A.1 Appendix A

Tendring Socio-Economic Baseline

A Report by Regeneris Consulting

Tendring District Council

Tendring Socio-Economic Baseline

October 2013

Regeneris Consulting Ltd

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Contents

Socio-Economic Baseline Summary

The Location

The district of Tendring is located in the north-east of Essex. The district has a long coastline, stretching for around 60km from Brightlingsea to Manningtree, with the east of the district facing onto the North Sea and the north of the district onto the River Stour. To the west and northwest, Tendring is bordered by Colchester and Babergh.

Clacton is the primary population and economic centre within the district. Clacton, along with Walton and Frinton, developed as a coastal resort and continues to perform a function in this regard. Harwich is home to Harwich International Port – one of the district's major assets and economic drivers.

To the west of the district, the economy and labour market of Manningtree is influenced by its relative proximity to Colchester and good rail links to London. The interior of the district is largely rural and is characterised by a high quality environment, interspersed with small settlements.

Tendring's linkages with wider economic geographies play an important defining role in local socio-economic performance. The district is located within two strategic partnership areas – the Haven Gateway Partnership area and the South East Local Enterprise Partnership area. These partnerships reflect efforts to build cross border functional economic geographies which promote shared strategic objectives and interventions at a sub-regional level.

Tendring shares economic linkages with numerous locations across the sub-region, most notably Colchester, but also Babergh, Chelmsford, Ipswich, the Suffolk Coastal Area, and further afield, London. The linkages that Tendring shares with these locations are varied in nature, with the most obvious being labour market flows (with strong levels of out commuting from Tendring to locations such as Colchester).

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The Tendring Economy

The Tendring economy contributes around £2.1 billion to the UK economy and comprises around 35,400 jobs, and around 4,700 businesses. The district is located within a large and diverse economic sub-region – within a 45 minute drive of the centre of the district there are around 400,000 jobs. Within Tendring, employment is concentrated in coastal locations within the district. Clacton and Harwich are the major centres of employment.

Tendring's economy is characterised by relatively high levels of employment in sectors which are generally seen as relatively low value adding. Health, Retail, and Education are the largest sectors in terms of number of jobs, and together represent 45% of the district's total employment (15,800 jobs). These sectors are also largely focussed upon servicing the needs of the local population. Employment levels in industries which are higher value adding (such as business services) is comparatively low.

The Tendring economy is also characterised by relatively high levels of part-time employment. This accounts for 41% of all jobs in the district, which is much higher than the national average of 32%. This is likely to be linked to a number of factors; including the local sector profile and the nature of the local labour force (Tendring has a relatively high proportion of older workers).

Over the past decade, the Tendring economy has performed more sluggishly than comparator areas. Employment in the district has fluctuated from year to year over the past decade, it has not risen above the figure of 36,000 jobs recorded in 2003, and currently stands at 600 jobs below this baseline (-2%). Employment performance was particularly weak in Tendring between 2003 and 2008 relative to national level trends when the national economy was growing strongly.

Relatively low levels of employment growth are projected in the period to 2029. The East of England Forecasting Model (EEFM) predicts potential employment change at a district level. It currently forecasts relatively low growth in Tendring, with employment across all sectors is projected to increase by 2,000 FTE by 2029.

Business in Tendring

Tendring has a total of approximately 4,700 businesses. Businesses are spread throughout the district, although as would be expected, the majority are located in and around the district's towns, particularly Clacton. In recent years, the Tendring business base has performed comparatively poorly, having declined by 6% since 2008. This represents the largest rate of decline seen across all comparator areas (comparators are outlined in the following section).

Levels of enterprise in Tendring are relatively low. In 2011, there were around 400 new businesses start-ups in Tendring – a start-up rate of 28 per 10,000 population; again, this is lower than in any of the comparator areas. Whilst the rate of business closures is lower than in many of the comparator areas, it is currently slightly below the start-up rate, which meant that in 2011, there was a net decline in the business stock.

Enterprise performance has declined in recent years. Whilst from 2004 to 2007 Tendring experienced a net increase in the number of businesses per annum, since 2008 it has experienced a net decrease. Since 2004, the rate of business start-ups has declined by 8% - a larger decline than all comparator areas.

Tendring performs stronger in terms of overall business survival rates, with performance that matches many of the comparator areas. Despite this, survival rates appear to have declined in recent years, perhaps a reflection of the difficult economic conditions.

Evidence from Essex County Council suggests that inward investment activity has been very low in Tendring in recent years.

Performance and Opportunities for Key Sectors in Tendring

The sector profiling exercise has highlighted the current performance of key sectors in Tendring and the extent to which these sectors can be expected to grow. The key messages are highlighted in the sector performance / growth matrix:

Tendring Key Sectors – Current Performance and Growth Prospects

		Future Growth Potential		
		Strong Growth Potential	Moderate Growth Potential	Limited Growth Potential
Current Importance to Local Economy	Important Employment Provider (3,000 to 7,000 jobs)	• Health and Care	• Cultural and Visitor Economy	• Retail • Business Services
	Moderate Employment Provider (1,500 to 3,000 jobs)	• Ports, Logistics, Distribution		• Manufacturing • Construction
	Less Important Employment Provider (less than 1,500 jobs)		• Low Carbon, Environmental Goods and Services	• Agriculture • Creative Industries

Source: Regeneris Consulting, 2013, based upon IDBR, 2012

The matrix highlights that the Health and Care sector is both a current important employment sector and a sector which has potential for future growth. Other sectors with potential for future growth are Ports, Logistics and Distribution, and the Cultural and Visitor Economy sector, and the Low Carbon sector (which includes components of Offshore Energy). Sectors such as Retail and Business Services, and to a lesser extent Manufacturing and Construction, are currently important employment sectors, but have less strong growth potential for the future in Tendring.

More detail on the individual sectors is summarised below:

- Agriculture - currently an important provider of jobs in rural areas. Limited potential for growth, although there is some potential for diversification into tourism and low carbon energy.
- Manufacturing - provides around 2,500 jobs, but is underrepresented compared to national averages. Clacton is a key employment centre, with local strengths also in Manningtree and Brightlingsea. There is limited growth potential, although there are some potential to links to port / offshore wind activity and University of Essex's

Knowledge Gateway.

- Construction - provides around 1,900 jobs. Businesses are located throughout the district (and particularly in Brightlingsea, Manningtree and Rural Areas). There is limited potential for future growth, which is likely to be tied to the scale of future residential development in the district and sub-region.

- Ports and Logistics - provides around 1,700 jobs and is one of Tendring's greatest comparative sector strengths. Activity is concentrated around the Port in Harwich and to a much lesser extent at Brightlingsea and Mistley. There is strong potential for the sector, although this will be linked specifically to the fortunes of Harwich International Port.

- Retail - an important provider of employment across Tendring (5,400 jobs in total). Concentrated in the towns and particularly in Clacton. Clacton has low vacancy rates, but anecdotally the overall offer is poor and partly as a result, there is high retail leakage to Colchester and Ipswich. Towns other than Clacton largely offer a local service role. Town centre performance is varied but vacancy rates are typically low. There is limited potential for significant future growth in the sector in Tendring. Growth likely to be tied to future population change.

- Business Services - the sector provides around 3,400 jobs (but is underrepresented relative to national regional averages) and largely serves the local population. Clacton is the primary centre for employment, whilst activity is also distributed across rural areas. There is limited growth potential and any growth is likely to be driven by future population change.

- Cultural and Visitor Economy - traditionally an important sector for Tendring, the sector now provides around 3,100 jobs, which is broadly in line with the national concentration of employment. Employment activity is clustered around Clacton and coastal areas. There is moderate growth potential linked to the diversification of the visitor offer and developing a more year round, sustainable visitor economy.

- Health and Care -the largest employment sector in Tendring, providing around 6,700 jobs and strongly overrepresented relative to national averages. The Care and Assisted Living sector is particularly important, with a high ratio of care homes relative to the size of the population. Activity is located throughout the district, but particularly strong concentrations of activity in Clacton and throughout rural areas. There is strong potential for future growth, with a focus on the Care sector reflecting existing strengths and the current and likely future population profile.

- Creative Industries - as with Business Services, the sector is strongly underrepresented relative to wider averages and provides a limited number of jobs (around 800). The majority of activity is located in Clacton, but the highest concentration of activity is in Manningtree. There is limited potential for future growth - again, this is likely to be dependent upon population growth and demographic change.

- Low Carbon Environmental Goods and Services - Tendring has a comparative strength in this sector and we estimate that it provides around 1,300 jobs. Activity is spread throughout the district, but is particularly clustered around Clacton; with concentrations of activity across rural areas and in Brightlingsea and Manningtree. There is moderate growth potential for the sector locally, although offshore wind activities at Harwich have been identified as a potential growth opportunity.

The Tendring Labour Market

The Tendring Population Size

Tendring currently has a population of 138,050 residents. Since 2001 the population has remained relatively stationary, while the national population growth rate for this period is equal to 8%.

Tendring is characterised by a population which is skewed towards the older age groups. In 2011, 27% of Tendring's population was aged 65+. This figure is the highest proportion relative to all comparator areas, including Essex (18%) and England (16%).

The local population is also characterised by relatively low levels of ethnic diversity.

Supply of Labour

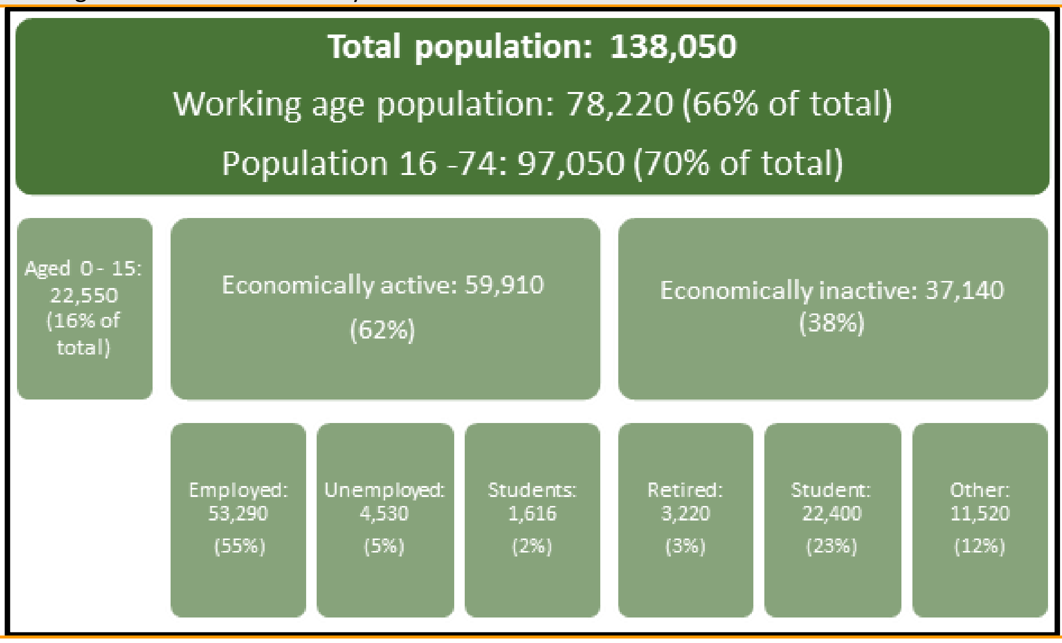
The size of Tendring's labour pool is constrained by a number of factors, including the size of the local working age population, levels of economic activity and the unemployment rate.

In 2011, 57% of Tendring's population was of working age (78,220 residents). This figure is the lowest proportion relative to all comparator areas, including Essex (63%) and England (65%). Tendring's economic activity rate is equal to 62% (59,910 people), which is below all other comparator areas including Essex (71%) and England (70%).

The district's employment rate is also relatively low at 55% (compared to the national rate of 62%). As of April 2013 there are a total of 3,270 people in Tendring claiming unemployment related benefits, equivalent to a claimant rate of 4.2%.

Reflecting the population profile, 37% of Tendring's residents who are in employment are above the age of 50. This proportion of older workers is significantly above the national level (29%) and even that of Essex (32%) and represents a long term threat to the size of the labour market unless replacement supply can be found.

Tendring Labour Market Summary



Source: Regeneris Consulting, 2013, based upon Census 2011

Despite overall weak performance at the district level (62%), economic activity is varied locally. Areas such as Brightlingsea, Harwich and Dovercourt, Manningtree, Mistley, and Lawford, and rural areas (65%) typically perform above average, whilst areas such as Clacton and Jaywick perform significantly below average in terms of employment rates. Over a third of Tendring residents claiming unemployment related benefits are located in Clacton (claimant rate of 5.2%).

Labour Market Skills

The Tendring labour market is currently characterised by relatively low skills levels within the population.

A relatively high proportion of local residents have no qualifications (34%) compared to the wider areas of Essex (24%) and England (22%). Perhaps reflecting this, a relatively small proportion of Tendring residents are in manager, director, professional, and associate occupations (32%). This proportion is below those of Essex and England (41% each) as well as all comparator areas.

Reflecting the profile of the local business base, the district has a proportion of residents in the care, leisure, and other service sector occupations (26%) which is above the national level (23%) and all comparator areas, with the exception of Braintree. Reflecting these lower than average skills levels, earnings for those living in the district are also below average – in 2012 the median gross weekly pay of a resident in Tendring was equal to £490, compared to the national average of £513.

Within the district, Manningtree, Mistley, and Lawford have the largest proportion of residents in managerial and professional occupations (40%). This is likely to reflect relative proximity (compared to the rest of the district) to large employment centres, such as Colchester and London.

There are particular challenges for young people in Tendring. The district has a higher than average proportion of young people not in education, employment and training (NEET), and levels of progression to higher education are relatively low. Only 36% of residents aged 16 – 24 in Tendring are enrolled as full-time students, compared to 47% nationally and 40% in Essex.

Education performance for younger age groups is currently below national and regional averages. Since 2005 the proportion of Tendring students achieving level 4+ in Maths and English at key stage 2 has been lower than all comparator areas with the exception of Thanet and has remained so through to 2012. Despite this, 14-16 year old education performance in the district has shown signs of improvement in recent years. Tendring has gone from having below 40% of pupils achieving five or more A*-C GCSEs in 2005, to around 53% in 2012. However, this is still below the national average and that of neighbouring Colchester (59%).

Living in Tendring

Evidence suggests that quality of life in Tendring is mixed. Whilst some areas are relatively prosperous, parts of the district are also severely deprived. The highest levels of relative deprivation exist in and surrounding Jaywick (the most deprived locality nationally) and parts of Clacton, which are within the 10% most deprived in England.

