



2023

Nottinghamshire County Council

Inward Investment Framework

Nottinghamshire County Council's Inward Investment Framework

This framework has been created for:

Businesses

Landowners

Developers

Local Authorities and Key Partners

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STEP Fusion Energy Reactor Illustration

Illustration of planned Top Wighay building

Foreword

To understand the shift in current and future inward investment markets, The Council commissioned a report with Breeze Strategy Limited to confirm the best green growth opportunities for Nottinghamshire and to inform a targeted framework for seeking inward investment towards sustainable and green growth.



Cllr Keith Girling

Inward investment is a buyer's market. More so than ever. This means we must always understand and respond to investors' changing wants and needs. This framework is to outline the basis for an approach to inward investment that can flex in this moving market. It details growth trajectories and demand for sites and skills; emerging and high-growth opportunities across sectors; the key location factors and potential site requirements; and a prioritisation plan that sets out the optimum current market and sub-sector opportunities for Nottinghamshire.

To support the report findings, this framework was published for consultation to ensure the best opportunities for Nottinghamshire, and so all interested parties can be part of delivering the plans for growth and investment. This means capitalising on our strengths in digital connectivity and our central location and great transport links, focusing on environmental and social responsibility, and upskilling and retaining talent to ensure Nottinghamshire remains competitive in the UK and international markets.

Our Inward Investment Framework is to draw the best out of the county's unique selling points, catalyse sustainable business growth, and create a greener, healthier, more prosperous Nottinghamshire. The Framework will play a key role to ensure we deliver our Council ambition to make Nottinghamshire somewhere people love to live, work and visit. It is our shared ambition to enable inward investment projects allowing for further revitalisation and invigoration of places around our county.

In the scenario of reducing land availability, smarter working, and higher costs, Nottinghamshire needs a more integrated approach to attracting businesses to meet their expectations for sustained future growth.

There is work to re-energise the approach to investment, to develop more partnerships on positive corporate social governance and realise potential. Our regional drive for self-sufficiency, towards devolution and pro climate, has never been stronger. We have also seen major advances through the pandemic, in how people can do business and deliver products and services.

It is important that we reflect structural market changes and the way they influence business decisions to invest in our places long-term. The framework focusses on continuing the vital work we are already delivering, to unlock Nottinghamshire's untapped potential, and engage local, regional and national partners to drive our vision forwards.

This framework will continue to adapt in response to changing circumstances. It has been built in a way that we can continue to draw on the expertise and knowledge available in our region. It is fundamental we continue to build an investment profile that is resilient, sustainable, and agile, and able to respond to our evolving opportunities and challenges.

Nottinghamshire has great building blocks with which we can nurture a new generation of green inward investment, and this framework is the first step in converting these opportunities into sustainable growth.

Introduction

Why Nottinghamshire needs an Inward Investment Framework

Delivering The Nottinghamshire Plan

The Nottinghamshire Plan, sets a vision of a "healthy, green and prosperous Nottinghamshire," and lays out nine Ambitions. This Inward Investment Framework is intended to work towards achieving the following of the Ambitions and Council Plan Vision:

- Improving health and wellbeing in all our communities.
- Growing our economy and improving living standards.
- Helping everyone access the best of Nottinghamshire.
- Reducing the county's impact on the environment.

The Inward Investment Framework will provide a vision for the future inward investment landscape and demonstrate how it will positively impact at least these four Ambitions:

- ▶ "Building skills that help people get good jobs."
- ▶ "Strengthening businesses and creating more good-quality jobs."
- ▶ "Making Nottinghamshire somewhere people love to live, work and visit."
- ▶ "Attracting investment in infrastructure, the economy and green growth."





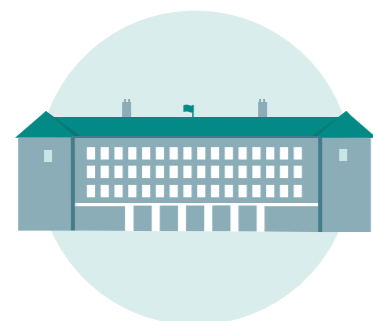
Delivering The Economic Transition Plan

Nottinghamshire County Council has also developed the Economic Transition Plan to focus on transforming our local economy through placing the interests of our communities and businesses at its heart, whilst also driving investment and improvements across the county.

The plan is built on six themes of people, business, the visitor economy, infrastructure, digital connectivity, and place, which will collectively enable Nottinghamshire to thrive.

The commissioning of this Inward Investment Framework includes cross-cutting links to the Economic Transition Plan, including:

- Building skills employers seek.
- Supporting businesses to grow and thrive, build resilience, and prepare for the future.
- Attracting more visitors from across the UK and overseas and creating conditions for businesses to thrive.
- Infrastructure projects that are feasible, deliverable, and affordable.
- Digital technologies to improve business productivity and inclusion of access.
- Maximising the opportunity our assets provide.



Our objectives are to:

“Focus on transforming the local economy through placing interests of communities and businesses at heart, whilst driving investment and improvements across the county.”

Toward our framework for inward investment this means:

- 1. Talent**
 “Putting our people first”: Actualise potential, align skills to employers’ needs, avoid job displacement.
- 2. Growth**
 Develop our local business growth offer in context of changing markets.
- 3. Sustainability**
 Leadership in social and environment impact, levelling up for lasting impact.



Opportunities to Level Up

With close links to increased productivity, wages, and employment, inward investment has the potential to be a key conduit for levelling up Nottinghamshire and the wider East Midlands region.

Despite the United Kingdom’s economic challenges over the past three years, inward investment has remained strong, outperforming the expected drop in FDI (foreign direct investment) in 2020 compared to 2019 and recovering into 2021 and 2022.

The UK has seen investors bring over 1,500 projects and 55,000 new jobs to all corners of the UK, with over £10 billion in large capital investment or committed to invest¹. The EY UK Attractiveness Survey 2022 found that:

- Inward investments into the UK rose by 1.8% in 2021 to 993 projects, regaining lost ground after a 12% fall in 2020.
- The stronger growth in projects across Europe, at 5.4%, meant the UK’s European market share slipped to 16.9%, its second lowest in 10 years.
- Investors’ views of the UK as an FDI location have improved in 2022, with 58% planning to invest – giving grounds for optimism over future growth².

UK foreign investment remains strong, in spite of recent economic shocks, due to the attractiveness of UK fundamentals. Performance within the UK has varied but promising figures have come out of the East Midlands, with our region seeing the greatest number of new jobs from international inward investment projects compared to other regions, outside of London.

A key part for this success was the D2N2 Local Enterprise Partnership, which landed 33 single-site FDI projects in 2021-22³.

Whilst international investment creates thousands of jobs in the UK annually, foreign direct investment is only one element of inward investment. Two-thirds of projects are existing business expansions.

