and resources are directed at a number of activities including attracting investment, building stronger international links, encouraging enterprise and raising the profile of Norfolk as a great place to work, live and do business. The East of England Development Agency (EEDA) has identified the A11 corridor as having the potential to develop clusters focused around motorsport and engineering. Regional economic strategies include the attraction of inward investment to the county, a vision which could lead to new development on the Gateway 11 site.

## **What Worked Well**

### **Retail Offer**

The economy of the town centre has remained stable in Wymondham despite the developments on the edge of the town.

### **Job Creation**

Over 400 jobs have been created as a result of Gateway 11. Recent findings have highlighted that local people are benefiting from the investment, 40% of employees from Gateway 11 live in the NR18 postcode area.

Although much of the new business moving into Gateway 11 has been the expansion of existing local companies, the availability of land and units for further development has seen the growth in local employment opportunities.

### **Room for Expansion**

Williams Lea moved from Norwich with 400 staff, choosing the business park as the ideal location for a prestigious £10m flagship operations centre where new purpose built facilities allowed the company to rapidly expand its activities.

### **Attracting the right businesses**

A household survey showed that almost 70% of expenditure in the Wymondham area was spent at the major DIY stores in Norwich, thus the Focus DIY Store development has been well thought out and illustrates a local need.

### **Location**

Due to congestion issues in nearby Norwich, Wymondham, with its excellent transport links and room for expansion, is placed in an excellent location to cope with demand.

### **Private Sector/ Public Sector working**

Private sector developers identified the Gateway 11 site with strong support from the local authority planners.

### **Strategy**

Norfolk County Council's strategic partnership Shaping Norfolk's Future has identified and assisted the formation of clusters along the A11 corridor.

## **Room For Improvement**

### **Housing**

Increasing potential housing development is causing concern.

### **Engagement**

There could have been further economic development engagement within the local Wymondham Community Partnership. WCP's focus was primarily on environmental and social issues, although the Learning Centre was a great ongoing success.

There has been a lack of connection between the new retail and business groups and Gateway 11

### **Job Displacement**

Research indicates that a number of incoming firms have moved from nearby localities such as Norwich. Displacement of jobs cannot be claimed as the creation of new jobs in the region.

---

**ST NEOTS – A Case Study of Good Strategy**

---

**Description of Locality****Population**

Huntingdonshire covers an area of over 350 square miles (91,000 hectares) on the western side of Cambridgeshire with a population approaching 160,000.

Geographically the area is predominantly rural but contains five significant market towns and several large village settlements. The market towns of Huntingdon, St Neots, St Ives, Ramsey and Godmanchester account for about half of the District's population. St Neots is the largest market town with a population of 28,000.

**Industry**

The District has a consistently low level of unemployment and has one of the highest levels of gross domestic product in the United Kingdom. The GDP growth rate over the last 20 years has been higher than that of the Eastern Region and the national average. In the past ten years the total number of people working in the District has increased by 14,400 to 63,300, a 26% increase, one of the largest increases in the country.

St Neots has a clustering of hi-tech industries which have experienced a steady rate of economic growth. 19% of the local labour force works in manufacturing against national average of 15%. The town has attracted companies of a significant size including Bosch, Sealed Air and ABB.

As the population has grown the town's increased shopping needs have been met by a number of new developments, including 'out of town' supermarkets.

**Infrastructure**

St Neots is well connected. It stands on the River Great Ouse and is located where the A1 and A428 trunk roads cross. It is on the main rail route from London to Edinburgh and has a fast rail service to London's King's Cross.

St Neots has a successful transport strategy and £3million has recently been invested to modernise the train station to provide a new footbridge, lifts, further car parking and bus stop facilities.

## **Investment/Development**

### **Need for Development**

Over the last 17 years St Neots has experienced 22% population growth and 46% household growth. The current population of the town is around 28,000 and is expected to reach 34,500 by 2016.

A Civic Trust report completed in 2005 highlighted a time lag in the provision of adequate community infrastructure to meet the needs of the growing population. The report called for urgent plans for a new school, public transport, health centre and sporting and cultural activities.

Although job growth in the region has been high this has been largely centred in Cambridge and about 35% of the workforce out commute from St Neots to Cambridge, Peterborough and other centres. To promote sustainable development St Neots needs to encourage local employment to reduce commuting. To date the provision of affordable housing has been inadequate, resulting in certain skill shortages and recruitment difficulties.