There are also challenges regarding the supply and affordability of housing. According to Tendring's Strategic Housing Market Assessment (SHMA), whilst house prices are generally low in Tendring, around 23% of all households in Tendring are theoretically unable to afford market accommodation of an appropriate size. It is estimated that 8% of households are living in unsuitable housing and there is a net need of 2,474 affordable dwellings per year.

The quantum of future housing development will be shaped by local policy. The Tendring SHMA suggests that there is an objectively assessed need for 685 new homes per year in Tendring over the Local Plan period. This amounts to a total of around 10,300 units from 2014-2029. However, levels of residential completions have been much lower than this in recent years (an average of 349 units per annum from 2006 and 2013), whilst the Draft Local Plan suggests a target of around 375 units per annum at the time of writing.

Commercial Property Markets

There have been low levels of demand for employment floorspace across the UK in recent years. However, there are some signs that increased activity may return during 2013 and thereafter.

According to 2009 figures there was a total of 555,000 sq. ft. (51,561 sq. m) of office, industrial and warehouse floorspace in Tendring. This is a fairly modest figure. In particular, the total office stock is very low (albeit the district did see a 15% increase in office floorspace between 1998–2008). There are also commercial property quality issues – much of Tendring's commercial stock is second hand and of poor quality. This is particularly the case for offices accommodation.

Levels of take up for office space are low, largely reflecting demand. Deals are normally from existing indigenous, small companies looking for alternative premises. Demand for office space is typically for small units of.

Industrial and distribution activities are considered to be a stronger driver for the district's economy than the offices market. Demand for industrial accommodation is normally for requirements of 1,000 sq. ft. – 4,500 sq. ft. Occupiers are generally small companies looking for premises or larger companies looking to downsize in Clacton and Harwich.

Infrastructure

Infrastructure is integral to economic growth.

The A120 and A133 are the principal strategic roads in the District. The majority of the highway network is currently operating within capacity. However, additional development is likely to result in more pressure, especially on the network's pinch-points. There is particular focus on the capacity of the A120 in this regard, particularly in the context of a number of developments proposed along this important corridor which leads from Harwich International Port to Stansted Airport.

Passenger rail services are currently operating within capacity and experience a maximum utilisation rate of between 20% and 70%. Additional demand may require the upgrade of lines and /or more frequency. The attractiveness of public transport will not improve unless there are significant improvements in journey times.

Harwich International Port is a major regional hub for passenger and freight traffic, and has started to support the Offshore Renewables sector. Proposals at Bathside Bay are likely to increase the sector's importance, although it is accepted that these will not be delivered in the lifespan of the strategy.

The Local Broadband Plan aims to make superfast broadband (24Mbps) available to 90% of Tendring residents and 2Mbps available to everyone. However, the 90% target means that it is possible that some Tendring businesses and residents will continue to not have access to superfast broadband until 2018 or beyond. There are also concerns that future residential development may not benefit from suitable broadband infrastructure.

There are currently no major capacity issues in terms of electricity production. The Clacton sub-station is nearing its capacity and will require reinforcement to accommodate growth in the district. New development in northwest Tendring will require a new sub-station, whereas local 11 kV cabling will be needed to serve new developments locally. Current capacity of the national gas grid is currently also more than adequate. However, new developments may require the reinforcement of the existing network.

1. Introduction and Methodology

What is the Tendring Socio-Economic Baseline?

1.1 Regeneris Consulting was commissioned in spring 2013 to develop a new Economic Strategy and Action Plan for Tendring.

1.2 The overall aim of the study is to guide the economic development (and wider) activities of Tendring District Council and its partners over the next decade. In doing so, the study has a number of broad objectives:

- Provide a robust understanding of the district's economy;
- Provide the evidence needed to inform decision making processes;
- A Strategy and Plan to unite local stakeholders, politicians and investors;
- A clear articulation of the Tendring offer to investors and businesses; and,
- Help to deliver a step change in delivery of services and business support.

1.3 The Tendring Economic Strategy comprises three documents:

- Tendring Socio-Economic Baseline
- Tendring Economic Strategy
- Tendring Economic Action Plan

1.4 This document is the first of those three reports – the Tendring Socio-Economic Baseline. This provides a detailed compendium of the socio-economic evidence which has been used to underpin the Economic Strategy and Action Plan.

1.5 This document draws together a wide range of data and information to understand the key strengths and issues for the Tendring economy and to inform the strategies and actions which can be designed to address these going forward. In addition to underpinning the development of the Strategy, the report is intended to be used as a 'go to' reference document for information on the local policy context and local socio-economic performance. The information contained within the Baseline document will be relevant and value adding for a range of purposes, including:

- The development of funding bids
- Case making around potential socio-economic interventions
- Monitoring and evaluation of socio-economic performance

Study Methodology

1.6 The Tendring Socio-Economic Baseline brings together a number of work streams, including:

- **Collection and review of data**: data has been gathered from a range of sources, including nationally held data sets (such as Census, IDBR, BRES, NOMIS) and from a range of organisations consulted as part of this study;

- **Consultation with stakeholders**: we have consulted widely with internal stakeholders, including relevant officers and Councillors at Tendring DC. In addition, we have spoken to neighbouring local authorities and a range of wider public and quasi-public sector partners;

- **Consultation with businesses**: we have consulted with a number of companies located within Tendring.

1.7 This methodology is outlined in more detail below.

Key Geographies of Analysis

1.8 This report provides analysis of performance for a number of different geographical areas. These are summarised in Table 1-1.

Table 1-1 Tendring Socio-Economic Baseline: Geographies for Analysis

Tendring Local Areas	• Clacton-on-Sea (referred to as Clacton throughout); • Jaywick • Frinton-on-Sea and Walton-on-the-Naze (referred to as Frinton and Walton throughout) • Brightlingsea • Harwich and Dovercourt • Manningtree, Mistley and Lawford • Rural Areas • **Tendring District**
Comparator Areas	• Colchester • Thanet • Babergh • Braintree
Wider Geographies	• Essex • East of England • South East Local Enterprise Partnership (referred to throughout as SE LEP) • England
Other Geographies	• Tendring's Functional Economic Areas (FEA's) – defined as 45 minute drive time area

NOTE: The local areas listed are defined according to Super Output Areas and 2011 Wards. Detailed definitions of these and the Functional Economic Area geographies can be found in Appendix A.

Tendring Geographies

1.9 As set out above, data relevant to Tendring is presented and analysed at both the local level and district-wide level.

- **Local Level** – comprising the six main settlements within the district and the rural areas, classified as all areas not included in the main settlements

- **District Level** – consideration of Tendring district as a whole

1.10 Where necessary, GIS mapping is used to assess variations in performance at a more local level, and to assess performance outside the six main economic centres.

Wider Geographies

1.11 Tendring's performance is also assessed in relation to the performance of a number of wider geographies, from the very local level to the regional and national levels. This is an important means by which to benchmark and compare Tendring's performance, ultimately helping to put local performance into context.

Other Geographies

1.12 Throughout the study, we also refer to the Functional Economic Areas (referred to throughout as FEAs) of Tendring.

1.13 A key area of focus for this Socio-Economic Baseline is gaining an understanding of the functionality of Tendring's economy, identifying the economic linkages and dynamics within the area but also with wider geographies. Whilst there can be no one definition of a Functional Economic Area, for the purpose of analysis this has been provisionally defined using 45 minute drive time maps. These areas are defined in detail in Chapter 3 and Appendix A, and are referred to throughout this report.

Quantitative Data Sources and Analysais

Main Data Sources Used

1.14 The analysis presented in the following chapters draws upon a range of data sources, including:

- Census 20)1 and 2011, ONS via NOMIS – the Census provides a full overview of the characteristics of the UK population. Given that it is based on a survey of the full population, it is considered a much more robust data source than other socio-economic datasets which are produced more frequently, but which are based on a relatively small population sample. As such, this report draws heavily upon the results of the 2011 Census, with comparison to the results of the 2001 Census where relevant;

- The Business Register and Employment Survey (referred to throughout as BRES), ONS via NOMIS – the BRES is the official source of employee and employment estimates by detailed geography and industry. The BRES is survey based and its results are published annually. The last update is for 2011;

- Inter Departmental Business Register (referred to throughout as IDBR), ONS – the IDBR is the most robust source of information on the business base at a local level. The IDBR is based upon data from VAT Trader and PAYE employer information, Companies House and ONS Survey work, and provides the sampling frame for surveys of businesses carried out by the ONS and by other government departments. The IDBR is updated annually, with the last results available for 2012;

- Annual Population Survey (referred to throughout as APS), ONS via NOMIS – this provides the results of the Labour Force Survey (LFS) and provides data on key social and socio-economic variables. Datasets are produced quarterly;

- Claimant Count Database, ONS via NOMIS – provides an overview of latest claimant count unemployment levels. This dataset is updated on a monthly basis;
- Annual Survey of Hours and Earnings, ONS via NOMIS – this provides data on the levels, distribution and make-up of earnings and hours worked for employees in all industries and occupations. Data is produced annually, with the last update for 2012;
- Index of Multiple Deprivation (referred to throughout as IMD), CLG – provides an overview of relative levels of multiple deprivation at the local level throughout the UK. The last update was in 2010;
- Additional data from NOMIS, the Office for National Statistics (OBS) and relevant government departments. All sources used are referenced clearly throughout.

Data Analysis Techniques

1.15 A number of data analysis techniques are used throughout the report to ensure that a detailed understanding of all indicators is established.

1.16 Where possible, focus is placed on **trend analysis**. In order to fully understand current trends and establish possible trends for the future, it is necessary to establish what has happened in the past. In this report we have identified relevant historic data for analysis. While this varies across the publication-frequency and catalogues of different data sets, we have tried to obtain and analyse information from at least 2004, and ideally over a longer timescale where data allows.

1.17 Emphasis is also placed on **Location Quotient** analysis. A location quotient (referred to throughout as LQ) is a measurement of the concentration of a certain industry in a location compared to a larger area, whether regional or national. A result greater than one indicates a higher than regional/national average concentration, while a figure below one would indicate a less than average concentration. A result of one indicates parity.

1.18 Where relevant, **GIS Mapping** is used to present data. GIS Mapping is a very useful tool to present data in an easily accessible format. Where it adds value we have included maps to illustrate clustering of activity or other important indicators.

The Data Sources - Caveats

1.19 The main data caveats of note include:

- **Data Reliability** – Much of the data presented within the labour market analysis is based upon the results of the 2011 Census. This data source is valuable in providing a detailed snapshot of the Tendring labour market and local variations in characteristics. The data source is considered more robust than alternative data sources such as the Annual Population Survey, as it is based on a survey of the total population rather than just a sample. Despite this, it is important to note that this dataset has only recently been released and that the reliability of some of the population figures is a subject of concern for Tendring DC. Conversations are currently on-going between Tendring DC and ONS regarding the accuracy of the dataset.

- **Currency of Data** – A diverse range of data sources are used throughout the analysis and **the very latest available data has been accessed**. Despite this, it is important to note that each dataset varies in terms of how 'current' the latest available data actually is. For example, whilst statistics on Claimant Count provide data up to summer 2013, the latest available data for the Business Register and Employment Survey is for 2011. Given such variations in the currency of the main datasets, it is necessary to apply caution in data analysis and interpretation. This is especially the case given the recent downturn in the UK economy and the important on-going socio-economic consequences that are being experienced at every geographical level. In cases where data is not available for the most recent timeframes (as is the case with employment and business data), the use of qualitative information is all the more important in helping to build a picture of how macro-economic forces are affecting local economic performance – as such, insight gained from stakeholder consultation and other sources forms a key part of analysis throughout this document.

- **Use of Data** – It is also important to proceed with care when using data portraying trends at small geographical scales. Ward and Super Output Area (the most local level for which statistics are available) level statistics typically deal with relatively low numbers as a result of low populations. When such small numbers are under consideration, statistical trends are extremely volatile and can, for example, be affected by one off events. Care has been taken throughout to ensure that all trends at the sub-local level have been analysed with attention to this detail.

- **Suppression** – Further caution is needed in the analysis of local level data from the BRES and IDBR. Data confidentiality rules specify that the identity of all individuals / businesses participating in the survey must be protected. There are a number of key points associated with this which are of relevance to the analysis presented in this socio-economic baseline:

    - As specified by ONS conditions of use, all BRES and IDBR data used in the assessment is presented rounded to the nearest one hundred;

    - The need to protect the identity of individual participants in the BRES and IDBR is particularly relevant at local levels and in niche industries. As such, on occasion, BRES stipulates that individual pieces of data relating to specific locations or industries cannot be disclosed for reasons of confidentially. On these occasions, the data is presented in the analysis as **N/A**. Typically, **N/A** would suggest a relatively low number / occurrence of the chosen indicator in that particular location.

Other Sources of Information used for Analysis – Stakeholder and Business Consultation

1.20 Consultation with the key stakeholders in Tendring (and where relevant wider areas) has played an integral role in the development of the Socio-Economic Baseline and the main issues and concerns highlighted by these are considered throughout this document.

1.21 Our approach to consultation is summarised below:

- **Group Consultation Exercises** – Regeneris organised and facilitated a number of group consultation exercises. These included:
  - Informal Cabinet – Regeneris attended four Informal Cabinet sessions, presenting findings and testing emerging ideas.
  - All Member Briefings – Regeneris attended three All Member Briefing sessions in Weeley. At each of the sessions Regeneris presented emerging findings and sought feedback from attendees. These sessions were attended both by Tendring DC members and by wider stakeholders including the Haven Gateway Partnership, Essex County Council and a number of neighbouring local authorities.
  - Executive Lead Workshop – Regeneris attended two Senior Management team meetings in Weeley. Again these session was used to present findings, test emerging ideas and verify final documents.
- **Tailored Workshops** – Regeneris also facilitated two smaller workshops, focusing on opportunities in two specific sectors in the district:
  - Ports and Logistics workshop – Regeneris facilitated a workshop focusing on opportunities in the Ports and Logistics sector in Tendring. The session was attended by partners including Haven Gateway Partnership, Tendring District Council, Essex County Council, East of England Energy Group, and Harwich International Port.
  - Care workshop – Regeneris facilitated a workshop focusing on opportunities in the Care sector in Tendring. The session was attended by partners including the Haven Gateway Partnership, Tendring District Council and the University of Essex;
- **One to One Consultations** – Regeneris also carried out an extensive round of one-to-one consultations with a broad range of relevant parties. These were conducted either in person or over the phone:
  - Members – Regeneris undertook consultations with a number of Tendring DC members, including the Leader of the Council and the Leaders of each of the main political groups.
  - Senior Officers – Regeneris also undertook detailed consultations with a number of Tendring DC's Senior Officers, including the Chief Executive, Corporate Directors and some Service Heads.
  - Local and Regional – consultation was undertaken with a large group of wider stakeholders identified by Tendring DC as being relevant locally. These included Essex County Council, neighbouring local authorities, the Haven Gateway Partnership, education institutions (including Colchester Institute and the University of Essex), the Skills Funding Agency and Job Centre Plus;

- Businesses – consultation with over 20 businesses identified by Tendring DC as playing an important role in the local economy. These consultations supplemented and provided added depth to the findings of the Tendring business survey, which was undertaken by Tourism South East in spring 2013 and which achieved a sample of over 500 businesses.