Local, regional, and national expansion makes up a sizeable portion of the inward investment landscape for Nottinghamshire. There is untapped potential to be seized to benefit local people, businesses, and the wider economy, and improve wellbeing for everyone.

With the county’s excellent connectivity to the world via road, rail, and air networks as well as its competitive strengths in digital connectivity and the advanced manufacturing sector, Nottinghamshire is a place in which inward investment, with the right framework and action, can flourish.



¹ Department for International Trade Inward Investment Results 2020/21, June 2021 www.gov.uk/government/statistics/department-for-international-trade-inward-investment-results-2020-to-2021
² EY Attractiveness Survey, 2022 www.ey.com/en_gl/attractiveness/ey-europe-attractiveness-survey
³ According to the Department for International Trade report 2021-22 www.gov.uk/government/publications/department-for-international-trade-annual-report-and-accounts

What is inward investment?

Levels of Inward Investment

The term inward investment has nuanced differences depending through which lens it is viewed. At the national level, inward investment refers to foreign direct investment or, any new cross-border project or expansion which is undertaken by a foreign entity or company.

At the local level, this definition is extended to include projects by both foreign and UK businesses.

In most results, at both national and local levels, inward investment successes include new projects, expansions, and in some cases, mergers, and acquisitions.

The closer the target market, the more important it is. Local Authorities in Nottinghamshire are more able to influence at the local level, with partners being better placed nationally and internationally.

For the purposes of this document, the broader definition, covering all levels of market, will be used when referring to inward investment.

Key Findings

- 62% of UK growth is from expanding businesses, not new business.
- Access to talent is the top priority for all investors.
- To be effective, place marketing should involve research, monitoring, networking, engagement, and agile opportunity-spotting.
- To unlock developments, or bring forward key infrastructure and innovations, the right local offer can draw on capital from investors, developers, and Government finance.
- Global markets can be accessed through regional and national bodies, which are well resourced for activity.
- Most future jobs are expected to arise from local and regional, rather than global markets.

Types of Inward Investment

Inward investment is more than attracting new businesses. Business expansion and retention, talent attraction, and capital attraction are all important types of investment, with access to talent being a key driver in all of these.



New Business Attraction



Business Expansion and Retention



Capital Attraction



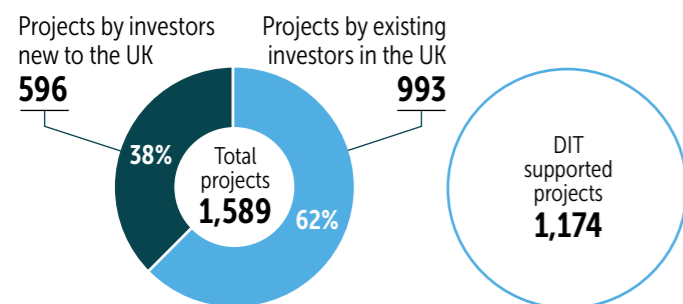
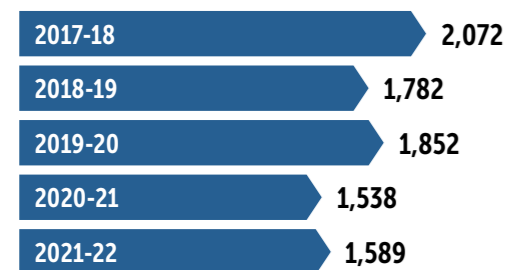
Talent Attraction

New business attraction is the classic understanding of inward investment and what it entails. In the overwhelming number of cases, this is an expansion into a new area rather than a relocation. It could be a new, job-creating expansion project by a local, regional, national, or global entity.

Capital attraction is a key part of the inward investment mix, attracting new capital investment that unlocks developments or brings forward key infrastructure projects. Examples of investment can be that sourced from institutional investors, property developers, Government infrastructure financing, and innovation funding.

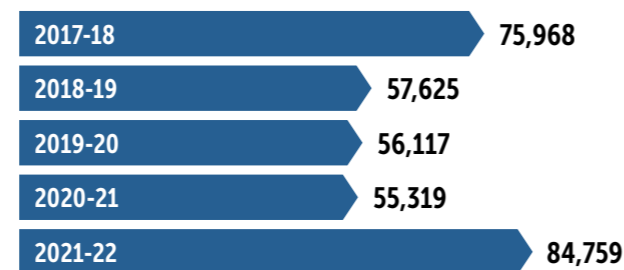
Inward investment growth comes from sophisticated research and monitoring, professional networking and engagement, and agile opportunity-spotting in addition to, rather than as a sole result of, place marketing activities. A fair approach to Growth must also address the diversity and inclusion needs of local places and this requires the collaboration and insight of experienced partners to enable this.

FDI projects in the UK between 2017-2018 and 2021-2022



Source: Department for International Trade

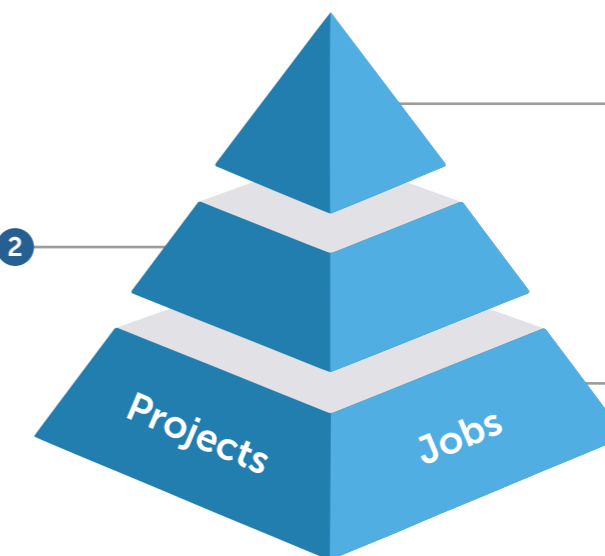
New jobs created in the UK between 2017-2018 and 2021-2022



Source: Department for International Trade



UK Market
The UK market is often overlooked but opportunities from London & South East in particular should provide prospects for Invest in Nottingham.



Global Markets

Department for Business and Trade and the Office for Investment are best placed to engage global markets and in tandem with Midlands Engine and Invest in Nottingham as local delivery partners.

Local Market

Nottingham and Nottinghamshire partners are placed to support and encourage local companies and existing investors. **This is where the majority of jobs will come from in the future.**

Who is this framework for?

This framework has been created for:



1. Businesses

Existing and future businesses, from local microenterprises to multinational corporations. This Inward Investment Framework is key for communicating the County Council's intentions for inward investment activity. We want businesses to know our vision of making Nottinghamshire the best place to operate. In this framework, we will lay out a top-level vision that will incorporate all the types of inward investment and what we will aim to do to improve the capacity for each.