Huntingdonshire faces the following obstacles to economic growth:

- Congestion of the A14, one of the major roads through the District
- A daily out-migration of workers
- Hard to Fill Vacancies
- Skill shortages
- Lack of financial assistance for new small businesses
- Issues with rural transport and communications
- Shortage of business start up units up to 1000 sq.ft
- Affordability of housing for key workers
- A decline of the farming Industry

## **What Worked Well in St Neots**

### **Multi agency collaboration**

Businesses wishing to explore St Neots as a likely area for location have many initial points of contact. At least five agencies have a remit to attract inward investment, some operate at a very local level and others at a regional level. These agencies work in partnership, they are:

#### ***East of England International (eei)*** [www.eei-online.com](http://www.eei-online.com)

East of England International provides support to businesses that need to grow internationally. It works with overseas owned companies that are locating to the region as well as local businesses wishing to export their products and services. Eei matches the requirements of businesses to sector specialists to ensure they receive expert advice.

#### ***International Relations, Greater Cambridge***

International Relations (IR) is a department of the Greater Cambridgeshire Partnership, the Sub Regional Economic Partnership for Cambridgeshire. Funded in part through the East of England Development Agency the department offers a service to any business wishing to relocate to the Greater Cambridge area. IR has a comprehensive website and provides businesses information about the area, accommodation and the skills market. It also offers a signposting service to other organizations and agencies.

IR sells the reputation of Cambridge as a centre for innovation, academic research and new technology. An International Relations Manager has been employed to discuss the requirements with each prospective client. She works in partnership with each of the district councils in her area, including Huntingdonshire, in order to give businesses a broad perspective of the options for location.

#### ***Huntingdonshire District Council***

Huntingdonshire District Council has a local economy strategy which sets out the following six strategic priorities:

- Business Support
- Physical Infrastructure Development
- Skill Development
- Town Centre Support
- Visitor Development
- Sector Development

Research consistently identifies the need for basic start-up space for businesses in Huntingdonshire, this was reflected in the recent Employment Land Study

undertaken to inform the Local Development Framework. Start-up space is important as it underpins new business growth in the high value sectors. Also there is an unmet demand for move-on space which is important for the second phase of a company's development.

HDC identified a need to provide flexible lease starter units to encourage the growth of new business and entrepreneurialism in Huntingdonshire. They spent over £600k in 2003-6 to provide new business starter units of between 400 and 1400 sq ft. HDC also has policies to address the shortage of essential skills and affordable housing for key workers.

HDC has a focus on inward investment to attract more businesses to the district. It promotes the assets of the district, responds to enquiries by a fast-track procedure, targets existing companies, and has other activities which improve the district's business profile and adds strength to existing and developing supply chain networks.

### ***The Community Partnership***

St. Neots Town Centre Initiative (SNTCI) was founded as a result of a local consultation activity in 1996. SNTCI has proved to be an excellent bridge between the local business community and local authority.

The Management Group includes a wide range of stakeholders from the private, public and voluntary organizations and it meets on a bi monthly basis. Nine working groups include: Financial Planning, Promotion and Tourism, Transport, Redevelopment and the Environment, Business and School Links, New Creative Enterprise Steering Group, Manufacturing Club, River Care Group and a Retail Club.

The partnership is chaired by John Davies, a volunteer who works from an office donated by the company Sealed Air. He is an active community leader and a prolific networker. His location on one of the busiest manufacturing sites in the district enables him to provide vital contacts to those from the sector wishing to locate to the town.

SNTCI has forged a strong working relationship with the town and district councils. The town centre manager, Tom McCormick, works 50% of his time for the partnership and the other 50% for the town council and as St Neots lies on the border of Bedfordshire SNTCI has also involved the Bedfordshire Borough Council in activities from an early stage.

### ***Private Sector***

In St Neots private investors have also been responsible for generating local investment. In the 1990s a parcel of land in Wyboston, Bedfordshire was purchased by a developer to build a golf course. Over the past fifteen years the site, Wyboston Lakes, has developed into a major conference and training centre with water sports and other leisure facilities. Robinson College uses the site for pharmaceutical training and the Home Office, Police and the Inland Revenue use the modern facilities to run national training courses. A knowledge centre has been added to provide a suite of

offices for those wishing to book flexible office space in an open planned and serviced environment.

Wyboston Lakes now employs 250 people and it has minimised any negative environmental impact by providing a nature reserve which is managed by the Wildlife Trust. The business model has been delivered by a team of private stakeholders but Wyboston Lakes provides a good example of collaborative working between the public and private sectors.

### **Identifying skills gaps and attempting to close them**

A shortage of skills affects the level of economic growth in the UK. St Neots has in particular a shortage of engineering skills. This problem was highlighted when one major hydraulics company transferred 200 jobs to the Czech Republic which is a country famous for producing engineers.

The Manufacturing Club in St Neots worked with Abbey College in Ramsey to pilot an innovative project to get young people into engineering. Using European funding they developed a test to identify engineering aptitude in 14yr old children. Ramsey, a rural town in Huntingdonshire, has a low skills base and poor transport connections. 14 students were selected to participate in a two year course at Huntingdon Technical College where they were taught CAD, machine and tool handling and other practical engineering skills. At the end of the programme nine of the students became engineering apprentices in local companies and the other five went on to further education.