2. Tendring – Geographic Context

Tendring and its Localities

2.1 Tendring is located in the north-east of Essex. The district has a long coastline, stretching for around 60km from Brightlingsea to Manningtree, with the east of the district facing onto the North Sea and the north of the district onto the River Stour. To the west and northwest, Tendring is bordered by Colchester and Babergh.

2.2 Population density in Tendring is highest along the district's coast, with six main settlements:

- Clacton – located at the end of the A133, Clacton is the largest town by population in Tendring and is the core economic centre in the district. Historically the town has performed a role as a seaside resort, with a strong visitor economy;

- Harwich – located at the end of the A120, Harwich is sited near the mouth of the River Stour and opposite the Port of Felixstowe. The town has historically played a major role in the Tendring and regional economies as a result of its international passenger, cruise and freight port;

- Frinton and Walton – these two small neighbouring towns to the north of Clacton have historically performed roles as seaside resorts;

- Brightlingsea – a historic port town located in the south west of the district, located near the mouth of the River Colne;

- Manningtree – a relatively small town located in the north west of the district, Manningtree has strong linkages with neighbouring areas, reflecting its strong rail connections to Colchester, Ipswich and London.

2.3 Away from the coast, the interior of the district is largely rural. The interior of the district is characterised by a high quality landscape, with a number of hamlets and villages interspersed throughout. Notable settlements include Weeley, Thorpe Le Soken, St Osyth, Little Clacton, Great Bentley and Alresford. A high proportion of the land in this part of the district is in agricultural use.

Figure 2-1: Tendring Context

Source: Regeneris Consulting, 2013

Wider Geographic Context

2.4 The socio-economic characteristics of Tendring and its localities are the focus of this study. However, it is important to note that Tendring is located within two strategic partnership areas – the Haven Gateway Partnership sub-regional area and the South East Local Enterprise Partnership area. These partnerships reflect efforts to build functional economic geographies which promote shared strategic objectives and interventions at a sub-regional level.

2.5 As this suggests, central to any effort to understand economic performance at the local level, should be an understanding of the relationship that the location has with wider geographies.

Tendring's Wider Geographical Context

2.6 Reflecting Tendring's physical location, relevant wider geographies include locations both within Essex and further afield, including in Suffolk and London.

2.7 Two districts directly neighbour Tendring:

- Colchester – Colchester Borough borders Tendring to the west and forms part of the Haven Gateway Partnership sub-regional area. The main settlement in the Borough is Colchester, which is a major regional centre with significant employment activity, cultural facilities, educational institutions, retail outlets and visitor attractions. The town of Colchester serves as a centre not only for the Borough but for a much wider area across Essex. The district has strong growth objectives – proposals are expected to deliver 10,000 homes in the period to 2023 (in addition to the 9,000 that have been built since 2001) and for 67,000sqm of retail floorspace, 106,000sqm of offices and 45,000sqm of business and industrial floorspace;

- Barbergh – Babergh District is located to the northwest of Tendring and again, the district is a constituent part of the Haven Gateway Partnership area. The district is largely rural in character. It has two main towns, the market town of Sudbury (in the west) and the smaller town of Hadleigh (located centrally within the district), but neither of these exert a strong economic influence within the sub-region.

2.8 There are also a number of other locations which, whilst further afield, still exert an influence on the socio-economic performance of Tendring:

- Suffolk Coastal – whilst a small part of Suffolk Coastal District borders Tendring to the north, the two districts are separated physically by the River Orwell. The district is included within the Haven Gateway partnership area. The district contains a number of economic centres of relevance at the sub-regional level – namely Felixstowe Port (a large Container Port located directly across the water from Harwich) and Adastral Park at Martlesham Heath (a large science park which is home to BT's global innovation and development centre);

- Ipswich – Ipswich Borough largely consists of the town of Ipswich, which is one of the major economic areas within Suffolk and the East of England. The town is one of the key centres within the Haven Gateway Partnership area, reflecting its urban hierarchy and proximity to centres such as Felixstowe and Colchester;

- Braintree – Braintree District is a rural district in the north of Essex and is the second largest district in the county. Just over half of the residents live in the three main towns of Braintree, Witham and Halstead. The district is characterised by its links to a number of regional growth centres (Chelmsford, Colchester and Cambridge), Stansted Airport, the M11 and the Haven Ports;

- Chelmsford – the city of Chelmsford is one of the main economic centres within Essex and the East of England. The town is seen as a regional growth centre, with ambitions to deliver strong housing and employment growth over the next decade;

- London – whilst located 70 miles from Tendring, London's status as a centre of national and global economic importance ensures that it exerts an influence across the South and East of England.

Functional Economic Dynamics

2.9 The economic and social characteristics of Tendring (and more importantly the localities within Tendring) are underpinned by numerous dependencies, linkages and dynamics which operate across a range of geographies. Together, these flows define the Tendring Functional Economic Geography and dictate how the area is actually experienced by business, residents and visitors alike.

2.10 These local dependencies are considered and analysed in detail throughout this Economic Baseline. The main flows of relevance and the key drivers behind these are introduced briefly below:

- **Labour Market flows** – the Tendring economy is underpinned by significant travel to work movements – both internally and externally. A key factor in local economic performance is the availability of appropriately skilled labour. The willingness of residents to travel to work (combined with quality of life factors discussed later) and the demand for suitable employees means that in practice, local authority boundaries are of little regard to businesses and the workforce;

- **Supply chain and business linkages** – firms located in Tendring will have established supply chains with other firms locally and in neighbouring areas. These supply chains and networks will be at the core of the way that businesses naturally operate and perform and highlight that it is not possible to consider the Tendring economy in isolation;

- **Leisure flows –** leisure flows play an important role in defining local economic relationships:

  - Perhaps most significantly, Tendring has historically been characterised by a strong visitor economy, which has been underpinned by inflows of visitors from outside of the district;

  - The Retail sector will support significant flows of people both within Tendring and between neighbouring areas such as Colchester. The scale and nature of these flows will both drive and be driven by the performance of local town centres;

  - Other leisure flows might include the night time economy and general recreation movements.

- **Service flows –** Service provision is also likely to result in significant flows of people. This is particularly the case in Tendring given the relatively rural nature of the area and hence less concentrated service provision. The main service flows are likely to include education (particularly FE and HE levels where local provision is likely to be limited) and healthcare (dictated by the location of GP, Primary Care and Hospital facilities).

2.11 The nature and scale of these flows are considered throughout the analysis. Broadly speaking, however, they are underpinned and defined by a number of drivers:

- **The Location of business and demand for labour –** many of the dynamics affecting local economies are dictated by the locational decisions of businesses and the demand for employment. The factors influencing the location decisions of businesses are complex and include availability of labour, premises, infrastructure, and access to markets and suppliers. The nature of business activities will vary at a local level and this has implications in terms of the demand for labour and skills – for example, businesses requiring higher skills levels within the workforce will generally draw their labour from a wider geographic area than those requiring lower skills levels. As such, labour market dependencies are complex and exist across varied geographical areas;

- **Quality of life and housing markets** – quality of life and housing market factors play an important role in functional economic geographies. The labour market linkages and dependencies described above will be influenced by quality of life factors, with relatively highly skilled and affluent residents attracted to live in locations which have a high quality living environment, strong housing offer and strong image. By contrast, areas perceived to offer a lower quality of life and lower quality housing stock are often characterised by the presence of lower skilled and less affluent residents and often more transient residents;

- **The physical environment and infrastructure** – as described above, location, infrastructure, and environment are central to the decision making of businesses and the labour force. Strong infrastructure is often central in making an area attractive to businesses (enabling supply chain and more general business linkages) and in facilitating the labour market flows and dynamics described previously. The physical environment itself is a strong contributing factor to the perceived quality of life in an area. These factors will become increasingly important in the functioning of the local economy. In the context of increasing pressures from competing locations across the globe, strong infrastructure and image are likely to be at the heart of future economic success at the local level.

2.12 These dynamics and inter-linkages are considered throughout the rest of the Baseline.

3. The Tendring Economy

3.1 This section provides an introduction to the size and nature of the Tendring economy through analysis of local contribution to national GVA and analysis of the number and characteristics of jobs within the district.

Key Messages – *analysis of a range of socio-economic indicators suggests that economic growth has been below average in recent years, and that the economy is dominated by lower value adding activities serving the local population:*

- **Below average levels of economic growth**. The growth rate of Tendring's GVA over the period 2003-11 was 25%, which is below the growth in Essex (29%) and England (32%);
- **A large quantum of jobs available to Tendring residents.** There are a total of about 35,400 jobs in Tendring, whilst there are around 400,000 jobs within a 45 minute drive of the centre of the district;
- **Employment decline in recent years**. Since 2008, Tendring has experienced a 1% decline in employment, which is less than most comparator areas and relatively in line with Essex and England. Over a longer time period, whilst employment in the district has fluctuated from year to year, it has not risen above the figure of 36,000 jobs recorded in 2003, and currently stands 600 jobs below this particular baseline (-2%).
- **High and increasing levels of part time employment.** The proportion of part-time employment in Tendring increased 2 percentage points during 2008-11, to 41%. This is a relatively high figure when compared to the national average of 32%;
- **Employment concentrated within relatively low value added sectors.** Health, Retail, and Education are the largest sectors in terms of number of jobs, which together represent 45% of the district's total employment (15,800 jobs). Despite this, Tendring does have a comparative advantage in a number of composite sectors including Ports and Logistics, and Tourism – this is considered in detail in Chapter 5;
- **Clacton and to a lesser extent Harwich are the most important centres of employment**. Clacton provides 40% of Tendring's jobs and largely performs a role as a local service hub, with sector strengths in retail, education, health and public administration. Harwich is noticeable for its ports and logistics activities. Away from the coastal towns, the more rural inland areas of Tendring also support a significant quantum of jobs (around 10,000 jobs);
- **Relatively low levels of employment growth projected to 2029** – the East of England Forecasting Model (EEFM) forecasts potential employment change up to 2029. Under the Baseline Scenario, employment across all sectors is projected to increase by 2,000 FTE jobs from 2014-2029, to a total of 30,700 - growth of around 7% (or 100 jobs per annum).

The Overall Scale of the Tendring Economy

3.2 The overall size of the Tendring economy can be measured in terms of the proportion of the regional and national gross value added (GVA) that the area supports.

3.3 In 2011 the Tendring economy contributed GVA of around £2.1 billion to the national economy – around 7% of all GVA generated within Essex and around 0.2% of national GVA. We estimate that Tendring's GVA contribution is below that of neighbouring local authority areas, such as Braintree (£2.2 billion) and Colchester (£3.1 billion).

3.4 Over the period 2003-11, the level of GVA generated in Tendring grew by 25%. This rate of growth was below the average growth rates seen regionally and nationally (29% and 32% respectively).

Table 3-1 Headline GVA at current, basic prices (£million), 2003-11					
		2003	2011	Change 2003-11	
				Number	%
Local Area	**Tendring District**	**£ 1,650**	**£ 2,050**	**£ 400**	**25%**
Comparator Areas	Colchester	£ 3,280	£ 4,290	£ 1,020	31%
	Braintree	£ 2,200	£ 2,780	£ 570	26%
Wider Areas	Essex	£ 23,390	£ 30,090	£ 6,700	29%
	England	£ 853,980	£ 1,124,880	£ 270,900	32%
Note: GVA estimates are only available down to NUTS3 Level. We have estimated Local Authority GVA by taking into account the density of employment in Essex and allocating GVA contribution accordingly					
Source: ONS Sub Regional Accounts, 2012					

Employment in Tendring

3.5 The analysis below provides an overview of the size and structure of Tendring's employment base.

Number of Jobs in Tendring

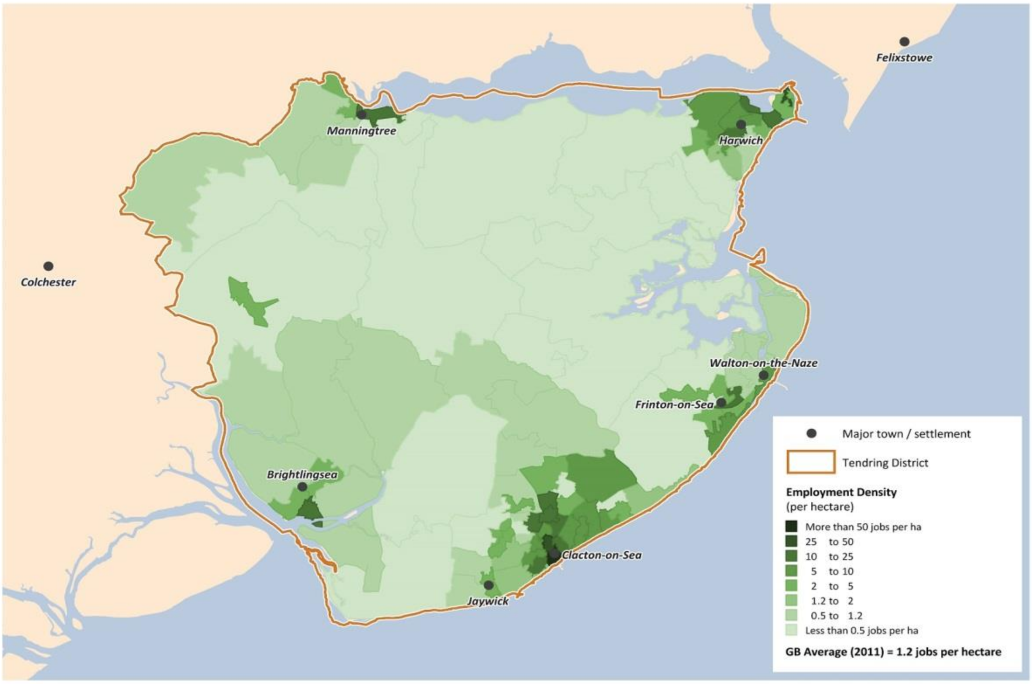
3.6 There are about 35,400 jobs within Tendring. This is a smaller number than in most of the comparator areas (with the exception of Babergh).