2. Landowners

The individuals and organisations who own developable land or whose land currently sites businesses. We want to communicate our plans, giving suggestions of how they can market and improve their land offerings.



3. Developers

Intricately linked to landowners, developers are the people and organisations who create spaces, repurpose land, and market sites. Addressed in this document will be the concept of kitemarking sites. We want to make it clear where gaps in offerings are by establishing a ladder of accommodation for businesses and developers alike.



4. Local Authorities and Key Partners

Creating a framework to work towards will keep us accountable. It will also help show our partners in the districts and boroughs what our intentions are and hopefully guide decision making into a united effort. The overall goal is to work in collaboration across the Local Authorities, into Derbyshire and beyond to channel our efforts.

Current Inward Investment Landscape

The current landscape of inward investment in Nottinghamshire sees national players like the Department for Business and Trade, the Department for Energy Security and Net Zero, and the Office for Investment, sourcing major strategic international projects; with strong regional support from Midlands Engine and D2N2 Local Enterprise Partnership. These regional supporters produce portfolios and guidance relevant to inward investment potential and needs.

On the ground, it is Nottinghamshire's local authorities who provide support and knowledge of their communities and assets. They provide expertise and infrastructure to allow for inward investment activity to take place.

The key conduit between these two groups is Invest in Nottingham, who match prospective investors to local areas.

East Midlands Combined County Authority

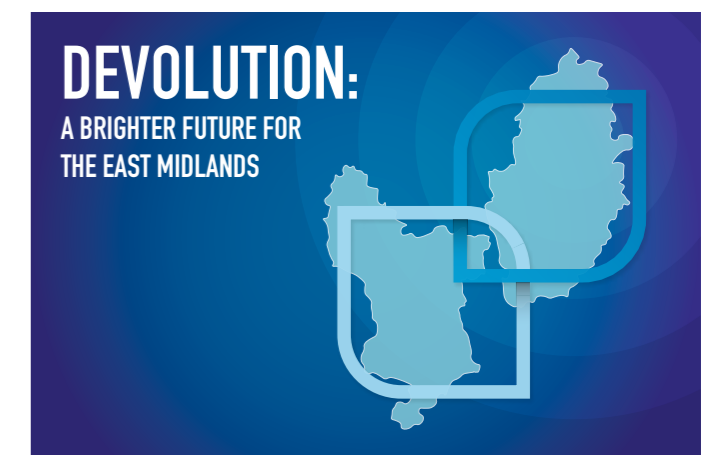
Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council have agreed a £1.14 billion deal with the government. The devolution deal will create an East Midlands Combined County Authority (EMCCA).

This will enable the area to receive an extra £38 million annual funding from 2024, addressing years of historically low local investment. The deal will enable local voices to play a greater role to set and deliver of the area's priorities and local powers to tackle specific challenges to the area and maximise economic potential of all those who live and work here. The priorities in this inward investment framework will form the basis for action within the Combined Authority context. They also fit clearly within the four priorities of the EMCCA of homes, skills, transport, and carbon reduction/net zero ambition.

The deal requires approval and new legislation from central government to create the EMCCA, and work is positively on the underway with benefits of collaboration across the area already being gained.

Investment Zones

The East Midlands is also set to benefit from Investment Zones. They aim to drive growth and unlock housing across the UK by lowering taxes and liberalising planning frameworks to encourage rapid development and business investment.



Due to the broader definition of inward investment used, it is useful to lay out all the different organisations that operate within Nottinghamshire’s inward investment landscape:

Organisation	Role
Department for Business and Trade	The UK Government department responsible for cross-country trade and investment works with global, national, and regional partners on account-managing nationally significant existing investors. The Office for Investment is part of the Department, an agency set up in 2020 to provide support securing top tier investment into the UK, including high value opportunities that closely match UK priorities.
Department for Energy Security and Net Zero	The UK Government department responsible for securing our long-term energy supply, bringing down bills and halving inflation. This department is supported by 14 agencies and public bodies. They are involved with high value investment opportunities that closely match government priorities, such as achieving net zero.
Midlands Engine	A pan-regional, apolitical partnership that convenes, connects, and acts as a focal point to drive economic growth. It helps promote sector strengths and opportunities of the Midlands and, in producing the Midlands Investment Portfolio ⁴ , highlights and promotes key sites in the region.
D2N2 LEP	Run and governed by a private sector led board and supported by businesses, local authorities, and education providers amongst others – the LEP works in partnership to secure a more prosperous, productive, and sustainable future for Derby, Derbyshire, Nottingham, and Nottinghamshire. Its inward investment role included coordinating the European Regional Development Funded programme, Invest in D2N2, targeting SMEs to invest in the area, which concluded in October 2022.
Invest in Nottingham and Marketing Derby	Invest in Nottingham and Marketing Derby deliver inward investment activity for the D2N2 area, promoting Nottinghamshire and Derbyshire as an innovative business and investment destination. This offers support to businesses looking to relocate or expand within the region. They collaborate closely with partners, including Local Councils, to represent key development sites through promotional activities, as well as contributing intelligence to support project work.
Education Providers	Nottinghamshire has great education establishments from primary schools to our high-quality colleges and world-renowned universities. These are critical for the maintenance and development of talent pipelines, and already provide vital connections for students into apprenticeships and employment. The role of primary and secondary education cannot be understated. These provide the development of talent for future large scale infrastructure projects such as the STEP Fusion Power Plant in West Burton. Universities have additional important roles to provide expertise, insights and data, and hold extensive technological capabilities. Their contribution to research and innovation, is a vitally important factor in determining foreign direct investment intentions (Kearney FDI Confidence Index).

⁴ Investment Portfolio – Midlands Engine (midlandsinvestmentportfolio.org)

Organisation	Role
Nottinghamshire County Council and Nottingham City Council	The County Council plays a significant role, partnering with other organisations to facilitate the planning and delivery of key inward investment sites. It acts as a coordinator, collaborator, and supporter of local authorities, partners and businesses across Nottinghamshire. It promotes the local area and supports organisations engaging with investors, both new and existing. Nottingham City Council provides a parallel partnership role and operates within the boundaries of the City. The County and City Councils both work closely with Invest in Nottingham on inward investment activities.
Derbyshire County Council and Derby City Council	Our partner Local Authorities in Derby and Derbyshire will continue working in collaboration with Nottinghamshire County Council. A composite approach is being taken to address inward investment with Derbyshire County Council creating their strategy in alignment with this framework. This can contribute to an East Midlands Combined identity whilst ensuring that the differences in these areas have been accounted for.
District and Borough Councils	The fifteen districts and boroughs in Nottinghamshire and Derbyshire provide a range of economic development activity and inward investment support. With a greater knowledge of their local area, the districts and boroughs are best posed to provide information, marketing, and support to key partners. Nottinghamshire County Council, Nottingham City, Derbyshire County Council and Derby City Council work in partnership with these local authorities so a joined-up approach and maximum leverage is achieved.
Other Key Partners	Other key partners in the inward investment landscape include, but are not limited to, businesses, skills and training providers, community and voluntary services organisations. A vital role is played by the East Midlands Development Company, East Midlands Freeport, East Midlands Airport, East Midlands Chamber, and the Environment Agency. These partners are impacted by, or have an impact on, the inward investment activity across D2N2 and are integral to the local inward investment proposition. All play a key role in developing the talent, sites, connectivity, and environment that will attract, retain, and grow investment in the future.