A new engineering diploma at St Neots Community College has been launched and hopes are high that more young people will follow this vocational route.

### **Provision of business networking**

East of England International recognizes that overseas companies value business to business networking and take this into account when planning their business location. The UK lacks sophisticated business networking fora, for example the Chambers of Commerce have a much lower profile here than in other European countries, and cluster specific networks are not common place.

Eei worked in partnership with the district council, local businesses and St Neots Town Centre Initiative to set up the Manufacturing Club to ensure that the larger manufacturing companies in the town communicated and shared issues and solutions.

The Manufacturing Club was formed in November 2003 with 10 Companies; this number has increased to 16 with 60 members. The meetings are held quarterly, and this has allowed for larger and smaller companies to work together on schemes such as waste minimization and business continuity, it has also created a support network for HR Managers. Representatives from the Institute of Manufacturing and the Anglia Ruskin University in Cambridge sit on the group in an aim to forge links between St Neots and the knowledge sector.



**Provision of space and business facilities and infrastructure**

Huntingdonshire District Council identified a need for new business space of between 400 and 1400 sq ft. As there are many types of business premises (including incubation units, managed workspace, innovation centres, enterprise and business centres and science parks) it is necessary for local authorities to research the gaps in provision very carefully before development commences.

The Civic Trust report in 2003 suggested that creative industries could be attracted to St Neots. The local schools had strong performing arts, media and IT departments and the town was losing local children to creative industries in larger cities. The UK is the world's fifth largest market and an essential export destination for creative companies throughout the world. One reason for the UK's leadership in the creative sector is its success in incubating new talent. National and regional regeneration bodies have embarked on a variety of programmes to encourage international creative talent to settle in the UK.

In 2006 HDC formed a partnership to plan and build a creative enterprise centre in the town. The project formed part of a local strategy to encourage creative industries and fledgling businesses to locate in St Neots. In September 2008 this new £2million centre will be opened to attract, retain and promote creative businesses.

Creativexchange is located within the campus of Longsands College and has been funded by the HDC, Department for Communities and Local Government, East of England Development Agency, Greater Cambridgeshire partnership and Longsands College.

It is hoped that the 14 serviced office accommodation will attract businesses with a focus on advertising, architecture, art & antiques, crafts, design, fashion, film and video, interactive leisure software, music, the performing arts, photography, publishing, software and computer services, television and radio. It is expected that the centre will provide students from across the district with opportunities for work based learning, and become a good example of education and business collaboration.



## **Room for Improvement**

### **The Cambridge Factor**

St Neots suffers from out commuting, with many skilled workers leaving the town to work in London, Cambridge and Peterborough. So far St Neots has failed to capitalize on its proximity to Cambridge by exploring links to the city's knowledge, R&D, science and technology industries. Firms looking to invest in the sub region are attracted to Cambridge because it has a high profile internationally this is often to the detriment of the surrounding market towns that have much to offer.

### **Competition from new business centres**

Creativexchange and the other business centres in St Neots face stiff competition as the Regional Development Agency and other public bodies have funded several similar facilities in the region. Planning permission has been granted for an innovation centre at Wyboston but this is going to be smaller than originally planned as sufficient demand is not thought to exist.

The provision of new business space does not always significantly increase the level of investment in an area. Tribal Consultants were recently commissioned to research the success rate of managed workspace in the region. They found that new business centres can be hard to fill and rental of space is often slow at the start. Incubation units can successfully provide the environment for small businesses to grow, but grow on space is needed if these businesses are to be persuaded to remain in the area. Like other business centres the Creativexchange offers tenants the opportunities to network with each other however this needs careful facilitation if expected collaboration between tenants is to be fulfilled.

### **Lack of funding for skills projects**

In St Neots, the European funded project to identify certain skills and aptitudes that could relate to an engineering career was a great success. This type of testing is a fundamental building block to identifying those in schools who could follow an engineering career path and it remains largely invisible in the education system. It is likely however that this pilot initiative will not be mainstreamed due to lack of funding. St Neots Manufacturing Group is championing the development of a generic process in all schools to seek those with engineering aptitude but a viable funding source has yet to be identified.

Some skills investment has been successful; the East of England Development Agency has funded the Investing in Communities 'Learning communities' project in St Neots which aims to encourage people back into learning and up skill the local workforce.

### **Poor perception of skills training**

A new engineering diploma has been planned to involve a network of schools with forges, drills and milling machinery to create core skills in local schools. Challenges are faced to get parents on board to accept this new qualification as a viable option for their children and sourcing the teaching skills in these subjects will be a difficult task. An initiative to get schools to run GCE Engineering interested only 2 out of a group of 40, yet one local company has estimated a need for 500 engineers in the next ten years and another local firm taking on 150 apprenticeships annually has to source them from outside the region.