3.7 As would be expected, employment is concentrated within Tendring's main settlements. In absolute terms, a large number of Tendring's jobs are located within Clacton (about 14,600 jobs; 42%), whilst a further 14% of jobs (around 5,000 in total) are located within Harwich. The rural areas also support a relatively large proportion of jobs at 27% (around 9,700 jobs).

Table 3-2 Overall Employment, 2011 (000s)		
	Number	**% of all Tendring Jobs**
Clacton	14,600	41%
Jaywick	300	1%
Frinton & Walton	2,400	7%
Brightlingsea	1,800	5%
Harwich & Dovercourt	5,000	14%
Manningtree, Mistley and Lawford	1,500	4%
Rural areas	9,700	27%
Tendring District	**35,400**	**100%**
Source: Business Register and Employment Survey (BRES), 2011		

3.8 These trends are highlighted by Figure 3-1 which illustrates levels of employment density within the district.

Figure 3-1 Employment Density, 2012



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

Recent Change in Employment

3.9 Evidence from national datasets (the BRES and ABI) suggests that employment performance in Tendring has been relatively weak over the past decade. Whilst employment in the district has fluctuated from year to year, it has not risen above the figure of 36,000 jobs recorded in 2003, and currently stands 600 jobs below this particular baseline (-2%).

3.10 Caution is necessary when assessing employment change over set time periods, given timescales chosen will always be arbitrary and analysis can be impacted by yearly / one off fluctuations in employment. However, this caveat aside, analysis suggests that:

- Since 2008, Tendring has experienced a 1% decline in employment (a decline of about 200 jobs). This trend is broadly in line with the rate of decline experienced nationally and across the county and LEP area, but less than the decline experienced in many of the district level comparator areas (with the exception of Colchester).

- Employment growth has been weaker when a longer time period is taken into account. Between 2003 and 2011, employment in Tendring decreased by 2% (about 600 jobs), compared to a national growth rate of 2%. During the same time period, comparator districts such as Colchester and Thanet experienced significant growth above the national average.

3.11 At a more local level, employment performance within Tendring has varied in recent years. Since 2008, employment has grown in a number of local areas such as Clacton (about 700 additional jobs) and to a lesser extent in Brightlingsea. Nevertheless, over the longer period of 2003 to 2011, most urban centres within Tendring have experienced employment declines, while the rural areas have experienced an increase of 7% (about 700 jobs).

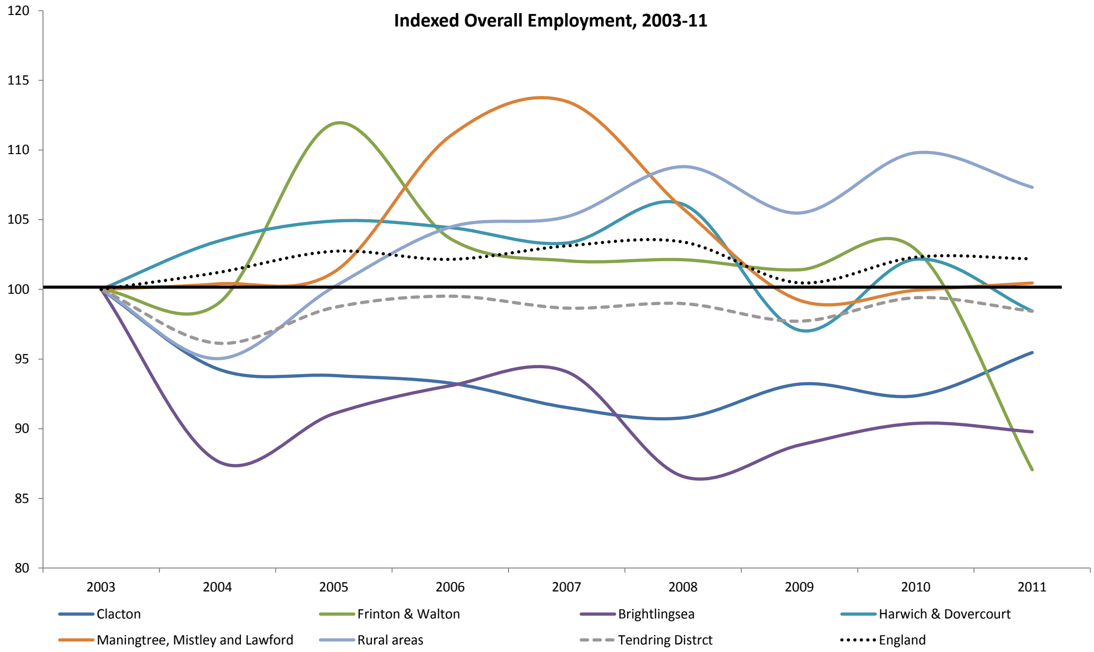
3.12 As a result, employment levels are now lower than they were in 2003 across all Tendring localities, with the exception of the rural areas and Jaywick.

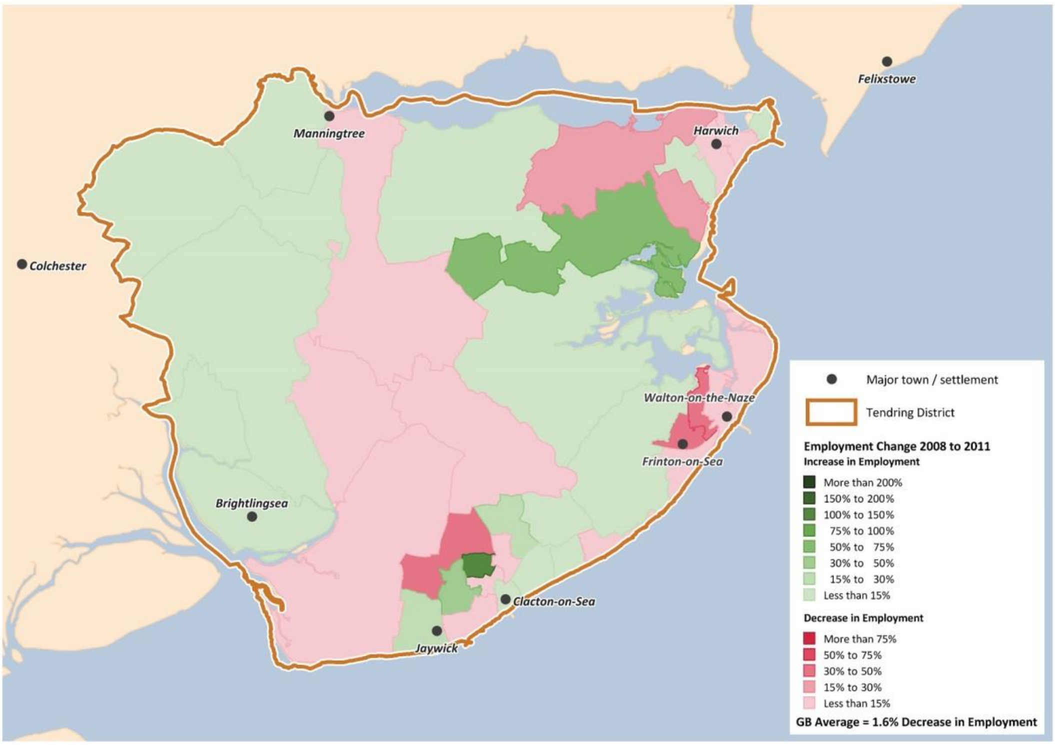
Table 3-3 Overall Employment, 2003–20 11 (000s)								
		2003	2008	2011	Change 2003-11		Change 2008-11	
					No.	%	No.	%
Local Areas	Clacton	15.3	13.9	14.6	-0.7	-5%	0.7	5%
	Jaywick	0.2	0.3	0.3	0.1	43%	0.0	16%
	Frinton & Walton	2.8	2.8	2.4	-0.4	-13%	-0.4	-15%
	Brightlingsea	2.0	1.7	1.8	-0.2	-10%	1.0	4%
	Harwich & Dovercourt	5.1	5.4	5.0	-0.1	-2%	-0.4	-7%
	Manningtree, Mistley and Lawford	1.5	1.6	1.5	0.0	0%	-0.1	-5%
	Rural areas	9.1	9.8	9.7	0.7	7%	-0.1	-1%
	Tendring District	**36.0**	**35.6**	**35.4**	**-0.6**	**-2%**	**-0.2**	**-1%**
Comparator Areas	Colchester	71.6	72.2	74.0	2.4	3%	1.9	3%
	Thanet	36.3	40.1	39.0	2.7	8%	-1.0	-3%
	Babergh	29.9	30.3	29.3	-0.7	-2%	-1.1	-4%
	Braintree	48.2	48.7	47.8	-0.4	-1%	-0.9	-2%
Wider Areas	Essex	510.8	521.3	518.6	7.8	2%	-2.7	-1%
	SE LEP	1,349.8	1,399.0	1,385.9	36.0	3%	-13.2	-1%
	England	22,564.2	23,331.3	23,058.9	494.8	2%	-272.3	-1%
Note: ABI data has been adjusted to be compatible with BRES data								
Source: Annual Business Inquiry (ABI) and BRES 2003 to 2011								

3.13 These trends are illustrated further by Figure 3-2:

- The indexing of employment figures illustrates the yearly, relative fluctuations in Tendring's local areas;
- The map illustrates recent employment change at a more local level, with green colours indicating an increase in the quantum of jobs, and red colours a decrease. The map highlights that whilst rural areas overall have seen an increase in employment, this largely relates to the northeast and the west of the district. More centrally located rural areas have experienced employment decline.

Figure 3-2 Index Overall Employment, 2003-11 (top) and Local Employment Change, 2008-2011 (bottom)





Source: ABI and BRES 2001-2011
Note: Jaywick has not been included in the top chart due to the low number of jobs in the area, which do not allow for an accurate analysis through indexing.

Nature of Employment in Tendring

3.14 Tendring is characterised by relatively high (and increasing) levels of part-time employment. This important characteristic reflects the structure of the local economy and labour market, and is likely to be a key influence on levels of prosperity and quality of life within the district.

3.15 The most recent employment data reveals that the proportion of part-time employment in Tendring (41%) surpasses that of Essex (38%) and England (32%). Within Tendring, all local areas have a higher than average proportion of part-time employment, with levels particularly high in Jaywick (61%) and Frinton and Walton (49%).

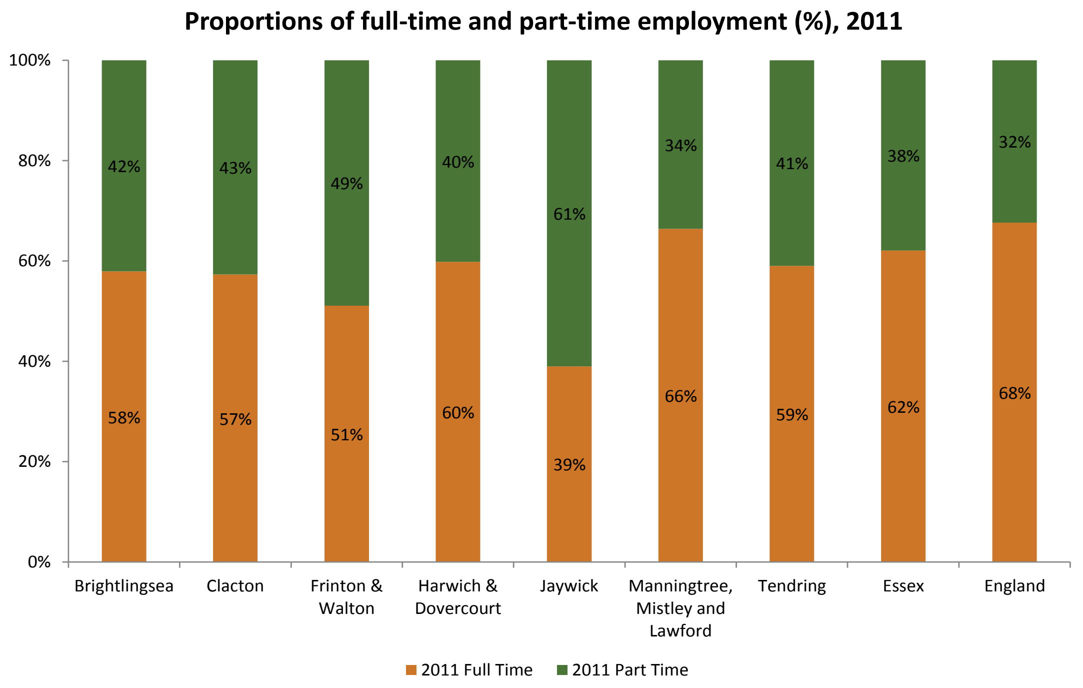
3.16 There are a number of factors which are likely to explain these trends:

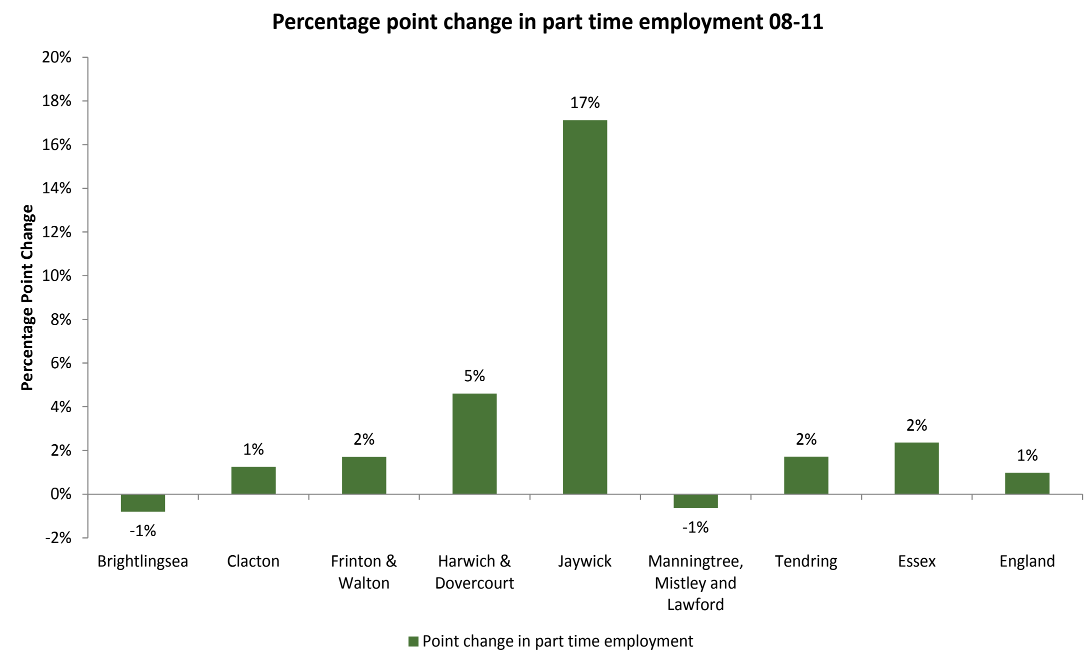
- Tendring has strong Retail, Tourism, and Health and Care sectors – these sectors are typically characterised by higher levels of part-time employment than is average across the economy as a whole;
- Tendring is also characterised by an older than average population and labour market. Levels of part-time employment are typically higher amongst older age groups.