What are Nottinghamshire's target markets?

Inward Investment Market

Global Markets: Department for Business and Trade and the Office for Investment are best placed to engage global markets and in tandem with Midlands Engine and Invest in Nottingham as local delivery partners.

At the international level, major inward investment sources have recently been North America, India, and Europe and inward investment can come from anywhere, with just one major inward investor having the potential to make a significant impact in Nottinghamshire.

The breakdown of foreign direct investment success shows the breadth of sectors creating jobs in the UK. There is strong investment across sectors in the 2021-22 UK results.

- Software and Computer Services are by far the largest source of jobs and projects.
- Environment, Infrastructure and Transport comes second.
- Advanced Engineering, Business Services, Financial Services, Food & Drink, and Wholesale all attracted more than 100 inward investment projects each⁵.



⁵ Department for International Trade annual results, 2021-22
www.gov.uk/government/publications/department-for-international-trade-annual-report-and-accounts

Celebrating neurodiversity:
Newark Market Place



UK Market: The UK market is often overlooked but opportunities from London & the South East in particular provide new prospects for Nottinghamshire. At the regional level, Midlands Engine identifies specific categories to target, with work ongoing to map clusters in more detail.

In Nottinghamshire these could include:

- Food & Drink
- Advanced Manufacturing
- Net Zero Transport Technologies
- Digital Security
- Digital Data
- EdTech
- Life Sciences
- Textiles

Local Market: Nottinghamshire partners are best placed to support and encourage local businesses and existing investors. This is where most of jobs will come from in the future. Nottinghamshire has six strong industry sectors that cover a wide range of opportunities:

- Creative & Digital
- Life Sciences
- Advanced Manufacturing
- Financial & Business Services
- Logistics
- Food & Drink

Future investment from any of these sectors could be transformational for Nottinghamshire, and a sector agnostic approach would avoid pigeonholing Nottinghamshire's offer to the detriment of attracting future projects. For case studies of high-growth opportunities, see Annex A.

What trends are impacting inward investment?

Talent Drivers: Where businesses expand & what matters

Access to the skills for the future and digital and flexible working productivity gains are driving key location decisions.

The top factor for businesses when choosing a new location is access to talent⁶. The importance of access to talent for businesses is aligned with this form of inward investment which focusses on nurturing and growing the pipeline of skilled people by upskilling those already here, as well as attracting talent from outside the area.

Developing the right skills for the future needs of the economy is vital and there is a role for academic and business partnerships to help align education and skills with existing employers' needs – both present and future.



Rebalance

There has been a lasting change to how people work, with a greater importance being placed on hybrid working and changes to commuting patterns.

Adjusted work-life priorities with hybrid working will make competing far more complex. An increasing number of people are working from home and of these, a vast majority have reported it to have had a positive impact on well-being and productivity.

Workers are seeking a different work-life balance and businesses are having to account for work-from-home and hybrid solutions. Work from home and hybrid models are resulting in differences in size and location of office spaces being required⁷.

Bingham Arena, a new state-of-the-art 5500m² leisure centre in Bingham, Rushcliffe



⁶ Area Development, Q1 2022

www.areadevelopment.com/Corporate-Consultants-Survey-Results/q1-2022/18th-annual-consultants-survey.shtml

⁷ City A.M., May 2021 www.cityam.com/exclusive-quarter-of-uk-businesses-to-close-or-downsize-offices-as-uk-embraces-hybrid-working/

City A.M., April 2022 www.cityam.com/deloitte-exits-more-london-offices-after-setting-out-permanent-work-from-home-policy/



Nottingham Trent University Mansfield Hub co-located with Vision West Nottinghamshire College



Recruit

Skills shortages are impacting businesses whichever sector they are operating in, from engineers to IT, drivers to farm workers. The 'war for talent' is driving businesses to compete in new ways and is a key factor in choosing business locations.

Other principal factors include cost, sites, and quality of life. Each company will have different preferences and weightings, but being able to hire the right people, today and in the future, is vital in any sector or industry.

Businesses are increasingly viewing expansion and relocation as key tools in the fighting the talent war. Locations that can demonstrate population growth, a young workforce and an ability to attract skilled people will do well⁸.

Employers are finding it more difficult to attract and retain talent, having to operate in an environment where wage gaps are present and movements like the "Great Resignation"⁹ are exacerbating the talent shortage and impacting on where firms choose to locate.

⁸ HR News, August 2022 <https://hrnews.co.uk/the-talent-tug-of-war-over-half-of-uk-employers-struggle-to-land-employees/>
BBC News, April 2022 www.bbc.com/worklife/article/20220421-what-the-war-for-worker-talent-really-looks-like

⁹ The Great Resignation is an ongoing trend in which employees have resigned from their jobs en masse, beginning in early 2021. Causes include wage stagnation amid rising cost of living, job dissatisfaction, safety concerns relating to the pandemic, and the desire to work for businesses with better remote working policies: HBR, March 2022 <https://hbr.org/2022/03/the-great-resignation-didnt-start-with-the-pandemic>

Market Growth Drivers: Why businesses expand

Changing and faster moving technology and global and financial markets drives business to go digital, innovate, and expand.

The pandemic has undoubtedly changed the fundamentals of why, how, and where businesses locate. Both industry and unpredictable geopolitical events have played a role in accelerating change. These trends create opportunities and threats for Nottinghamshire.

Consideration of how best to support diverse types of entry plays a key role in an inward investment team.

Expansions typically create up to seven times more jobs than new investors. Many businesses look to expand through partnerships or joint ventures, some through merger or acquisition, rather than establishing their own new facility.

Effective approaches to business expansion include co-creation of training and skills initiatives, supply-chain support and matchmaking, and addressing areas of concern including skills, transport, and planning.



New Innovations

Every sector and industry are also being disrupted by technology and the rise of innovative new products, services, and processes. These changes are creating brand new sectors and opportunities from vertical farming to vertical take-off and landing taxis¹⁰.



Tech-celeration

Accelerated technology adoption (partly caused by lockdowns) has created a huge growth in existing industries such as e-commerce, cybersecurity, and fintech¹¹.