Local companies themselves also showed a reluctance to train their employees. Initiatives like Train to Gain receive less take up in rural areas than in urban areas.

Other new national diploma courses based around the creative industries have been much more popular with young people. Longsands College, St Neots Community College and Huntingdonshire Regional College are all collaborating to deliver this across the town.

### **Business Support Signposting**

There is a wide range of business support across the district. However, it is important to ensure that all businesses are able to access this support, especially those in outlying rural areas. Better signposting, clearer support information, and mentoring (especially for new and young businesses) will ensure that more businesses benefit from the support on offer.

## **ELY**

---

### **Description of Locality**

#### **Population**

Ely is part of the East Cambridgeshire District, covering an area of approximately of 650 square kilometres with a population of 79,600. The District is rural in nature with Ely one of three market towns alongside Littleport and Soham.

In the 2001 Census, the population of Ely was recorded at 15,102. Despite this relatively small population, Ely is classified as a city due to its famous cathedral.

The population of Ely has noticeably increased in the last 10 years, and will continue to grow; the Regional Spatial Strategy highlights the city as an area of major growth. The projected figure for the population in 2026 is 26-28,000, accounting for 57% of the future East Cambridgeshire District population increase.

#### **Industry**

The economic changes in the sub region stimulated by the expansion of Cambridge have had a profound effect on the district. East Cambridgeshire is now a prominent business location in its own right but it was once a predominantly agricultural area. The District now boasts an impressive and growing cluster of high tech businesses complementing the existing range of agricultural, small manufacturing, distribution and service industry companies already well established in the area.

Although 98% of businesses in East Cambridgeshire employ less than 10 people there are some larger key employers in Ely such as the manufacturing company Shearline, the distribution company Fortman and Mason and the sales and servicing section of Volvo.

#### **Working Patterns**

In the wider East Cambridgeshire District around 75% the working population out commute from the district to other settlements like Cambridge and London. The out commuting pattern is evident in Ely; in the 2001 Census 7,454 residents were recorded as being of working age, 45.3% worked outside the city. A skills audit of these commuters leaving Ely for Cambridge and London revealed that a large number of the out commuters were highly qualified people, and a majority of this cohort would work locally if the right sorts of jobs were available.

### **Infrastructure**

The population growth has led to developments in the town's infrastructure, such as the introduction of extra doctors and dental surgeries. A decade ago a new primary school was constructed, which is now full, similarly within 3 years the most recently built primary school has reached capacity.

The railway is a major positive in terms of the infrastructure of Ely, with 5 lines linking the town to Cambridge, Norwich, Ipswich, Peterborough and Kings Lynn. Due to the demographic growth the number of trains has increased, with the service on the Cambridge to Norwich line increasing by 25%. One of the problems with this increased service is that the level crossing gates are closed for 27 minutes in every hour, creating severe traffic problems.

### **Attractions**

Ely Cathedral is an obvious tourist attraction, but there is a feeling that visitors generally visit the building and then leave, without spend enough time and money in the town centre. The 'short stay' of visitors could be increased if the retail offer in Ely was strengthened.

Companies that have located in the district cite the advantages of a quality working environment. East Cambridge was recently placed 6<sup>th</sup> in a MORI Survey of the best places to live in England, scoring 87.7 out of 100.

### **The Masterplan**

In order to plan for the changes that came with the increased population, a twenty year masterplan for Ely was prepared. The masterplan involved widespread consultation and it identified where incoming industry and business could be located, where large retail outlets already interested in moving to the town might be sited, where new houses should be built and how to regenerate the city centre and surrounding areas.

Key issues in the Masterplan were:

- Developing a Southern Link road
- Removal of the sewage works from the riverside and regeneration of the area
- The regeneration of the railway station 'gateway' area with high quality housing and offices. Industrial units will go to expanded business parks at Angel Drove and Lancaster Way.
- The development of a country park
- The current sports centre and swimming pool to be replaced with shops, houses, park/play area to facilitate the development of a £12 million Leisure Village

- The construction of more homes in the north of the city.
- The development of new primary and secondary schools.

### **Investment/Developments**

Due to the forecasted population increase, it has been estimated that 5,225 jobs will be needed to cope with demand. In order to meet this need, a recent report by Oxford Economics indicated that extensions to the two main business parks, the Octagon and Lancaster Way, would require complete occupancy. A further 1,000 jobs needed to be generated in the town centre at other sites.

Funding to improve infrastructure such as, roads, schools, sports and entertainment facilities needs to be secured.

As with any locality that has a combination of large scale planned population increases and out commuting patterns, there is the threat of the city degenerating into a dormitory for highly stressed commuters. In Ely there is the aim to become a cohesive community of people living, working and playing locally. One of the key documents in driving this process forward is the Ely Masterplan.