3.17 The issue of increasing levels of 'under employment' has been a trend experienced and reported upon throughout the UK during the economic downturn. Commentators have noted that the full impacts of the downturn have been to some extent masked – whilst overall employment levels have been more stable than anticipated the balance between full time and part-time employment has shifted.

3.18 Tendring is no exception to this trend. The number and proportion of part-time jobs in Tendring has increased in recent years. Since 2008, the number of part-time jobs in the district has increased by around 500 jobs, whilst there has been a decline in full-time employment of around 700 jobs. As a result, over that time period part-time employment increased its share of total employment in Tendring by two percentage points. At a local level, Jaywick, Harwich and Dovercourt have experienced particularly large increases in the proportion of part-time employment.

Figure 3-3 Proportion of part-time and full-time employment, 2011 (Top) and Point Change 08-11 (Bottom)





Source: BRES 2011

Broad Sector Profile of the Tendring Economy

3.19 This section provides a high level overview of the top employment sectors within Tendring, highlighting areas of comparative strength and weakness in relation to comparator areas.

A Note About the Analysis in this Section

The section is intended to give a high level introduction to the sector breakdown of the Tendring economy, based upon the Business Register and Employment Survey (BRES).

The analysis in this section uses the Standard Industrial Classification (SIC) sectors as defined by ONS. This disaggregates the economy into individual sectors and activities.

There are a number of composite sectors which are considered important to the Tendring economy. These composite sectors comprise of activities which are accounted for across a number of SIC sectors (rather than just one). These include:

- Ports and Logistics
- Creative Industries
- Tourism
- Low Carbon

As the SIC does not provide aggregated information on these sectors, these sectors are not included within the tables in this section.

A more detailed analysis of the ten most important sectors in Tendring is included in Chapter 5. This builds upon the high level information provided by this section, but also assesses performance across the key composite sectors within Tendring.

3.20 Analysing Tendring's employment base by sector reveals that Health, Retail, and Education are the largest sectors. Together these sectors represent 45% of the district's total employment (15,800 jobs) and all are more concentrated locally than the average regionally and nationally. However, it is worth noting that since 2008 Health has declined by about 400 jobs, while Education has increased by about 1,100.

3.21 Other notable sectors include Manufacturing (2,800 jobs), Accommodation and Food Services (2,800 jobs), and Transport and Storage (2,500 jobs). Whilst the former of these sectors is underrepresented relative to the national average, the latter two sectors are overrepresented locally. In recent years, the Manufacturing sector has experienced some growth locally (around 200 jobs), whilst the Accommodation and Food Services, and Transport and Storage sectors have both seen employment declines.

Table 3-4 Broad Sector Overview by employment, Tendring 2011

	Total Employees	% of Total	LQ vs. England	LQ vs. Essex	Change 2008-11	
					No.	%
Health	5,900	17%	1.3	1.4	-400	-7%
Retail	5,200	15%	1.4	1.3	<50	-1%
Education	4,700	13%	1.4	1.1	1,100	31%
Manufacturing activities	2,800	8%	0.9	0.9	200	9%
Accommodation and food services	2,800	8%	1.2	1.3	-400	-13%
Transport and Storage	2,500	7%	1.5	1.4	-200	-8%
Construction	1,800	5%	1.1	0.8	-200	-11%
Business administration	1,800	5%	0.6	0.7	100	7%
Public administration	1,500	4%	0.9	1.1	200	16%
Arts, entertainment, recreation	1,500	4%	0.9	0.9	-200	-14%
Professional, scientific, and technical	1,200	3%	0.5	0.6	<50	0%
Wholesale	1,100	3%	0.7	0.7	100	8%
Motor trades	1,000	3%	1.6	1.4	-100	-9%
Financial and insurance	400	1%	0.3	0.4	-100	-22%
Mining	400	1%	1.0	1.2	-100	-22%
Property	300	1%	0.5	0.5	<50	-9%
Information and communication	300	1%	0.2	0.3	<50	-5%
Agriculture	See note below					
Total	35,300	100%			-300	-1%

Note: LQ (Location Quotient) is a measure of specialisation, with a measure greater than 1 indicating that the proportion of employment in a particular sector is more concentrated at the local level than the county or national level

Note: The BRES does not fully report employment in the Agriculture sector. The Department for Environment, Food, and Rural Affairs (Defra) monitors agricultural employment and reported a total of 1,100 jobs in the Agriculture sector in Tendring in 2010. This sector is analysed in depth in Chapter 4, Assessment of Key Sectors.

NOTE: This chart uses this Broad Industrial Sectors defined by ONS based upon the Standard Industrial Classification (SIC). This breaks the economy into 18 sectors. There are a number of sectors considered important in Tendring which include activities across a number of the sectors set out above. These sectors are assessed separately in Chapter 5.

Source: BRES 2011, Broad Industrial Sector Analysis

3.22 The sector structure of Tendring's employment base can be further analysed by drilling down in more detail into the sector classification. The top five 2 Digit SIC[1] sectors within Tendring are set out in Table 3-5 and highlight the important role that retail, education, residential care and human health play in the local economy. With the exception of education,

[1] 2 Digit SIC Sectors are more detailed than the Broad Industrial Sectors described above, splitting the economy down into around 100 sectors

3.23 which has seen a large increase in employment, these sectors have largely seen employment declines in recent years.

Table 3-5 Top Five Detailed Employment Sectors in Tendring, 2011

Sector		Employees		Change 2008-11	
		No.	% of Total	No.	%
1.	Retail	5,200	15%	<50	-1%
2.	Education	4,700	13%	1,100	31%
3.	Residential care	2,600	7%	-400	-14%
4.	Human health	1,900	5%	-300	-12%
5.	Food and Beverage	1,800	5%	-500	-23%

Source: BRES 2011, 2 Digit SIC Analysis

3.24 We have repeated this analysis to understand sector strengths at a more local level within Tendring. Table 3-6 presents the top five 2 Digit SIC sectors by employment for each local area in Tendring.

3.25 While the top employment sectors vary across local areas, Retail, Education, and the sub-sectors of Health (including Residential Care and Human Health) typically rank among the largest employers.

Table 3-6 Top Five Employment Sectors by Local Area, 2011

	Sector		Employees	Change 2008-11	
				No.	%
Clacton	1.	Retail	2,900	100	4%
Clacton	2.	Education	1,900	600	46%
Clacton	3.	Human health	1,000	-100	-9%
Clacton	4.	Public admin	1,000	300	41%
Clacton	5.	Residential care	900	-100	-10%
	Sector		Employees	Change 2008-11	
				No.	%
Jaywick	1.	Education	<100	<50	5%
Jaywick	2.	Accommodation	<100	<50	25%
Jaywick	3.	Residential care	<100	<50	3%
Jaywick	4.	Retail	<100	<50	47%
Jaywick	5.	Human health	<50	<50	314%
	Sector		Employees	Change 2008-11	
				No.	%
Frinton & Walton	1.	Retail	600	100	19%
Frinton & Walton	2.	Residential care	400	-200	-34%
Frinton & Walton	3.	Education	200	-100	-27%
Frinton & Walton	4.	Food and beverage	200	-100	-33%
Frinton & Walton	5.	Sport activities	100	<50	12%
	Sector		Employees	Change 2008-11	
				No.	%
Brightlingsea	1.	Education	400	100	32%
Brightlingsea	2.	Manufacturing	200	<50	15%
Brightlingsea	3.	Construction	200	<50	5%
Brightlingsea	4.	Retail	200	<50	-3%
Brightlingsea	5.	Business admin	200	<50	7%
Har	Sector		Employees	Change 2008-11	

regeneris

				No.	%
	1.	Warehousing and transport support	900	100	13%
	2.	Retail	700	<50	-2%
	3.	Education	600	100	20%
	4.	Public admin	300	<50	-11%
	5.	Food and beverage	200	-100	-31%
Manningtree, Mistley, & Lawford		Sector	Employees	Change 2008-11	
				No.	%
	1.	Education	200	100	60%
	2.	Retail	200	<50	-3%
	3.	Construction of buildings	100	<50	-8%
	4.	Food and beverage	100	<50	-3%
	5.	Manufacturing of food products	100	<50	-35%
Rural Areas		Sector	Employees	Change 2008 – 11	
				No.	%
	1.	Education	1,200	300	34%
	2.	Residential care activities	1,000	-100	-9%
	3.	Wholesale trade, except of motor vehicles	700	<100	8%
	4.	Wholesale and retail trade of motor vehicles	600	-100	-17%
	5.	Retail trade	600	-200	-22%
	6.	Human health activities	500	-100	-12%
Source: BRES 2011, 2 Digit SIC Analysis					

Employment Across wider Functional Economic Areas

3.26 As discussed previously, in addition to the performance of Tendring itself, it is important to consider wider functional economic geographies. This reflects the fact that businesses and workers are unlikely to be constrained by local authority boundaries.

Defining Functional Economic Areas

3.27 In order to explore these dynamics, we have defined functional economic areas (FEAs) for each locality within the district. These FEAs represent the wider area in which economic ties are likely to exist, such as in or out commuting flows. These FEAs have been defined for each local area within Tendring, assuming a 45 minute drive time from each area.

3.28 The map below illustrates the FEA for the centre of Tendring. The area shaded in green illustrates a 45 minute drive time area from the centre of the district. **Maps illustrating the FEA for all local areas within Tendring have been provided in Appendix A.**

Figure 3-4 Centre of Tendring FEA

Source: Regeneris Consulting, 2013. Contains Ordnance Survey data © Crown copyright and database right 2013

The Size of Tendring's Functional Economies

3.29 Table 3-7 highlights the number of jobs across each of the functional economic areas, compared to the number of jobs available more locally.

3.30 The table illustrates that while there are a total of about 35,400 jobs in Tendring, there are about 394,200 within 45 minutes' drive from the centre of the district. This suggests that for every job within Tendring, there are 11 jobs across the wider FEA.

3.31 As would be expected, at a more local level, this ratio is particularly high for areas with smaller employment bases, such as Jaywick and Manningtree.

Table 3-7 Overview of labour demand within Tendring's functional economic areas (FEA), 2011

	Jobs in local area	Jobs in the FEA	Ratio of FEA jobs to local jobs
Clacton	14,600	291,000	20
Jaywick	300	257,900	860
Frinton and Walton	2,400	264,000	110
Brightlingsea	1,800	383,200	213
Harwich and Dovercourt	5,000	295,600	59
Manningtree	1,500	458,500	306
Tendring District (FEA defined using central point)	**35,400**	**394,200**	**11**

Note: Functional economic areas are defined using a 45 minute driving time map

Source: BRES, 2011

Existing Linkages across the Functional Economies

3.32 The relevance of these theoretical functional economic areas is highlighted by analysis of past travel to work trends.

3.33 Travel to work data highlights that these theoretical geographies are played out in reality, with significant movement of labour across these areas to access employment in neighbouring localities.

3.34 At the time of the 2001 Census (the last year for which data is available) Tendring had a net outflow of about 12,170 commuters. Of those Tendring residents who worked outside the district, almost 9,000 worked in Colchester and almost 3,000 worked in London. Of those who worked in Tendring but do not live in the district, about 3,000 came from Colchester. Others travelled from nearby areas including Babergh, Braintree, Ipswich, and Suffolk Coastal.

3.35 As noted previously, these trends are representative of a complex range of dynamics, including the quantum and type of jobs available locally, and the presence of adequate infrastructure to allow labour market movement. However, at a high level, these trends suggest that the quantum of jobs in Tendring is lower than the demand that exists for employment within Tendring's own internal labour pool.

Table 3-8 Travel to Work Patterns, 2001

Top Areas of Workplace for Tendring Residents		Top Areas of Residence for Workers in Tendring	
Tendring	36,050	Tendring	36,050
Colchester	8,770	Colchester	3,000
London	2,740	Babergh	580
Ipswich	960	Braintree	300
Braintree	850	Ipswich	200
Chelmsford	760	Suffolk Coastal	150
Babergh	750	London	140
Total Outflow	**53,170**	**Total Inflow**	**41,000**
Net **outflow** of 12,170 commuters			

Census: 2001; Note: The Census 2011 Travel to Work data will not be published until 2014. In the absence of this data, the 2001 data is the best source, but given its age must be treated with caution

Employment Projections

3.1 The East of England Forecasting Model (EEFM) provides an overview of employment change over the past decade, as well as a forecast of potential employment change up to 2029.

3.36 The EEFM Base Forecast for 2013 was released in July 2013. The 2013 EEFM Lower Growth and Higher Growth Scenarios are not due to be released until later in 2013. Reflecting this, the forecasts that we have used are as follows:

- EEFM Base Forecast – the 2013 Base forecast as published in July 2013;
- EEFM Lower Growth Forecast – we have constructed a composite forecast. To do this we analysed the relationship between the 2012 EEFM Base and Lower Growth Forecasts for 2011-2029, and then applied this relationship to the 2013 EEFM Base Forecasts. The Low Growth scenario is based upon a decade of slower recovery from the downturn than is currently anticipated;

- EEFM Higher Growth Forecast – again, we have constructed a composite forecast. To do this we analysed the relationship between the 2012 EEFM Base and Higher Growth Forecasts for 2011-2029, and then applied this relationship to the 2013 EEFM Base Forecasts. The High Growth scenario is based upon higher levels of in-migration.