Stapleford Library and Learning Centre, Broxtowe

¹⁰ Manufacturing Digital, November 2021 <https://manufacturingdigital.com/top10/top-10-innovations-manufacturing>

¹¹ The Economist, November 2020 www.economist.com/the-world-ahead/2020/11/16/new-technological-behaviours-will-outlast-the-pandemic



Venture Capital

Record venture capital levels have been invested in high-growth companies with hundreds of newly created scaleups valued at more than a billion dollars. This has created a new cohort of ambitious companies, many in and around London, that will require additional sites and premises in the coming years¹².



Global Britain

Post-Brexit has given rise to challenges and opportunities from legislative changes affecting regulations to shifting trading relationships¹³.

The UK has seen rising investment opportunities in places where new trade deals are in place such as Australia, Japan, and Singapore. Whilst businesses are becoming more cognisant of cybersecurity issues and environmental impact of those further up the supply-chain¹⁴.



¹² UKTN, May 202 www.uktech.news/funding/vc-funding/london-vc-unicorns-early-stage-20220519

¹³ CNBC, October 2021 www.cnbc.com/2021/10/19/uk-secures-13-billion-of-investment-as-it-seeks-to-overcome-post-brexit-slump.html

¹⁴ Nikkei Asia, February 2021 <https://asia.nikkei.com/Politics/International-relations/UK-China-relations-slip-from-Golden-Age-to-Ice-Age>

Sustainability Drivers: How businesses choose to expand

Shorter supply chains, labour gaps, and climate needs are driving decisions to re-shore or relocate for financial, social, and environmental gains.

Becoming more important for individuals and businesses are sustainability concerns:

Individuals' behaviour continues to change, impacting the way people work, travel, and spend leisure time. Consumers are increasingly looking to buy from those with green credentials and look for jobs that align with their ethical considerations.

Businesses are seeing operational costs change due to unforeseeable international situations,

making relocation as well as a move towards more sustainable operations more carefully considered options. Sustainability changes are likely to be mandated in the future, with the potential for legislation changes arising from COP events.

Considering social and environmental impact will be important not just to adhere to changing legislation but to ensure business remain competitive and attractive to talent.



Rebuild

Environmental and Social Governance is increasingly a key factor in choosing locations. Places that can combine climate resilience and environmental considerations with development and sustainable economic growth will be able to offer a higher quality of life, making them attractive relocation destinations for talent¹⁵.



Nottingham City: Transforming social homes into warmer, more desirable places to live

¹⁵ McKinsey, 2022 www.mckinsey.com/capabilities/sustainability/our-insights/how-to-make-esg-real Forbes, October 2021 www.forbes.com/sites/joanmichelson/2021/10/14/6-ways-companies-are-pivoting-in-a-post-covid-esg-focused-economy/?sh=46155e9c5bc8



Relocate

The pandemic accelerated the trend toward shorter supply-chains that was already underway¹⁶.

As corporate strategists respond with more resilient arrangements, many have opted to "reshore" operations back to the UK¹⁷.

There are also increasing opportunities from Government relocations as the public sector seeks solutions that help level up areas outside of London and the South East¹⁸.



Climate

The increasing importance of talent attraction and business attraction are key factors to address skills shortages and the much sought-after Generation Z workforce (those born in the late 1990s or early 2000s) who are far more likely to be motivated by environmental and ethical concerns than previous generations¹⁹.

Climate events are also becoming even more critical and will continue to shape the future of the global economy. COP agreements have significant impacts on inward investment²⁰. Although the climate emergency poses an imminent threat to businesses, there are opportunities to be seized.

Availability and security of energy sources have added to growing global uncertainty, with knock on effects on supply-chains²¹. Energy independence is a major issue that is likely to see far greater investment in nuclear and renewable energy solutions in the UK, with rising sectors such as cleantech and new energy solutions have been leading the way.



Bennerley Viaduct, a railway bridge converted for walking and cycling to link Derbyshire and Nottinghamshire

¹⁶ Los Angeles Times, August 2022 www.latimes.com/world-nation/story/2022-08-28/foreign-businesses-decoupling-from-china-challenges

¹⁷ Supply Chain Digital, August 2022 <https://supplychaindigital.com/logistics/is-reshoring-the-solution-for-supply-chain-disruptions>

¹⁸ Civil Service World, February 2022

www.civilserviceworld.com/in-depth/article/more-than-15000-civil-service-job-relocations-have-now-been-announced

¹⁹ Green Biz, August 2022 www.greenbiz.com/article/how-make-sure-your-esg-framework-appeals-younger-generations

²⁰ Environment Agency, June 2022 www.gov.uk/government/speeches/serious-business-why-our-environment-is-the-ultimate-investment

²¹ The Times, April 2022 www.thetimes.co.uk/article/western-arms-makers-set-to-reap-the-spoils-of-ukraine-war-wgkktq

How can Nottinghamshire attract inward investment?

Investor & Partnership Approach

On a global level, the UK scores fourth in the world on the Kearney FDI Confidence Index, possessing factors that businesses have indicated are most important to them²². Of these national factors, some can be influenced at the county level, including technological and innovation capabilities, talent and skill level of the labour pool, and quality of digital infrastructure.

To stand out as an optimal place to invest in, along with factors that investing businesses find important, we can work in partnership at different levels and target action to business decisions and rationale, where we can have the most impact. Some important location factors can be found at Annex A.

An action plan will be developed to align with this and be kept up to date and prioritised based on the shifting market position. Nottinghamshire will work in partnership at national, regional, and local levels to agree a joint action plan that enables:

- **Impact:** Target action to drivers of business decisions and top industries.
- **Alignment:** With our ongoing commitments, including to social value, environment and planning and transport authority obligations.
- **Responsiveness:** Regular review of shared priorities and the action plan.

To ensure this business responsive approach aligns our ongoing commitment to the environment and our planning and transport authority obligations, the action plan will be reviewed in line with our vision for a greener, healthier, and prosperous Nottinghamshire.

This includes enabling an annual review of the action plan alongside with any relevant strategic planning and environmental impact documents we publish.

To support the annual review of the action plan and project planning, an action planning framework will contain a strategic checklist of factors to compare with each action to ensure more targeted and quality interventions are developed and delivered. These are all areas of local and regional knowledge that will be valuable to potential investors.



Current priorities

Talent Attraction

Nottinghamshire has made progress on skills and training to ensure that the jobs of the future will be local jobs; and our schools, universities and colleges continue to build on this.

Many of the "green jobs of the future" are traditional skills which are increasingly in short supply in the UK – such as carpenters to work on green construction; motor engineers building electric vehicles; electricians servicing wind farms; and the drivers that will move goods in a sustainable way.