### **Business/ Industry**

New and relocating companies are increasingly choosing the East Cambridgeshire District as a base to expand and develop, regarding the district as a cost effective and accessible alternative business location to Cambridge with room to grow and a range of business parks.

Ely has witnessed demand for employment space in recent years. This is due to existing firms wishing to expand and companies from Cambridge ‘overspilling’ into a locality which offers new sites, increased floorspace, greater value for money and good transport links to London and the immediate region. Michell Instruments and MegaHertz are two companies who have switched from Cambridge to Ely.

SQW Consultants, a supporting member of the consultancy team preparing the Masterplan for Ely, reported that along with the attraction of enterprises from elsewhere, the city should continue to encourage and nurture new firms as they will show loyalty to the city that may well be stronger. SQW noted when encouraging inward investment Ely should use its character, ‘which is distinct’ from competing locations in the Greater Cambridge area as a material asset, ‘conserving what is good and, where possible, enhances the environment, vibrancy and functionality of the city as a place to live and work.’

Planning and developments are being made to improve the quality of business space in Ely:

- The Ely Business Park (The Octagon) proposal has been received which will include a 10 h.a. extension including a mixture of B1, B2 and B8 floorpace, with additional facilities such as a hotel pub and restaurant. The outline plans indicate that extension will cater for successful start up

companies who are wishing to expand operations. It is estimated that the new development will generate 1,500 jobs.

- A 100 acre extension of the Lancaster Way Business Park, land previously used as an airfield, which will include 1 million square feet of additional flooring, has been proposed by the developers. Potential tenants have been sourced, and the development could lead to the creation of 1,000 to 3,000 jobs.
- A Data Service Centre is considering relocation to Elean Business Park, generating up to 1,500 new job opportunities.

### **Retail Sector**

With the current and planned increase in Ely's population, it is felt that the retail offer needs to expand and improve to cater for the needs of a growing community. Expansion in the city centre however is problematic, as the availability of land is at a premium, and there are concerns from the Ely Traders Association that any 'out of town' developments to service the increasing employment opportunities on the city's perimeter would take away trade.

### **Organisations/Groups Involved**

In Ely there are a number of groups and organisations working to ensure that the employment, economic, shopping and leisure offer develops to cope with the growing population.

A local councillor has been appointed Ely's Economic Development Champion. The role involves networking, promoting Ely, developing a proactive culture in terms of attracting inward investment and working with local government officers to ensure that any potential inward investor receives first class support. Part of the support package is the development of the existing website for economic development, which will provide information to potential clients and link them to existing local businesses in the town. The long term aims of the Economic Development Champion are to ensure that there is a more strategic focus rather than dealing with the day to day operational issues.

East Cambridgeshire District Council Economic Development Team works closely with existing businesses and offers some business advice and support on health and safety and merchandising.

The private developers of the business park developments have engaged with Ely Perspective, Ely City Council and Ely Traders Association in addition to the statutory authorities.

### **What Has Worked Well in Ely**

#### **Close Working Relationships**

From the local authority perspective, the planning process is key in attracting and developing the provision of existing businesses. The Economic Development Team at East Cambridgeshire works closely with planners, allowing them the opportunity to work on future development plans collaboratively.

The Ely Traders Association has a close working relationship with East Cambridgeshire District Council. A liaison officer from the local authority attends the monthly Traders Association meeting, offering an excellent consultative route.

### **An increase in Key Retail Attractors**

Empirical evidence suggests that the vitality of a city centre depends on the quality and variety of retailers represented. National retail businesses are particularly important in terms of attracting visitors and shoppers to a town. Larger companies such as Starbucks, Pizza Express and Carphone Warehouse have all moved into the city centre, supplementing the existing provision of independent retailers.

### **Successful Start Up Companies**

The outline plans for the development of the Ely Business Park (The Octagon) appears to make provision for units that meet the need for successful start up companies seeking to move out of developments such as e-space.

### **Innovative Local Authority Initiatives**

East Cambridgeshire District Council has developed an information pack which can be used by prospective companies.

### **Room for Improvements**

#### **Lack of Direction**

A representative of the Ely Traders Association commented on the need for a unique selling point for Ely. This will help sell the city to potential investors. If Ely is to be sold as a tourist destination the retail offer needs to be strengthened. However if Ely is to retain its local distinctiveness the city will not benefit from the arrival of national multiples. The limited availability of land for development in Ely's centre will drive retail development to out of town locations which could damage the vitality of the city centre.

#### **Lack of Trade for City Centre from Business Parks**

Representatives of Ely Traders Association indicated that there had not been a noticeable effect on the trade in the city centre through the development of the business parks, and that in general, people working on the periphery have not been travelling into the centre to purchase goods and services.

