

# Financial and Business Services Sector Development Plan

Nottingham  
A growing  
economy  
A flourishing  
reputation

October 2007



Nottingham

# Welcome to the Financial and Business Services Sector Development Plan

Nottingham as one of the best performing cities for economic growth between 2006 and 2020.

Over 50 European, National and Regional HQs have chosen to locate in Nottingham. Capital One, Boots Plc, Experian and Government Office for the East Midlands are just a few examples.

The Finance and Business Services Sector has been identified as a key economic 'growth sector' which will help to launch Nottingham as a leading UK city with a strong national and international profile. The sector has been identified as significant in terms of driving competitiveness in the region.

The sector particularly contributes to the repositioning of the local economy to a more knowledge intensive focus, a key priority for economic development activity. Nottingham will establish an international reputation for its innovative service industries, just as it has done with manufacturing in the past.

## Nottingham – International Financial Services Gateway to the Future

## Aims

### The Sector Development Plan will:

- Provide a profile of the sector in a local, regional, national and international context
- Identify target sub sectors and methodology for the development of the plan
- Propose key themes on which activity should focus
- Identify outputs and future projects for the development of the sector

The plan explores opportunities for facilitating growth, focusing on understanding the constraints to growth and how Nottingham City Council can position itself alongside the private sector to achieve this growth. It explores how Nottingham can be repositioned to be not only a key player nationally and internationally, but also how it can strengthen its role as the regional centre for the sector.

# What is the Financial and Business Services Sector

Six core sub sectors have been identified within the financial and business services sector in Nottingham and this analysis demonstrates that Nottingham does have strong, dynamic and emerging sector strengths and has more to offer than a handful of leading brands.

## > Banking

A number of international corporate and private banks have opened in Nottingham and experienced steady growth. These include Coutts; established in Nottingham for 10 years based on the ng2 site and Barclays who have recently announced they are re opening its corporate office in Nottingham because, as quoted by Barclays, 'Nottingham is an important commercial centre'. The Banking sub sector employs the largest number of employees within the financial and business services sector with around 5,400 people employed in the Greater Nottingham area.

A niche has been identified within this sub sector; foreign owned banks locating in the city, examples of these are Fortis – a European banking and insurance group who describe the East Midlands as 'fertile territory for banking' and Nordic bank, Handelsbanken who offer a full range of mid-corporate and private banking facilities.

## > Insurance and Pensions

This sub-sector has a long-standing history in Nottingham with Prudential Assurance and Pearl Assurance having an established presence in the city centre and Oval, who are one of the fastest growing providers of insurance broking and financial services in the UK are also based on the outskirts of the city. Halifax – Bank of Scotland (HBoS) opened a multi million pound customer service centre at the ng2 Business Park in 2006 and The Centre for Risk and Insurance Studies at Nottingham University Business School is one of the world's leading specialist centres for risk and insurance.

## > Legal activities

This is one of the largest employers in the Financial and Business Services with around 4,800 people employed. It is an area of expertise for the two universities with the Nottingham Law School being recognised as one of the leading schools in the UK and is home to the Centre for Legal Research, providing research services to the private sector and government departments.

Browne Jacobson who employ over 370 staff, Freeth Cartwright, Eversheds who employ over 200 staff, Geldards and Poppleston Allen, the UK's largest specialist licensing solicitors are all based in Nottingham.

## > Accounting

There are 2000 people employed within this sub sector. Larger firms Ernst and Young and Tenon – a leading provider of accounting and business advice to entrepreneurs and owner managed and private businesses are based in Nottingham as well as KPMG, Grant Thornton, Mazaars, Deloitte, Cooper Parry and Clearwater all which have regional offices within Nottingham and surrounding areas.



## International Financial Services Gateway

## Create a dedicated 'Business Zone' in the city centre



### > Contact Centre activities

Nottingham hosts a number of customer contact centres, primarily in the Financial and Business Services sector. These include Capital One, Inkfish – employing around 500 staff, Ikano Financial Services – employing 350 staff, DSGi's, a Nordic and UK technical support centre – employing 900 staff, E.ON – employing 2000 people and HBoS. Many of the city's largest contact centre operations are those by foreign-owned companies, which further emphasises the international nature of this sector in the city.

### > Business Consultancy

There are a high proportion of micro and SME businesses in the sub sector, however larger companies like Tenon, Deloitte and KPMG all have offices in Nottingham offering a range of consultancy services.