We will need to:

- Confirm upskilling routes to address labour shortages, fill green jobs roles and deliver future goods and services, in alignment with the Derbyshire and Nottinghamshire Local Skills Improvement Plan²³.
- Achieve through strong relationships between community, industry, and education partners.

Early work is needed to confirm the upskill routes to fill these roles over the medium and longer term and enable a long-term pipeline into green jobs, through the development of strong relationships between community, industry, and education partners.



Artist impression:
Air and Space Institute,
in Newark & Sherwood
Credit: Lincoln College

²² Kearney Foreign Direct Investment Confidence Index, 2022 www.kearney.com/foreign-direct-investment-confidence-index/2022-full-report

²³ Derbyshire and Nottinghamshire LSIP | FSB, The Federation of Small Businesses www.fsb.org.uk/derbyshire-and-nottinghamshire-lsip.html

Market Growth

Nottinghamshire is at a prime location in the country to build upon global trade and investment links.

Nottinghamshire County Council will support businesses to seize new free trade opportunities that could arise from freeports investment and developer zones, and connected freight and passenger links. Nottinghamshire's great transport links with rest of the UK and the world will be key growth enablers; with its proximity to the M1 and A1, rail connectivity, and the largest freight airport in the region.

We will need to target innovation businesses and access to finance:

- Engage fast growing businesses with good fit for Nottinghamshire industries.
- Support to seize new free trade opportunities and take advantage of transport and connected freight links.

An early aim must be to identify and engage with fast growing innovation businesses that have a good fit for Nottinghamshire and to capitalise on their rapid growth & global aspirations.



'Arnold Market Place' is an exciting new development in the heart of Arnold Town Centre, Gedling

Sustainable Levelling Up of Places

Nottinghamshire Councils can together play a significant role in the future economic development and inward investment success of the area.

Place-led work with District and Borough Councils will help to identify which industries they want to grow whilst aligning with local plans and partnerships, including levelling up and towns fund opportunities.

We will need to:

- Agree which industries partners most need to grow to benefit Nottinghamshire places. Align with local plans to maximise our partnership opportunities.
- Work with partners at all levels on at-scale site regeneration and develop approaches for green growth of strategic sites.
- Deliver prospectuses that demonstrate the range of investable opportunities.

Existing large scale site regeneration partnership development opportunities offer a positive step that can be built on. We will continue to prioritise transport infrastructure to maximise the potential of large scale investment sites.

We will also put more emphasis on maximising investments that are already under development. For example, the £20m Automated Distribution and Manufacturing Centre (with funds secured from the Towns Fund) provides the opportunity to leverage research and development expertise so that the sector can become more competitive.

This presents opportunities to secure inward and foreign direct investment, such as via re-shoring to shorten supply chains to become more agile. Adding value to investments, such as the ADMC, will enhance Nottinghamshire's position as a place to invest.



Mansfield Town

Our vision for Nottinghamshire

Invest in Talent Pipelines

1. Talent

“Putting our people first”: Actualise potential, align skills to employers’ needs, avoid job displacement.

Access to current and future talent and skills remains paramount to inward investors’ decision-making process. By supporting inclusive and relevant education and skills provision, aim to maximise the chances of people actualising their potential.

To continue ensuring Nottinghamshire is a place people love to live, work, and visit, we will foster a pool of skilled and motivated individuals with the right talent to match current and future business needs. To achieve this, the Council will strive to:

✓ **Continue to grow our pool of skilled and motivated individuals.**

- Adopt a strategy which focusses on flexible sites and ensuring that the pipeline of talent is as best as can be.
- Develop and strengthen business-academic partnerships to provide the correct skills for current and future business needs.
- Work with partners and professionals to continue a commitment to diversity and inclusion in and out of the workplace.

✓ **Encourage economically inactive and help those furthest from jobs market.**

- Encourage currently economically inactive talent back into labour markets through targeted skills and training opportunities.

✓ **Harness data to target support to sectors most in need, including hospitality, the visitor economy and health and social care.**

- Work with all local schools, colleges, universities, employers and skills providers to ensure the availability of data and intelligence on existing provision.

✓ **Champion retention of students at our schools, universities and local colleges.**

- Deliver talent attraction campaigns in partnership to grow, identify, and attract transformational skills and entrepreneurial talent.
- Improve retention of students from our world-renowned universities and local colleges for local talent growth.
- Work with partners to develop pathways spanning further and higher education for people to capitalise on opportunities arising from a stronger, more integrated inward investment offer.

✓ **Focus on entrepreneurship to support innovative start-up activity.**

- Focus on entrepreneurship in recognition of the importance of start-up activity to allow for inward investment in other forms.
- Lead the way in hybrid working and emphasise our digital connectivity as ranking in the top three in the UK, with 98.6% superfast coverage and 77.59% gigabit-capable speeds to date.



*‘Look to the Stars’ Mural in Portland Square, Sutton, Ashfield
Credit: Zabou*



2. Growth

Develop our local business growth offer in context of changing markets.

The pre-existing framework of inward investment services in the county has produced good results already and this work will be enhanced as follows:

✓ **Identify how the county's business ecosystem can be enhanced with focus on key factors for growth and expansion.**

- Extend our reach and ability to undertake more of the business development activities which contribute to inward investment success.

✓ **Use a holistic approach when working with existing investors to ensure incumbent high-growth business needs are met.**

- Identify high-growth local companies and their needs to retain and expand their operation within the county.
- Support existing and emerging smaller enterprise place makers, employers, and community makers to develop their business growth plans.

✓ **Champion Nottinghamshire as a place to set up and expand with good technology, logistics, digital infrastructure and innovative strengths.**

- Strengthen partnerships to broaden the high tech and innovation business funding base.
- Promote the benefits of Nottinghamshire as the perfect hybrid and environmentally beneficial working location, with high quality of life.
- Promote the inward investment offer in Nottinghamshire to improve our national profile for prospective investors.

✓ **Continue to deliver high quality business support.**

- To businesses already operating within our county, or who want to move here.
- Provide information, advice, and services to help assist responsible businesses improve their performance while complying with Trading Standards and consumer regulation.
- Establish a working group looking at options to develop inward investment support funding and in-kind incentives including soft-landing packages and creative financing options.

✓ **Increase work on capital attraction and joint commissioning help to promote portfolio opportunities.**

- Committing to finding long-term resources from traditional and innovative funding sources to provide a functioning, county-wide investment service.

✓ **Develop an action plan to measure our success.**

- The action plan will connect and strengthen work on business attraction, retention and expansion, talent and capital attraction, and low carbon places.





3. Sustainability

Leadership in social and environment impact, levelling up for lasting impact.

Nottinghamshire has a wide range of competitive advantages to be celebrated and championed alongside the needs to apply best practice in sustainability and social value. Promoting strengths that the county already has, and is developing, plays a key role.