3.37 The key headlines from the East of England model are set out in Figure 3-5. This summarises performance across the whole economy (i.e. all sectors) and highlights that:

- Tendring experienced strong employment growth in the decade from 1993 to 2003. Since 2003, however, performance has been more varied with a slight decline in the number of jobs overall;

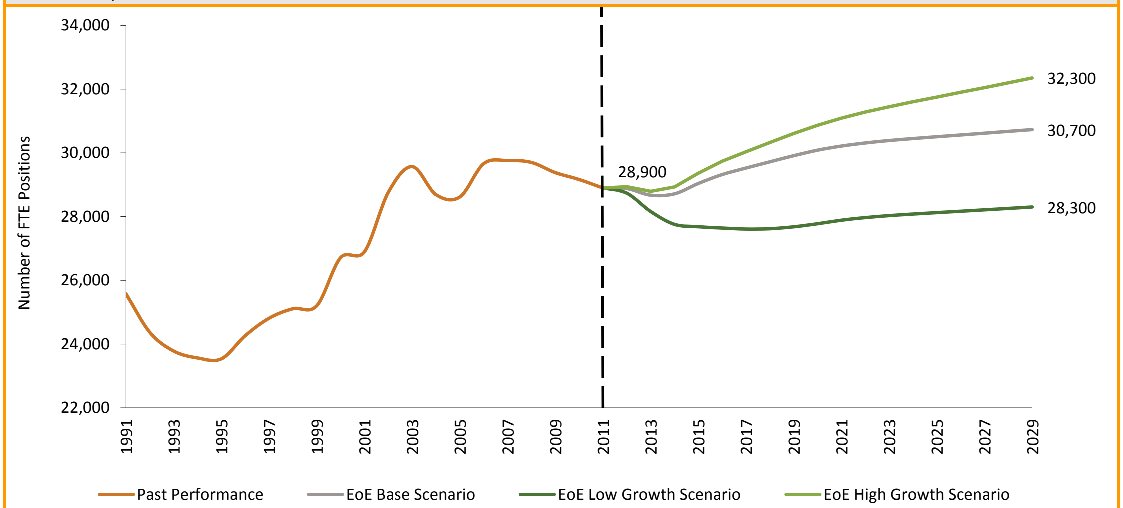
- Current FTE employment (excluding self-employment) in Tendring stands at around 28,900 FTE positions. The forecasting model suggests that:

  - Under the Baseline Scenario, employment across all sectors is projected to increase by 2,000 FTE jobs from 2014-2029, to a total of 30,700 – growth of around 7% (or 100 jobs per annum);

  - Under the Lower Growth Scenario, employment across all sectors is projected to increase by around 500 FTE jobs from 2014-2029, to a total of 28,300 – growth of around 2% (or growth of less than 50 jobs per annum);

  - Under the Higher Growth Scenario, employment across all sectors is projected to increase by 3,400 FTE jobs from 2014-2029, to a total of 32,300 – growth of around 12% (or around 200 jobs per annum).

Figure 3-5: Tendring Employment Change (observed 1996-2011), and Employment Forecasts, by Scenarios, 2011-2029



Source: Regeneris Consulting based upon EEFM, by Oxford Economics Economic Forecasts, 2013 and 2012

4. Doing Business in Tendring

4.1 This section analyses the key factors which together shape the business climate in Tendring. These include the performance of the district's business base, inward investment, and enterprise performance. Other contextual factors are also analysed, including business perceptions of Tendring.

Key Messages – *evidence suggests that the Tendring business base has been underperforming relative to a range of socio-economic indicators in recent years:*

- **Relatively low levels of business density.** Tendring has a total of about 4,700 businesses, which is more than the comparator areas of Babergh and Braintree but less than Colchester. However, business density in Tendring is lower than in all comparator areas with the exception of Thanet.
- **Recent declines in the size of the business base**. Since 2008, the Tendring business base has contracted by around 6% (300 businesses) – a higher rate of decline compared to all of the comparator areas.
- **Relatively low levels of enterprise.** Around 390 new businesses started-up in Tendring in 2011, equal to a start-up rate of 28. This rate is the lowest of all comparator areas. It has declined by 1 point since 2008, which is less the decline experienced in Essex (4 point decline) and England (2 point decline).
- **Recent declines in rates of business survival** – the first year survival rate of a business in Tendring is 89%. This figure is only slightly below a number of comparator areas. The second year survival rate is 82%, which is significantly above all other areas, including England (74%). However, survival rates have declined slightly in recent years, perhaps partly as a consequence of the wider economic context.
- **Business Perceptions of Tendring** – The Tendring Business survey showed that businesses were generally satisfied with the district as a location for their company's activities. Externally, partners have suggested that Tendring can be a 'hard sell' to companies from outside of the area.
- **Business Needs** – Businesses tend source the majority of their support from standard business services providers (e.g. Lawyers, Accountants) or from other businesses. Areas of potential desirable support included information on grant aid, small business relief and networking. Businesses also reported difficulty in attracting and retaining skilled, motivated labour locally.

Characteristics and Performance of Tendring Business Base

4.2 This section considers the current performance of the Tendring Business Base in terms of existing businesses, inward investment and enterprise performance.

Business Base Performance

4.3 We have used a range of data sources to provide an overview of current business base performance in Tendring.

Number of Businesses

4.4 There are currently about 4,700 businesses operating in Tendring. Business density in Tendring is lower than in all comparator areas with the exception of Thanet.

4.5 Performance in recent years has been relatively weak. Since the economic downturn of 2008 Tendring's business base has decreased by about 6%, equal to a loss of 300 firms. This decrease is larger than that experienced by all other areas.

Table 4-1 Total Number of VAT and/or Paye Based Local Units, 2008-12				
	2012		Change 08-12	
	Total	Businesses per 1,000 residents	No.	%
Tendring	4,700	33.7	-300	-6.2%
Colchester	7,300	42.1	-400	-5.0%
Thanet	3,900	29.3	-200	-5.0%
Babergh	4,300	49.3	-200	-3.7%
Braintree	6,700	45.6	-300	-4.7%
Essex	61,700	44.3	-600	-1.0%
England	2,218,200	41.8	-26,000	-1.2%
Source: UK Business Activity Size and Location, ONS, 2012				

Size of Businesses

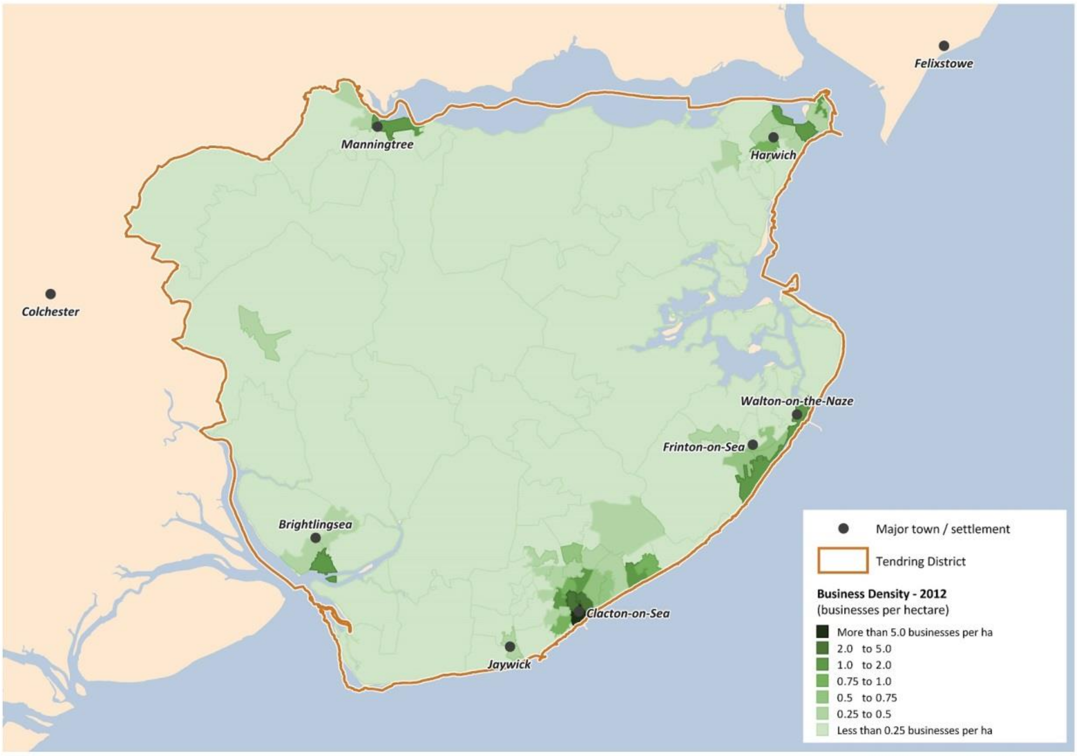
4.6 Of the almost 4,700 businesses currently located in Tendring, about 83% employ less than ten people (3,900 firms). Firms that employ between 10 – 99 people represent about 15% of the business base, with the remainder having more than 100 employees. Tendring's profile of business by size is very much aligned with the national average. The decrease in 300 businesses experienced during 2008-12 largely occurred in those businesses with less than 10 employees.

Table 4-2 Number of VAT and/or Paye Based Local Units by Employee Size Band, 2008-12							
	2012						
	Less than 10		10 – 99		100 +		Total (000s)
	No. (000s)	%	No. (000s)	%	No. (000s)	%	
Tendring	3.9	83%	0.7	15%	0.1	2%	4.7
Colchester	6.0	82%	1.2	16%	0.1	1%	7.3
Thanet	3.2	82%	0.7	18%	0.0	0%	3.9
Babergh	3.7	86%	0.6	14%	0.0	0%	4.3
Braintree	5.7	85%	0.9	13%	0.1	1%	6.7
Essex	52.4	85%	8.6	14%	0.7	1%	61.7
England (000s)	1,843.2	83%	342.9	15%	32.1	1%	2,218.2
Source: UK Business Activity Size and Location, ONS, 2012							

Geographic Distribution of Businesses

4.7 Similar to employment density, the mapping of Tendring's business density (the number of businesses per hectare), provides an understanding of the geographic concentration of firms throughout the district. As Figure 4-1 illustrates, the highest concentration of businesses in Tendring is in Clacton, followed by the other urban settlements of Frinton and Walton, Harwich, and Manningtree.

Figure 4-1 Business Density, 2012



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

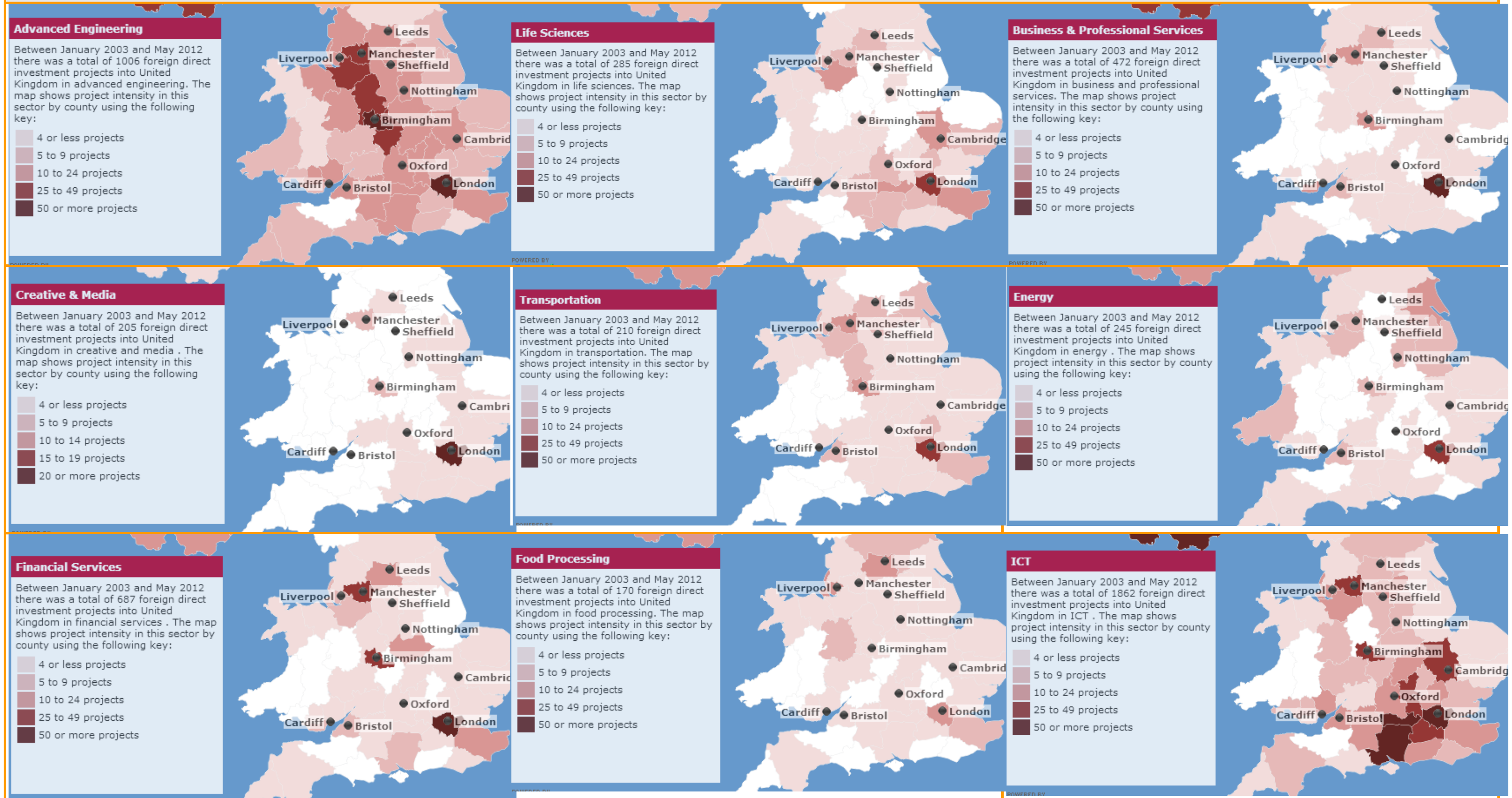
Inward Investment

4.8 Figure 4-2 presents data from UKTI on recent FDI activity across key sectors in the UK. The data suggests that the number of FDI projects into Essex over the past decade has been relatively limited, particularly in comparison to London and some other parts of the South East. Investments have been most numerous in two sectors – ICT and Advanced Engineering.