#### **Lack of Backing**



The Councillor acting as Economic Development champion only has a £20,000 budget. Some of those interviewed felt that businesses have not received as much help as they could have in terms of developing and expanding.

### **Employment of Local People**

One company who have moved to Ely because of cost advantages in terms of leasing premises struggle to attract suitably skilled employees. As a result they have established an arrangement with a university in the north of England to recruit media engineering undergraduates. Because they are recruiting from outside the region, the company have been forced to rent local houses for employees.

### KEY FINDINGS

---

From this research it has been possible to identify fourteen factors leading to successful inward investment in market towns.

#### **The Primary Success Factors for Inward Investment**

##### **Transport Links**

Businesses look to relocate to areas which are well serviced by air connections and other transport links, including primary road and rail networks. All four case studies have good transport links; Wymondham is on the A11 with nearby ports and airports, Howden is close to the Trans-Pennine M62, with strong rail links to London and the North and Hull providing nearby shipping links. St Neots is near the A1 and has mainline rail links to London, whilst Ely has rail links to London and the North East and is within 25 minutes of the A14.

##### **Labour Skills**

In a report to identify the key motivations for foreign investment in the UK, access to market was identified as the key driver; however access to skilled labour was the next significant key factor. The East of England regional skills base remains patchy with major areas of underperformance and skills gaps especially in rural areas. The Regional Economic Strategy has the following priorities to develop skills for a changing economy:

- To increase the supply of higher level skills
- To create a culture where people aspire to train
- To provide education and training that meets the needs of individuals, employers and the economy

For market towns to attract investment they need to increase the percentage of young people training past school leaving age, close skills gaps and retain graduates and those with qualifications at level 4 and above. The example of St Neots' engineering programme for 14 yrs olds was a prime example of necessary work related learning.

### Technology

Industry requires high speed communications technology in order to function efficiently. Until recently, broadband was still a largely urban phenomenon but it is estimated that over 95% of the population now has access to it. However the Commission for Rural Communities has expressed concern over the dangers for rural communities and businesses of the re-opening of a digital divide at higher bandwidths. New dimensions of the digital divide are emerging, most obviously in terms of bandwidth. In London, customers are able to access 2 Mbps from BT or 4 Mbps from Bulldog. But for many rural dwellers, 128Kbps is the current limit. To attract investors, market towns need to close the digital divide.

### Identification of the Key Growth Sectors

Towns need to identify the key growth sectors for their sub region to be better placed to attract investing companies. UK Trade and Investment is able to supply a list of requirements sought by each sector when they are looking to relocate, e.g. for the IT sector the quality of the environment is an important consideration, it doesn't need to be in close proximity to a city, just a phone line.

Regional Cities East has identified the current key growth sectors for each of the six regional cities (see table below) and UK Trade and Investment has identified that the UK as a whole attracts foreign investment from the pharmaceutical, engineering and financial services.

Market towns can position themselves to attract industries that might be contemplating a move to a city location close by, by providing a cheaper and more pleasant environment and at the same time provide the necessary industry links to the dominant sectors. The Gateway 11 Business Park is an example of purpose built units offering space for existing businesses, who may be situated in a cramped environment, to expand with the necessary amenities in a pleasant market town setting.

**Table 1: Regional Cities East Current Growth Sectors**

<b>Norwich</b>	<b>Haven Gateway (Col / Ips)</b>
Life/bio Sciences	Ports, transport, logistics
Financial & business services	Distribution, hotels & restaurants
Creative/Cultural industries	Finance, ICT, other business activities
Environment – R&D	Electronics
	Public admin, education and health
<b>Peterborough</b>	<b>Luton</b>
Environment	Advanced engineering
Financial services	Automotive and aviation
Logistics	ICT
<b>Southend</b>	<b>Stevenage</b>
Leisure, tourism and lifestyle	Aerospace
Financial services	Pharmaceuticals
Medical instrumentation and imaging technologies	Financial and business services

### **Business Support and Networking**

A report of recently established inward investors' perceptions of the UK listed the types of support services required by companies setting up in new locations. Companies were attracted by general business support services including help with adjusting to new and perhaps unfamiliar business cultures, a route map, staff training subsidies and facilities, networking opportunities and start-up grants.

When compiling literature to attract inward investment, market towns need to highlight the benefits of their business support services. This might require investment in order to strengthen their offer e.g. St Neots worked hard to provide business networking for their manufacturing sector.

The 'customer' style support offered initially to the Press Association, and subsequently Ebuyer and Tesco by the East Riding of Yorkshire Council, has been attributed as one of the key factors in securing inward investment. The Inward Investment Team has produced literature packs on the local community and infrastructure to aid decision making for potential investors. It also liaises directly with

the human resources teams of any potential clients to ensure that they understand the needs of future workforces.