The Council will aim to:

Continue prioritising travel infrastructure, public transport, and active travel throughout the county as a leading transport authority.

- Maintain infrastructure investment to improve inter-urban area connectivity across the county to help facilitate upskilling through employment and education and connecting Nottinghamshire internally.
- Continue improving sustainable transport links, mobility and interconnectivity throughout the county (as set out in the Bus Service Improvement Plan and Local Cycling and Walking Infrastructure Plan) to make large sites even more attractive to potential investors.

Deliver a strong place marketing function, and investment proposition, targeting investor priorities.

- Continue to strengthen our competitive advantages, focussing on factors that inward investors and place partners find most important.
- Promote our central location with a range of sustainable and high-quality transport options, access to wider markets, talent and, the ease of doing business.

Develop a ladder of property options and a kitemarking standard for sites.

- Maintain intelligence and current availability status of sites.
- Work with partners to develop a ladder of property options to suit every stage in the business growth cycle from workspace for start-ups to major development sites.
- Consider the pathway to development and delivery of the major opportunities offered by strategic growth sites like the West Burton STEP Site, Advanced Manufacturing and Distribution Centre, Ratcliffe-on-Soar, and Top Wighay.

Lead by example on our net zero commitments and support business with positive social impacts.

- Fulfil our net zero commitments and prioritise businesses with corporate social responsibility and low carbon credentials.



Champion the Levelling Up of place for shared sustainable growth and investment in strong, healthy communities.

- Respond to evolving high streets and online retail and business habits.
- Develop further opportunities for digital enhancements, community and visitor engagement and new maker spaces.
- Improve area attractiveness and create healthier places. From levelling up sites to maximising the value in public estates, and brownfield potential.
- Maintain good access to and promotion of our abundance of green spaces and visitor attractions to facilitate a healthy work-life balance.

Partnership working towards devolution and other regional growth.

- Continue partnership working through devolution and other channels to develop a shared approach for inward investment.
- Celebrate and encourage each local areas' economic development and inward investment activity as part of a united approach that leverages greater resources for the common goal of promoting the area.
- Work alongside partners such as East Midlands Development Company to take a holistic approach to housing, facilities, amenities and transport.

Clumber Park, Site of Special Scientific Interest in the Dukeries, Bassetlaw



The following snapshots of high-growth sub-sectors are an indication of the kinds of opportunities that Nottinghamshire could realistically attract in the future.

Transport: EV Manufacturing

Sector	Transport & Mobility
Sub-Sectors	Electric Vehicle Manufacturing
Future Growth	The global EV market size is projected to grow from 8,151 thousand units in 2022 to 39,208 thousand units by 2030, at a growth rate of 21.7%. In the UK, just one in 80 cars on the road, runs on electricity, with one in three needed by 2030 if net zero ambitions are to be met. Growth will be shared between existing OEMs reconfiguring production, and a rise of new entrants across all types of vehicles, alongside new battery supply-chains.
Recent Examples	Arrival (Oxfordshire) EV trucks and vans. Signed a 15-year lease on 120,600 sq ft building in Oxfordshire for their new 'microfactory' model, with plans for 250 employees at each site. Tevva (London) Electric and hydrogen lorries. New 111,120 sq ft (10,323 sq m) unit on 9.85 acres (3.9 hectares), at a rent of £1.65 million per annum. Relocation from former site in Chelmsford, Essex in 2021.
Key Location Factors	<ul style="list-style-type: none"> • Availability of suitable industrial site. • Clean, green location. • Ability to recruit and train skilled workers. • Good transport connectivity.
Typical Site Requirements	Smaller 'microfactories': Basic modern industrial unit 100-250,000 sq ft (spec or design and build) on 10-acre site. Gigafactories: Firms like Tesla and Rivian looking for huge scale sites (Tesla's German plant is a 300-hectare (740-acre) site).
Suitability of Notts	Traditional automotive businesses tended to cluster more, but with new production processes being pioneered, projects can locate in all kinds of regions. Notts being located close to traditional auto assets in Midlands is useful but not a prerequisite. EV manufacturers are looking to create more localised supply-chains, more sustainable processes on net zero sites. There will be opportunities with businesses who are emerging or not even founded yet, as well as further investment from companies like Arrival and Tevva and international players seeking larger sites.

Energy: Hydrogen

Sector	Energy
Sub-Sectors	Hydrogen
Future Growth	"As a result of its geography, geology, infrastructure and capabilities, the UK has an important opportunity to demonstrate global leadership in low carbon hydrogen and to secure competitive advantage." (UK Hydrogen Strategy, 2021) By mid-2020s strategy sees a large-scale CCUS-enabled production in at least one location; electrolytic production increasing in scale. By late 2020s, several large-scale CCUS-enabled and electrolytic projects. Hydrogen fuel cells could be used for decarbonising heavy-duty commercial vehicles – making them key to a net zero future. Road freight accounts for about nine per cent of global CO ₂ emissions, with 62 per cent arising from medium and heavy-duty trucking – the hardest-to-abate transport segments. The Advanced Propulsion Centre forecasts that the UK will need 14GW of fuel cell stack production and 400,000 high pressure carbon fibre tanks annually to meet local vehicle production demands by 2035.
Recent Examples	McPhy (France) is moving to a new 40,000 sq ft (existing industrial unit) to manufacture zero-carbon hydrogen production and distribution equipment (electrolysers and hydrogen stations) creating 100 new jobs in Grenoble. Johnson Matthey (Hertfordshire) is set to announce a major manufacturing facility next to their corporate headquarters in Royston to be operational by 2024. Shell (Netherlands) is constructing a 200MW electrolyser in the port of Rotterdam – which will produce up to 60,000kg of renewable hydrogen per day. Shell aims to produce hydrogen at the plant using electricity generated by the offshore wind park.
Key Location Factors	<ul style="list-style-type: none"> • Access to existing hydrogen skills and talent. • Access to supply-chains in a Hydrogen savvy region. • Proximity to renewable energy source.
Typical Site Requirements	Larger players seeking significant manufacturing sites for gigafactories, other manufacturing facilities are likely to be in the 50,000 to 100,000 sq ft range.
Suitability of Notts	Proximity of Midlands Engine Hydrogen Corridor is a major factor which could attract interest from global players.