### People

- Greater Nottingham has a larger proportion of employment in the Financial and Business Services sector compared to the East Midlands, highlighting its priority sector status.
- The Financial and Business Services sector is valued at almost £3,000 million GVA in Greater Nottingham which is 27.2% of the total GVA for the area.
- A high proportion of the East Midlands population are in managerial, administrative and other professional occupations.
- all which are highly skilled jobs.
- Between 2007 and 2020 Greater Nottingham's Financial and Business Services sector employment is forecast to increase by 15.9% equal to that of the UK (Experian 2007).

### Skills

- The University of Nottingham is ranked 7th in the 2007 Times Good University Guide among UK management schools, is one of the few UK business schools ranked in the 2006 Financial Times Top 100 MBA and European Masters in management ranking. It is the only UK business school in the Aspen Institute's Beyond Grey Pinstripes world ranking.
- Nottingham Trent University's Law School has achieved an eighth consecutive 'Excellent' rating from the Law Society for its Legal Practice course and is consistently within the Top 10 universities for graduate employability with over 97% of graduates, with first degrees, finding employment or engaged in further study six months after leaving.
- Statistics show that the number of people of working age qualified to NVQ Level 4 (degree, professional qualification or higher) is above the England average. This is an encouraging sign for existing and potentially new employers.
- A sector skills audit is essential to identify any skills gaps and ensure the labour pool within Nottingham is able to meet the demands of the sector in the future.

### Identity

- A key theme raised through consultation with businesses was that Nottingham lacks a strong profile and identity within the market.
- UKTI (UK Trade and Investment), the body that promotes the UK to potential inward investors, in their 2006 – 07 review did not regard Nottingham as worthy of a mention – this reflects the task ahead.
- Nottingham should identify and promote a specific niche that positions the city in a different way; through the Financial and Business Services Investment Promotion Plan this niche lies in our new and exciting international links in Asia and Europe.
- Nottingham is establishing itself as an 'international financial services gateway'.



This poses very real and exciting opportunities for the sector.

## Places

- The lack of high quality space in Nottingham City Centre now and in the future was seen as an issue not only for businesses looking to expand their current operations but also as a block to potential inward investors considering Nottingham as a business location.
- A number of the businesses that were consulted had commented that one solution to the lack of office space would be to 'create a dedicated 'Business Zone' in the city centre', which could be located on a regeneration area such as the Eastside to help bring in inward investment from the Financial and Business Services sector and to accelerate growth in the property market.
- Nottingham does offer a cost effective location to businesses looking to expand or relocate in the UK in comparison with other major financial centres.

## 'The Client'

- We need to capitalise on Nottingham's position as regional centre and ensure that the sector can access the wider customer base offered by this regional perspective.
- There is a strong sense that Nottingham, in developing expertise in business in China, has started to project itself as a leading city with knowledge and experience of working for and with businesses with an interest in the world's largest market.
- The growth in the Science sector could see a growth in niche financial and business services companies such as legal firms that specialise in intellectual property and a need for Venture Capital firms to be close to the sector.
- Nottingham has a large public sector presence and it is fundamental that public sector procurement practices are geared up to support local Finance and Business Service businesses. There is additional potential to attract public sector finance functions in the form of local authority shared service centres, which are increasingly mobile.

## Conclusion

The Sector Development Plan and analysis undertaken has demonstrated that the sector is performing well in comparison to all sectors in Greater Nottingham, and performance has been more impressive than in the rest of the region. However, Nottingham must improve faster than its competitors or it will become a fringe player or an irrelevance at worst.

The research and consultation undertaken as part of the sector development plan demonstrates that the sector is facing a number of constraints and threats including the strong performance of comparator cities, the lack of property supply, difficulties attracting large businesses and a lack of sector / City identity.

These challenges create opportunities for Nottingham as do external factors such as the quality of the local universities, relationships with new partners in China and the presence of existing large businesses in the City.

It is also critical that Greater Nottingham retains its core 'clients' i.e. larger employers and high growth businesses. This will require a closer working relationship between the public and private sector, the retention of the existing labour force and skills base, and increasingly the retention of students graduating at local educational establishments.



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## Key actions

- Establish a clear vision of what and where Nottingham wants to be.
- Engage the private sector and stakeholders to shape the future of the sector to include the development of a steering group and account management process.
- Develop and deliver an Investment Promotion Plan and Marketing Strategy.
- Develop an understanding of the sector needs, growth patterns and issues including transport. Undertake an annual questionnaire.
- Develop sub sector action plans.
- Understand Nottingham's competitive position.
- Benefit from the growth in China and India.
- Create a sector business directory tool.
- Build an understanding of the property offer for the sector.
- Maximise the use of Eastside and explore other cluster areas.
- Explore recruitment and student retention issues and increase student retention in Nottingham.
- Raise aspirations of young people to acquire jobs in the sector.
- Develop an understanding of the skills gaps, needs and skills development initiatives within the sector.