4.9 At a more local level, the Essex Local Economic Assessment notes that inward investment enquiries in Tendring in recent years have been low. The majority of investment enquiries in Essex in recent years have been focused around Stansted, Chelmsford, Basildon, and Thurrock. Consultation with Invest Essex reported that there have been no formal inward investment projects into the district in recent years.

4.10 Invest Essex is the county-wide agency for marketing Essex. They offer a broad service to encourage companies to locate, stay and grow in the county. Whilst a Memorandum of Understanding exists between Invest Essex and Tendring District Council, there has been limited evidence of activity over the last five year.

Figure 4-2: Overview of FDI projects by sector, 2003-12



Source: UKTI online interactive map of FDI flow activity 2003-12 (http://www.ukti.gov.uk/investintheuk/investorsmap.html)

Enterprise

4.11 Enterprise performance is another important indicator of the economic vitality of a local area. Indicators of enterprise performance include the number of new business start-ups and closures per year, as well as the stock of active enterprises and survival rates.

Business Start-ups, Closures and Survival

4.12 The most recent data indicates that the rate of business start-ups in Tendring is 28 businesses per 10,000 residents. This figure is lower than all district level comparator areas, as well as Essex (45) and England (44).

4.13 Since 2008 Tendring has experienced a decline of 1 point in its business start-up rate, which is less than that experienced overall in Essex (4 point decline) and England (2 point decline). Over a longer time period (2004–2011) there has been a larger decline in Tendring's business start-up rate (11 point decline), compared to an 8 point decline in Essex. Nevertheless, district level comparator areas have had similar experiences, with Thanet and Babergh registering a 12 point decline in their start-up rate over the same period.

Table 4-3 Business start-ups, 2004-11

	2011	Start-up rate	Change 04-11		Change 08-11	
			Number	Point change of rate	Number	Point change of rate
Tendring	**390**	**28**	**-160**	**-11**	**-35**	**-1**
Colchester	665	38	-95	-9	-25	-1
Thanet	400	30	-135	-12	-20	-3
Babergh	330	38	-95	-12	-10	-2
Braintree	585	40	-225	-19	-105	-9
Essex	6,280	45	-700	-8	-435	-4
SE LEP	14,465	38	0	-3	-1,390	-5
England	232,460	44	-15,990	-6	-3,885	-2

Source: ONS Business Demography dataset, 2012
Note: Start-up rate is equal to the number of businesses created per 10,000 resident

4.14 In addition to business start-ups, it is useful to understand the number of business closures per year, since these variables ultimately determine the net increase or decrease in the local business base. In 2011 there were a total of around 400 business closures in Tendring, equivalent to a closure rate of 29 per 10,000 population. This figure is lower than the closure rates of all comparator areas with the exception of Thanet. The closure rates of the wider geographies including Essex (40) and England (38) are also higher than Tendring.

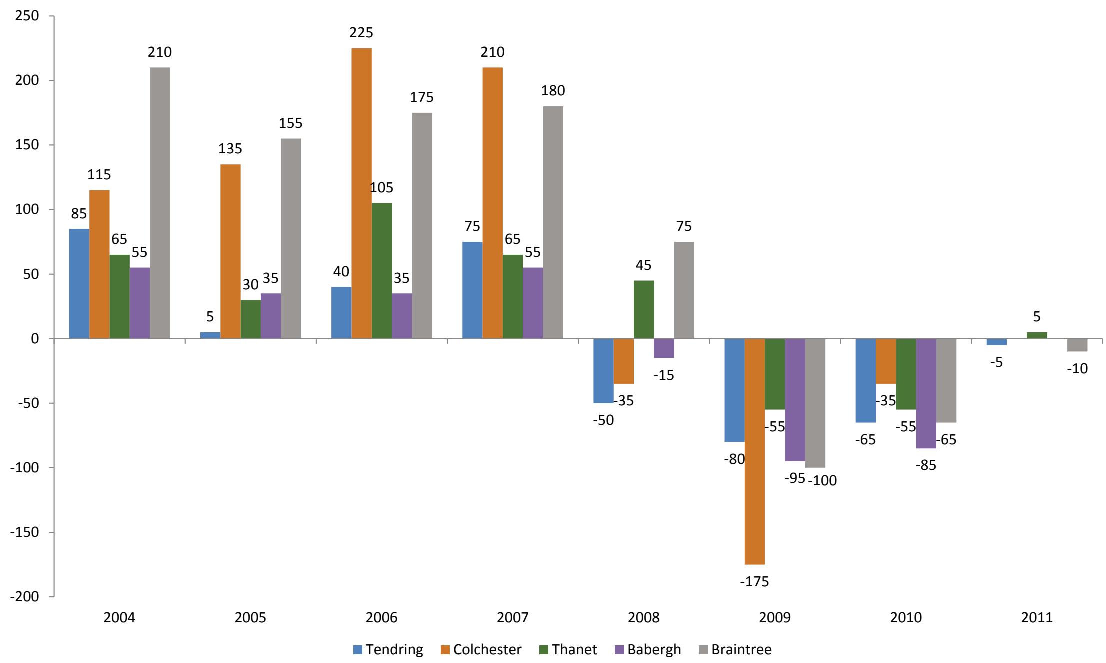
4.15 Since 2008 Tendring has experienced a 4 point decline in its closure rate. This is a positive finding and Tendring has performed more strongly than comparator areas in this respect.

Table 4-4 Business closures, 2004-11						
	2011	Closure rate	**Change 04-11**		**Change 08-11**	
			Number	**Point change of rate**	**Number**	**Point change of rate**
Tendring	**395**	**29**	**-70**	**-4**	**-80**	**-4**
Colchester	665	38	20	-2	-60	-3
Thanet	395	29	-75	-7	20	0
Babergh	330	38	-40	-6	-25	-4
Braintree	595	40	-5	-3	-20	-3
Essex	5,535	40	-265	-4	-175	-2
SE LEP	13,305	35	-740	-4	205	-1
England	202,365	38	-13,630	-5	5,670	0

Source: ONS Business Demography dataset, 2012
Note: Closure rate is equal to the number of businesses closed per 10,000 resident

4.16 The analysis of business start-ups and closures can be used to assess the net change in Tendring's stock of active enterprises. The diagram below presents the net change based on yearly start-ups and closures, and illustrates varied performance in recent years. In the period to 2007, Tendring experienced a net positive balance between business start-ups and closures, although to a lesser extent than in comparator areas such as Colchester and Braintree. Since 2008 Tendring and its comparator areas have registered net losses, meaning that business closures have outnumbered business start-ups. These losses were most severe in 2009 when the net change was a loss of 80 businesses, but performance has since improved to a loss of only 5 in 2011.

Figure 4-3 Net change in business start-ups and closures, 2011



Source: ONS Business Demography, 2012

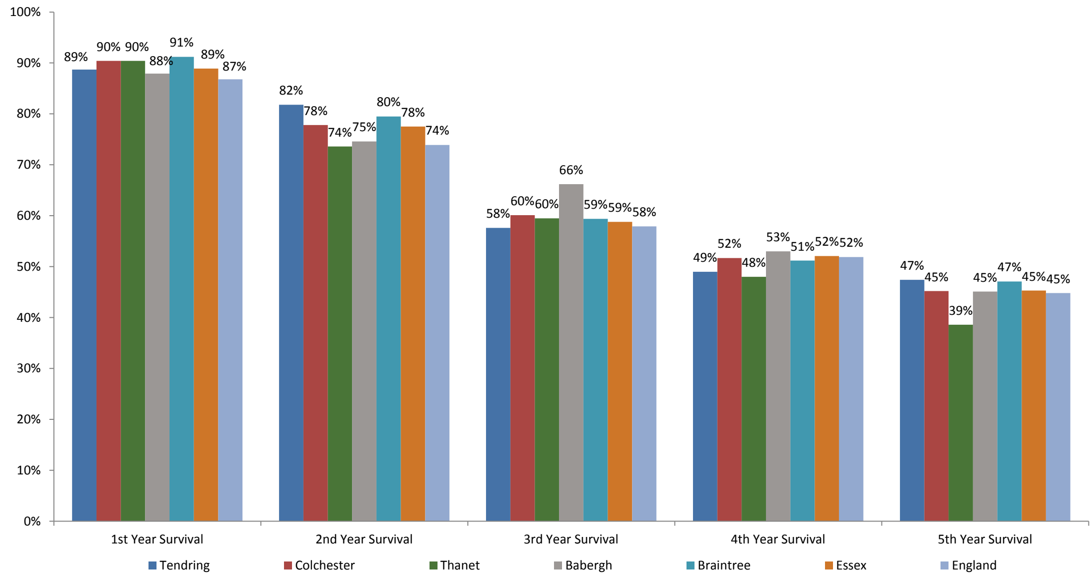
4.17 In order to further understand the dynamics affecting Tendring's business stock it is useful to analyse the district's business survival rates. These figures indicate the proportion of new

regeneris

businesses which continue to operate after one year of opening through to after five years of initial establishment.

4.18 Most recent data on business survival rates in Tendring indicates that the first year survival rate of businesses is 89%. This figure is only slightly below a number of comparator areas such as Colchester, Thanet, and Braintree. It is also slightly higher than the national average (87%). The second year survival rate in Tendring is 82%, which is above all other areas, including England (74%). This higher survival rate in the second year implies that the start-up businesses in Tendring that survive through their first year are more likely to continue operating for a second year than businesses in all other comparator areas.

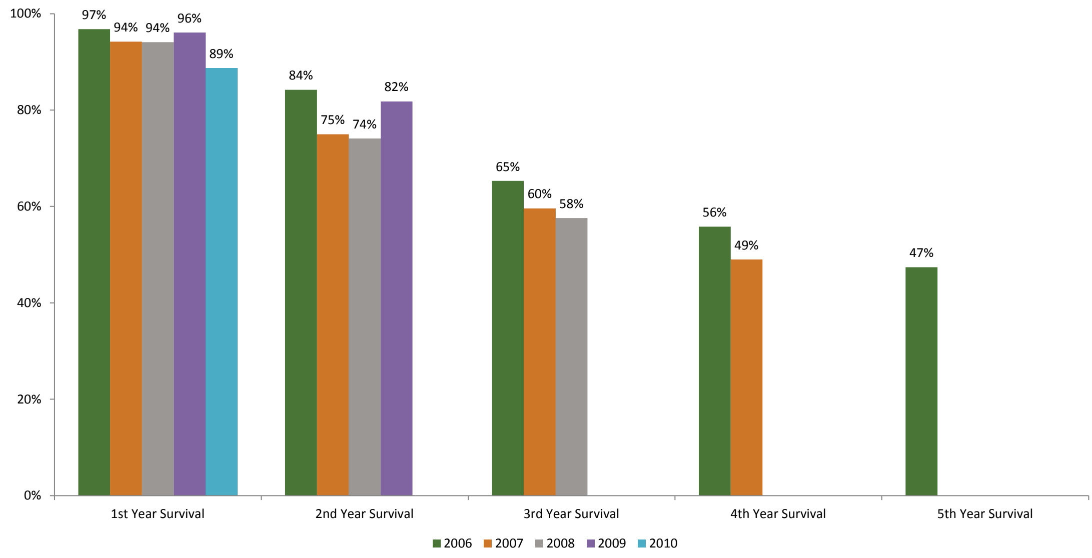
Figure 4-4 Business Survival Rates, Year 1 – 5, (%)



Source: ONS Business Demography, 2012

4.19 There is evidence that business survival rates have declined slightly in Tendring in recent years. This may in part reflect the wider economic context. Figure 4-5 illustrates that Year 1 survival rates in Tendring have dropped from 97% in 2006 to 89% in 2010. Year 2 rates dropped from 84% to 75% in 2007 but have since shown signs of recovery.

Figure 4-5 Change in Tendring Survival Rates, 2006-10, (%)



Source: ONS Business Demography, 2012

Self-Employment

4.20 Self-employment is another indicator of levels of enterprise in a local area.

4.21 Currently around 10% of the district's residents aged 16 - 74 are self-employed (equivalent to 9,800 people). This proportion is in line with the national level (10%), and slightly below all comparator areas except Colchester (9%). Since the 2001 Census, the number of self-employed residents in Tendring has increased by 10% (900 people). This is significantly below the increase experienced at the national level (28%) and all other comparator areas.

4.22 The proportion of residents that are self-employed at the local level varies significantly. Self-employment rates are highest in rural areas (13%) and Brightlingsea (12%) and are lowest in Harwich and Dovercourt (7%), and Jaywick (7%). The change in self-employment rates has varied significantly between local areas. Most notably, some areas experienced an increase significantly above the Tendring average, including Harwich and Dovercourt (26%), Jaywick (25%), and Manningtree, Mistley and Lawford (24%). Conversely, Clacton has experienced a low increase in self-employed residents of 3%.

Table 4-5 Population in self-employment, 2001-11

		2011		Change 01-11	
		No.	%	No.	%
Local Areas	Clacton	2,630	8%	80	3%
	Jaywick	250	7%	50	25%
	Frinton & Walton	940	10%	60	7%
	Brightlingsea	720	12%	100	16%
	Harwich & Dovercourt	920	7%	190	26%
	Manningtree, Mistley and Lawford	460	11%	90	24%
	Rural areas	3,870	13%	320	9%
	Tendring District	**9,790**	**10%**	**890**	**10%**
Comparator areas	Colchester	12,150	9%	2,310	23%
	Thanet	9,560	10%	2,230	30%
	Babergh	8,020	13%	1,030	15%
	Braintree	12,410	12%	2,410	24%
Wider Areas	Essex	112,480	11%	20,270	22%
	SE LEP	307,080	11%	61,850	25%
	England	3,793,630	10%	838,640	28%

Source: Census 2001 and 2011
Note: Self-employment rates are calculated using population aged 16 – 74, as specified in the 2011 Census methodology.

Tendring Business Survey

4.23 This section presents the headline findings from the Tendring Business Survey. This was undertaken in summer 2013 by TSE Research and comprised a total of 570 telephone interviews with local businesses. The survey sample was designed to broadly match the profile of the local business base described above. Reflecting this, small and medium sized businesses dominated the profile of respondents (with 86% of businesses employing up to 10 people). Where possible, the results are compared to the 2008 Tendring Business Survey findings.