### **Marketing**

In order to be more successful towns need to adopt a proactive approach to inward investment. They need to identify what inward investors want, if and how they are able to provide it and then take their offer to the market. In a recent survey 20% of companies looking to relocate described a lack of public support and expressed difficulties in finding somebody to speak to about local potential for investment.

East Cambs District Council has recently published a brochure to distribute to potential investors. They developed a unique selling proposition (USP) to highlight what was unique about their offer, including lower operating costs, with cheaper land prices and labour costs. However the local Traders Association and Community Partnership still feels that there is a lack of clarity in terms of how the city could be marketed and promoted.

In Howden, the East Riding of Yorkshire Council has sold its region to prospective investors by defining a target market and going out to meet it.

### **Pleasant Environment**

The Howden case studies highlight that one of the attractive propositions to the Press Association was the quality of life the town had to offer to prospective employees. Set in a rural location with rolling countryside and the opportunities for outdoor activities, the market town has much to offer in terms of a healthier lifestyle, compared to that of living in an urban location. Since featuring in The Times top 20 list of places with the best standard of living in the UK, Howden has a further opportunity to market itself to prospective investors.

### **Availability of Land to Develop/Redevelop**

Investors are looking for land with an attractive environment, the ability to develop to a high standard of design, good landscaping provision, distance and separation from industry which is polluting in terms of noise, air quality and vibration and flexibility of site sizes and plots for development.

Without spare land to develop, or existing buildings to redevelop, the ability to attract inward investment is seriously negated. St. Neots case study illustrates that Huntingdonshire District Council identified a need for new business space of between 400 and 1400 sq ft. In Howden, the listed police station and magistrates court was replaced with the modern Press Association complex. One of the successes of Wymondham, with the Gateway 11 Business Park, is that the units there provide opportunities for firms to develop and expand.

### **Adequate and Appropriate Housing**

The Regional Housing Strategy is based on a vision of the region where 'everyone can live in a decent home which meets their needs, at a price they can afford and in

locations that are sustainable.’ The region’s housing stock needs to accommodate workers on all incomes.

In towns like St Neots, where rapid new housing development has taken place, there is a need to develop the employment offering to accommodate the widespread population growth. For towns like Howden the availability of land for housing development for the booming workforce is important.

Where companies are relocating staff to an area or looking to develop and expand in a locality, the provision of suitable housing for those ranging from professionals to unskilled workers is important. The Regional Housing Strategy states that ‘it is key in how the land-use planning system is operated to help provide land and subsidy for different forms of affordable housing within sustainable new communities of the future.’

Towns also need to ensure that commuter versus community housing divisions do not appear. For example, if the management of incoming organisations is filled with existing staff, while lower grade jobs are filled with local people; a perception grows of a divided community. The division can be exacerbated if extra housing that is built for incoming top management tends to be situated away from where local people live.

### **Car Parking Amenities**

Congestion in the city centre was one of the reasons firms from Norwich relocated to the Gateway 11 Business Park in Wymondham. Gateway 11 provides an easy to reach and park location, whilst traders and shoppers can also visit the town centre with ease. The provision of car parking facilities to meet the needs of any new development is an important consideration. For example in Howden, traffic issues were already a problem before the Press Association’s Operational Centre moved to the town. The influx of commuters exacerbated the problem, creating tensions with both the local residents and retailers. In terms of the latter, empirical evidence suggests that a significant proportion of town centre customers arrive by car. The provision of adequate and convenient car parking facilities is therefore a key element of town centre vitality. To counter the problem, the Press Association has worked hard with the local authority to alleviate the problem. The former has developed a park and ride scheme and is constructing a new car park, whilst the latter has implemented traffic control measures within the town centre.

### **Community Facilities**

The quality and quantity of community facilities is an important consideration for companies looking for a new location. When the Press Association relocated staff to Howden, one of the unique selling points was the attractive town centre with a range of independent shops, historic coaching inns and tea rooms. Workers also want to be close to gyms, cinemas, theatres, parks and open spaces as well as essential services like banks and post offices. In St. Neots, Wyboston Lakes has developed into a major conference and training centre with water sports and other leisure

facilities, as well as providing a nature reserve which is managed by the Wildlife Trust.

### **Educational Institutions**

Investors are attracted to areas with good schools and colleges where the workforce is likely to be well educated with a range of academic and vocational skills. The Press Association and Howden School and Technology College have forged close links by providing work experience to students, and offering job and training opportunities to school leavers. In St Neots the assessment, cultivation and provision of engineering students to local firms has helped to close a local skills gap. The development of the new business centre for creative industries in the grounds of Longsands College in St Neots is an ambitious project to link education with local business. It aims to retain young talent in the town, something market towns struggle to do across the country.