Construction: Offsite Manufacturing

Sector	Construction
Sub-Sectors	Offsite Manufacturing
Future Growth	Offsite manufacturing can make delivery of buildings faster, cheaper, safer, and greener. Prior to 2022, the offsite construction of buildings, building elements and structures accounted for around 2% of the total construction market and the proportion of new UK homes built using Modern Methods of Construction (MMC) is currently between 6-10%. Improvements in technology and processes mean that there is likely to be significant growth in next decade, but the sector is beset by short-term financing issues. Unclear that the reality is living up to the hype. Amid forecasts that 2022 was going to be a huge breakthrough year for Offsite Manufacturing, a number of high-profile closures included Caledonian Modular in Newark, Urban Splash House at Alfreton and a scaling back of Countryside's East Midlands operations in Leicestershire. Growth is likely to accelerate because of public procurement such as new hospitals and schools.
Recent Examples	<p>M-AR (Hull) opened their second 100,000 sq. ft offsite manufacturing facility in 2022. At full capacity, the large factory is set up to be able to build 400 modules a year which equates to around five average-sized homes per factory operative per year.</p> <p>British Offsite (Essex) is opening 137,000 sq. ft off-site manufacturing and distribution centre in Braintree, Essex in 2022 creating 80 new jobs. The site is an expansion of its 75,000 sq ft factory opened in 2019.</p>
Key Location Factors	<ul style="list-style-type: none"> • Available sites and premises. • Good transport connectivity. • Available workforce. • Proximity to existing HQ.
Typical Site Requirements	Large industrial units around 100,000 sq ft with good transport links, ideally with opportunity to scale up.
Suitability of Notts	£200M Laing O'Rourke Centre of Excellence for Modern Construction (CEMC) in Nottinghamshire. It is Europe's most advanced concrete products manufacturing facility and employs 400 people, who work closely with our digital engineers and project teams to design, and precision manufacture a range of components for use in major building and infrastructure projects.

Logistics: E-commerce

Sector	Logistics
Sub-Sectors	E-commerce
Future Growth	The pandemic dramatically accelerated e-commerce adoption rates in the UK and the associated growth in demand for logistics sites is set to continue in the future. New innovations like smaller urban centres and drone delivery will impact the sector but in general the thirst for new logistics sites continues. Amazon's footprint continues to grow and the US company account for around a third of all new logistics space leased in the UK. Major 3PL operators like DHL, FedEx and UPS are adding new facilities and creating thousands of new jobs (German logistics firm DHL will invest £482m across its UK e-commerce operation adding up to 4,000 new jobs, according to a July 2022 announcement). The growth of e-commerce is a key driver in other sector opportunities such as commercial EVs, with delivery fleets ripe for electrification and players needing to slash their carbon footprint.
Recent Examples	<p>Iron Mountain (USA) announced in 2022 that they had taken 312,000 sq. ft of logistics space in Kettering, Northants. Rapid expansion in the UK underlines the demand for services at a time where e-commerce is driving logistics growth.</p> <p>Amazon (USA) opened one of their largest facilities in the UK in 2021, in Swindon. The four-storey 547,000 sq. ft warehouse will provide jobs for more than 2,000 people.</p>
Key Location Factors	<ul style="list-style-type: none"> • Sites with the right planning consent. • Good connections and transport links. • Access to regional conurbations.
Typical Site Requirements	There is an insatiable appetite for large speculative builds in central locations.
Suitability of Notts	Ideal location in terms of location and connectivity, but concerns over pipeline of sites and planning.



Agriculture: Innovative Food Production

Sector	Agriculture
Sub-Sectors	Innovative Food & Drink (Vertical Farming and Hydroponics)
Future Growth	Food and Drink is the largest manufacturing sector in the UK, bigger than automotive and aerospace combined. UK Food Strategy (June 2022) focuses on drive to greater self-sufficiency (e.g., UK produces only 15% of tomatoes consumed). Food security and provenance will be growth drivers, but the key growth will come from new technology and innovations such as vertical farming and hydroponics which is expected to see 25% growth rates worth more than \$8billion in next five years.
Recent Examples	<p>Jones Food Company (UK) is building world's largest vertical farm in a 140,000 sq. ft industrial unit in Liney, Gloucestershire, which will create 30 new jobs. JFC is backed by Ocado as an investor.</p> <p>Infarm (Germany) opened one of Europe's largest vertical farms in Bedford, which measures 100,000 sq. ft (2.5 acres) in size, has the capacity to grow millions of crops each year in tall units without soil. Infarm has also created 3 farms in the US too.</p>
Key Location Factors	<ul style="list-style-type: none"> • Available sites and premises. • Pipeline of skilled workers. • Local R&D.
Typical Site Requirements	<p>Large modern industrial units (100-200,000 sq. ft) with good transport links and connectivity to regional markets.</p> <p>Low density of employment could be an issue for locations, with 30-50 jobs created at each farm.</p>
Suitability of Notts	Strong agritech credentials and activity at both Nottingham universities, including The Food Innovation Centre, based at the University of Nottingham. Support to SMEs in Nottinghamshire and Derbyshire with the development of new products and processes from conception to consumption.



ANNEX B:

Inward Investment Location Factors



Adopting a classification or kitemarking system for strategic sites should be based on what investors are likely to be most interested in or concerned about, such as ownership, planning, environmental issues, connectivity, utility provisions and capacity, access to workforce and skills.

This categorisation can help investors and partners to establish at a glance which sites are “investor-ready”, and which are “longer term partnership opportunities”. Transparency to investors provides assurance and confidence in the process and ability to engage in partnership at varied project stages. It also helps landowners to focus on what improvements to their site are most likely to enhance its marketability.

ANNEX C:

Ladder of Accommodation

Locations that want to attract future inward investors need to be able to offer a wide choice of potential sites and premises that cover the whole growth life cycle of a company. This ladder is important as it demonstrates a clear growth pathway for ambitious businesses.

Major inward investors rarely start off needing sites at the top of the ladder and will often make initial moves into a location through small offices or even accelerators and serviced offices, irrespective of their size globally.

The following snapshot of market availability shows the Nottinghamshire offer, with the figures in brackets indicating the number of sites outside of the city boundary:

Site	Area	Number
Development Sites	(20+ acres)**	5 (4 Notts)
Development Sites	5-20 acres)**	7 (6 Notts)
Development Sites	(1-5 acres)**	8 (7 Notts)
Large Industrial	(50,000+ sq. ft)*	36 (31 Notts)
Large Offices	(50,000+ sq. ft)**	5 (2 Notts)
Medium Industrial	(10-50,000 sq. ft)*	63 (46 Notts)
Medium Offices	(10-50,000 sq. ft)*	36 (12 Notts)
Small Industrial	(up to 10,000 sq. ft)*	116 (96 Notts)
Small Offices	(up to 10,000 sq. ft)*	311 (67 Notts)
Incubators and Accelerators		Yes (Uncertain)
Virtual Serviced Offices		62 (22 Notts)

*Rent

**Rent or Sale

Source: EG PropertyLink Search 1 July 2022

We want Nottinghamshire to be known as a place businesses can **grow** and **thrive**, where people want to work and have the **skills** employers seek; and where **sustainability** is championed.



Healthy *Prosperous* *Green*