### **Strong Local Authorities**

An innovative and proactive local authority can play a huge role in attracting businesses to a town. Howden provides an excellent example. The hard work and commitment of the East Riding of Yorkshire Council, with an Inward Investment Team offering excellent: customer service, getting to know the needs of the local area, actively seeking the right type of company to the area and working alongside prospective investors helped to capture the contract for the Press Association's Operations Centre.

The appointment of a Workforce Development Officer, working with prospective employers and public sector agencies has ensured that when job opportunities have been created in Howden it is the local populace who benefit.

Local Authorities need to develop effective signposts to the services and support available to new and established companies, such as the information packs produced in both Ely and Howden.

### **Strategy**

An inward investment strategy is vital if towns want to attract companies in a planned and consistent way. Alan Menzies the Chief Executive Officer of East Riding of Yorkshire Council targets only organizations that are right for Howden, and equally Howden right for them. Any strategy should identify the type of business the area should be looking to attract, the compatibility of local skills to this type of business and the suitability of the local environment and infrastructure.

An often cited negative aspect of inward investment is the effect on local jobs, incoming organisations appear to 'offer jobs', but many of the top jobs are filled from outside. In Howden, a clear strategy for inward investment to benefit the local community has seen 70-75% of Press Association staff living in the town with negligible unemployment rates.

## MARKET TOWNS EAST – INWARD INVESTMENT

---

Another of the problems associated with inward investment is the creation of 'dependency' when the local workforce becomes reliant on one large investor. In Howden 'success breeds success' and large companies Ebuyer and Tesco have followed the Press Association to locate in the town.

A clear strategy also allows for clear communications to be made to the local community.

In St Neots there is no one town centric strategy but a multi-agency approach with agencies such as East of England International, International Relations, Huntingdonshire District Council and St. Neots Town Centre Initiative working in partnership to attract investment. In Ely, 'political will' has seen the appointment of a Councillor as an Economic Development Champion and the formation of an Economic Development Team at the District Council.



**APPENDIX 1: A CHECKLIST OF THE PRIMARY SUCCESS FACTORS FOR INWARD INVESTMENT IN MARKET TOWNS**

	Yes	No
<b>TRANSPORT LINKS</b>		
Linked to a major road network		
Close to a mainline railway station		
Within 40 minutes of an airport		
Access to ports		
<b>APPROPRIATE LABOUR SKILLS</b>		
Presence of good school, colleges of further education and lifelong learning centres		
Retention of graduates		
A workforce with vocational skills relating to the town's key growth sectors		
Apprentice schemes		
<b>COMMUNICATIONS TECHNOLOGY</b>		
Access to high speed broadband		
Rapid response to technological changes		
<b>IDENTIFICATION OF THE KEY GROWTH SECTORS</b>		
An understanding of the key growth sectors in the sub region		
An understanding of the needs of these sectors		
An understanding of if and how the town can adapt to meet these needs		

	Yes	No
<b>BUSINESS SUPPORT AND NETWORKING</b>		
A route map		
A strong business networking facility		
Business training – subsidized or other		
Business development support		
<b>MARKETING</b>		
Literature designed and distributed in order to sell the town to inward investors		
The identification and promotion of a town’s Unique Selling Proposition(USP)		
At least one proactive organization responsible for targeting potential investors		
Active partnership working with regional organizations like East of England International to highlight the region’s rural offer		
<b>ENVIRONMENT</b>		
Pleasant environment and attractive landscape		
High air quality with access to water; fauna and flora		
<b>AVAILABILITY OF LAND TO DEVELOP/ REDEVELOP</b>		
Available serviced, industrial land		
A current audit of land available for employment use		
Flexibility of site sizes and plots for development		
<b>ADEQUATE AND APPROPRIATE HOUSING</b>		
Provision of suitable housing for those ranging from professionals to unskilled workers		

	Yes	No
<b>CAR PARKING AMENITIES AND PUBLIC TRANSPORT</b>		
Adequate provision of land for car parking		
Accessible park and ride schemes for workers		
Efficient public transport network		
<b>COMMUNITY FACILITIES</b>		
A range of shops and essential services		
Cafes and restaurants		
A vibrant leisure and cultural offering		
<b>EDUCATIONAL INSTITUTIONS</b>		
A range of good schools and colleges		
Programmes to link educational establishments with local businesses		
Opportunities for local businesses to provide work experience and apprenticeships		
<b>STRONG LOCAL AUTHORITY</b>		
Proactive local authority with a remit and budget for inward investment		
Knowledgeable authority with access to current information that is vital for inward investors		
Ability for authorities to use innovative techniques to form relationships between the private and public sectors		
<b>STRATEGY</b>		
A planned approach to inward investment		
A lead body with a budget and the responsibility for delivering the strategy		
A partnership approach to inward investment		