Business Characteristics and Performance

Business Age

4.24 The survey findings on the age of businesses operating in Tendring show that just under two-thirds (67%) of all businesses have been trading for 10 or more years. Of these businesses, a quarter (26%) have been trading between 11 and 20 years, a fifth (20%) have been trading between 21 and 30 years. There is evidence of a strong continuity of service, with just under a fifth (19%) of businesses trading between 31 years to over 50 years. There are equal proportions of relatively new businesses, with a fifth (19%) trading between 0 and 4 years and 17% trading between 5 and 10 years.

International Competitiveness

4.25 The majority of businesses in Tendring serve local or national markets rather than international markets. In 2013, the proportion of businesses trading internationally is 13%. EU countries are the main counties exported to, although 15% of business engaged in international trade report to trade globally.

4.26 Of the 73 exporting businesses 79% (57 businesses) reported that they did not belong to any of the five trade bodies cited in the survey. Thus, small numbers were members of the Chamber of Commerce (12 businesses), Trade Associations (14 businesses), UKTI (5 businesses) and Essex County Council International Trade Team (2 businesses).

4.27 For the majority of businesses who do not currently trade internationally, the perception that their product or service is not suitable for international trading is the main reason given and of this total sample of businesses, only 14% would consider trading internationally in the near future.

Business Performance and Impact of Recession

4.28 The majority of businesses reported that they have experienced business performance impacts in the context of the economic downturn. Half of all businesses (49%) reported that they have experienced a reduction in business turnover over the past 12 months or expect to see a reduction in turnover over the next 12 months as a direct result of the recession. Conversely, a fifth of businesses (23%) had experienced or were expecting to experience an increase in turnover as a direct result of the recession.

4.29 Other impacts of the economic downturn frequently mentioned by businesses include:

- Pressure to reduce prices from customers (reported by 42% of all businesses),
- The need to pursue new markets/customers (mentioned by 41% of businesses)
- A higher level of price competition in the market place (reported by 40% of businesses).
- A fifth of businesses (22%) were experiencing delayed payments from customers and
- 11% of businesses have themselves delayed payments to their suppliers.
- One in 10 businesses had experienced or were expecting to see a reduction in the number of staff employed and or a reduction in the working hours of staff.

4.30 A small proportion of businesses (68 businesses) reported to have not experienced any impact, regardless of whether it is negative or positive, as a result of the recession.

Workforce, Recruitment and Skills

4.31 The survey found no evidence of any significant change in the distance staff live from their place of work compared to the pattern presented in 2008. As with the 2008 business survey, half of all staff live within 2 miles of the business location, 30% live within 5 miles (compared to 26% in 2008), 13% within 10 miles (compared to 14% in 2008), 8% live further than 10 miles away (compared to 11% in 2008).

4.32 The survey found that a quarter (25%) of businesses have recruited new staff over the Last 12 months. Among the 144 businesses which have recruited new staff, the average number of new staff recruited was 1.8. The majority of these businesses have not experienced any recruitment difficulties. However, a fifth (29 businesses) did report some difficulties with recruitment, particularly in relation to more skilled positions.

4.33 There is evidence that businesses have seen an improvement in the skills of the workforce. For all six of the skill sets rated (literacy, numeracy, IT, health & safety, customer service and technical/job-specific skills) all but a very small minority of businesses felt the skills set was satisfactory. This represents an improvement from the 2008 responses. The skill set which appears to have improved the most is IT. In 2008, IT was only rated as satisfactory by 65% of businesses compared with 85% of businesses in 2013.

4.34 Only 68 businesses (or 12% of the sample of businesses taking part in the survey) employed apprentices and 101 businesses (or 18% of the sample) offered work placements to local students or Job Centre Plus (JCP)/Work Programme (Ingeus/Seetec) clients. Among the businesses employing apprentices the average number currently employed is 1.32.

4.35 Satisfaction is generally high among businesses which have employed apprentices with the placement process. Satisfaction was highest with 'Length of time' it took to agree placement/funding and 'Complexity of process' (with the implication that the process was not in fact very complicated in their experience).

4.36 Among those businesses currently not employing apprentices, over half (56%) reported that they had no need to employ apprentices and thus nothing could be done to encourage them to employ apprentices. However, a fifth of businesses (22%) reported that they would like incentive payments for recruiting and training apprentices and a further fifth (21%) reported that a reduction in bureaucracy would encourage them to employ apprentices.

4.37 The survey results indicate that more businesses would be willing to take on work placements if it was not for the bureaucracy involved. A third of businesses (33%) reported that 'better guidance on regulatory requirements - bureaucracy is an issue' would encourage the hiring of work placements.

Business Networks, Support & Access to Finance

4.38 A small, but significant proportion of Tendring businesses belong to a business network, the most common of which is the Trade Association; a fifth of businesses (21%) reported to belong to a Trade Association.

4.39 In the past two years, around 83% of businesses have used the services of business support organisations. Among those using business support services, 'Professional services - e.g. bank, accountant, and solicitor' was the most used support/network group, used by 65% of businesses. Notwithstanding changes to the list of cited business support organisations in the 2013 survey, comparable findings between 2008 and 2013 are as follows:

- Around 18% of businesses used Job Centre Plus in 2008 for business support compared to 16% in 2013;
- Around 12% of businesses used Local Colleges and Universities in 2008 for business support compared to 8% in 2013;

- Around 4% of businesses used Apprenticeship Schemes in 2008 for business support compared to 9% in 2013; and,

- Around 4% of businesses used the Chamber of Commerce in 2008 for business support compared to 6% in 2013.

4.40 Among the businesses that had used business support organisations, almost three quarters (74%) could not think of any way in which the service they had received could have been improved. However, 8% would like to see greater specific understanding of their business/sector, and a further 8% felt that the service provided should be free of charge or provided at a very low cost.

4.41 Many businesses would welcome additional business support. Interest was greatest in 'Small business rate relief' with 49% of businesses stating that they could benefit from this service.

4.42 Sixty-eight businesses, representing 12% of the sample reported that they had sought additional finance in the past 12 months. The most frequently mentioned reasons for seeking additional finance was for working capital/cash flow (41%). Other reasons included help with the expansion / growth of the business (15%), to purchase capital equipment (12%) and to pay back a bank overdraft (12%).

4.43 The main source of credit / finance for businesses are banks (60%). A third of businesses rely on overdraft facilities (33%) and just over a quarter rely on credit cards.

4.44 Among the businesses who had sought additional finance, nearly half (44%) did not experience any difficulties accessing additional finance. Difficulties which were experienced most often related to banks refusing to lend due to the businesses showing poor profit margins.

Infrastructure

Premises

4.45 The survey found that the vast majority of businesses (87%) in Tendring operated their business from just one premise. Most businesses surveyed did not have any business premises outside Tendring (88%), although among the small minority of businesses which did report to have business premises outside Tendring, the number of business premises outside Tendring was often relatively large (Primarily in retail and other well-known companies).

4.46 With regard to the number of years businesses have been present at their current premise, the survey identified that 56% of businesses have resided in their present premise for more than 10 years (in 2008 46% of businesses were found to have resided in their current premise for more than 10 years).

4.47 Among the businesses that have been at their current location for less than 5 years (which accounts for 26% of all businesses in 2013 and which accounted for 31% of businesses in 2008), three quarters (76%) are new start-up companies and the remaining 24% have relocated into Tendring District from elsewhere. The majority of relocating businesses have come from neighbouring towns in Essex such as Colchester and Ipswich, with a handful from places such as London and Suffolk. These findings are almost identical to those of 2008.

4.48 Nearly three-quarters of businesses (67%) reside in premises of up to 100 square metres in size. A fifth of businesses (20%) reside in premises between 101 square metres to 5,000 square metres in size. A very small minority of businesses stated that their business premise was larger than 5,000 square metres (2%) or involved land several hectares in size (3%). The latter are mainly farm businesses.

Internet access

4.49 The vast majority of Tendring businesses use the internet for business purposes and the most common reason is for email messaging and general web browsing (76%). One in four businesses operate their own website (46%) and a further 43% use the internet for researching new products and services. Over a third of businesses (38%) use the internet for checking stock availability & purchasing from suppliers and just under a third of businesses (29%) use it for checking on competitors' products and/or pricing.

4.50 However, the proportion of businesses engaging in e-commerce i.e. selling goods/services via the web was relatively low at 18% despite a much larger number having their own website.

4.51 Business ratings on the speed, reliability, and cost of connection and on the choice of supplier, show typically 'Good' mean satisfaction scores. On speed of internet connection and cost of internet connection, most businesses felt this was either good or average which provides a mean average score of 3.12 out of 5 for speed (where 1 is Very poor and 5 is Excellent) and a mean average score of 3.19 out of 5 for cost.

4.52 Satisfaction with reliability of internet connection and choice of supplier appears to be slightly higher with proportionately more businesses rating these aspect as good rather than average, leading to the respective mean average satisfaction scores of 3.45 and 3.58 respectively.

4.53 Two in ten businesses (22%) felt that their business development and growth was currently limited by the speed, availability, cost or reliability of broadband.

Overall Perceptions and Future Plans

4.54 Views on Tendring as a place to do businesses indicate that most businesses regard their location as advantageous to their business operations. Of all the aspects rated, most were seen as advantages rather than disadvantages. The aspect which was seen as the most advantageous was 'Proximity to suppliers, with 89% of businesses rating this aspect as an advantage. This was followed closely with 'condition of premises' (rated by 85% of businesses as an advantage) and 'proximity to customers' (this was rated by 82% of businesses as an advantage.

4.55 Aspects which received relatively higher proportion of disadvantage responses from businesses included 'Grant aid' with 45% of businesses seeing this as a disadvantage and 'Energy costs', with 45% of businesses stating that this was a disadvantage of being located in the area.

4.56 Businesses were asked about what things they felt Tendring District Council or other partners should be doing to help the area grow and prosper. The top five priority areas cited were:

- 'Roads/pavements maintenance' (selected by 52% of businesses);

- 'Information Technology services e.g. access to faster broadband' (selected by 40% of businesses),
- 'Business rate/cost reductions' (selected by 34% of businesses),
- 'Parking facilities, incl. more spaces, better locations, cheaper charges' (selected by 34% of businesses), and
- 'Local investment and development, incl. new buildings /filling vacant premises' (selected by 28% of businesses).

4.57 A further fifth of businesses identified a number of other areas which they felt should be priorities for the council. Many of these were very specific issues which arguably can be grouped under the broader priorities areas presented to businesses. However, businesses clearly felt these areas warranted specific mention. These included addressing what is perceived by some businesses as costly waste disposal, marketing and promoting Tendring more effectively as place to do business, providing more funding to work-based training, and widening the A120 or turning it into a dual carriageway.

4.58 The vast majority of businesses had no current plans to move their premises. A minority of businesses planned to move within the next 12 months (5%) and within the next 2-3 years (3%). Among the minority of businesses planning on moving (this accounts for only 45 businesses), the biggest factor influencing the choice of where to move to will be low cost / low rates, mentioned by 46% of the relevant sample.

5. Assessment of Key Sectors

5.1 This section builds upon the high level analysis of the Tendring employment base in Chapter 2, placing focus on a number of defined sectors. These are sectors which have been identified as being either of existing importance to the Tendring economy or sectors in which there might be an opportunity for future growth. The sectors are:

- Agriculture;
- Manufacturing (which includes mechanical and electrical engineering activities);
- Construction;
- Retail;
- Ports and Logistics;
- Business Services;
- Cultural and Visitor Economy;
- Health and Care;
- Creative Industries; and,
- Low Carbon Environmental Goods and Services.

5.2 Full definitions of each sector are included in Appendix B.

5.3 For each sector, we introduce the overarching sector context, explore existing characteristics of the sector in Tendring and examine the opportunities and potential for future growth in the sector.

5.4 **A note on methodology –** analysis in this section draws heavily on data from the IDBR dataset, which was introduced in Chapter 1. It is important to note that the employment figures presented in this section vary slightly from the high level sector BRES employment data presented in Chapter 3. This is as a result of the different data sources used and different years of analysis (2012 vs. 2011). **As such, whilst the key messages regarding sector strengths remain the same, the estimates of employment set out within the two chapters should not be compared directly.**

Key Messages

The sector profiling exercise builds upon a detailed review of policy and literature, and also evidence from the IDBR dataset, to explore current sector strengths in Tendring and potential areas for future growth.

Analysis highlights that the **Health and Care** sector is both a current employment strength for Tendring and a sector which has potential for future growth. Other sectors with potential for future growth are **Ports, Logistics and Distribution**, and the **Cultural and Visitor Economy** and the **Low Carbon** sector. Sectors such as **Retail** and **Business Services,** and to a lesser extent **Manufacturing** and **Construction,** are currently important employment sectors, but have less strong growth potential for the future in Tendring.

These messages are illustrated below.

		Future Growth Potential		
		Strong Growth Potential	Moderate Growth Potential	Limited Growth Potential
Current Importance to Local Economy	Important Employment Provider (3,000 to 7,000 jobs)	• Health and Care	• Cultural and Visitor Economy	• Retail • Business Services
	Moderate Employment Provider (1,500 to 3,000 jobs)	• Ports, Logistics, Distribution		• Manufacturing • Construction
	Less Important Employment Provider (less than 1,500 jobs)		• Low Carbon, Environmental Goods and Services	• Agriculture • Creative Industries

The key messages for individual sectors are summarised below:

- Agriculture - currently an important provider of jobs in rural areas. Limited potential for growth, although potential for diversification into tourism and low carbon energy.
- Manufacturing - provides around 2,500 jobs, but is underrepresented compared to national averages. Clacton is a key employment centre, with local strengths also in Manningtree and Brightlingsea. There is limited growth potential, although there are some potential to links to port / offshore wind activity and University of Essex's Knowledge Gateway.
- Construction - provides around 1,900 jobs. Businesses are located throughout the district (and particularly in Brightlingsea, Manningtree and Rural Areas). There is limited potential for future growth, which is likely to be tied to the scale of future residential development in the district and sub-region.
- Ports and Logistics - provide around 1,700 jobs and is one of Tendring's greatest comparative sector strengths. Activity is concentrated around the Port in Harwich and to a much lesser extent at Brightlingsea and Mistley. There is strong potential for the sector, although this will be linked specifically to the fortunes of Harwich International Port.
- Retail - an important provider of employment across Tendring (5,400 jobs in total). Concentrated in the towns and particularly in Clacton. Clacton has low vacancy rates, but anecdotally the overall offer is poor and partly as a result, there is high retail leakage to Colchester and Ipswich. Towns other than Clacton largely offer a local service role. Town centre performance is varied but vacancy rates are typically low. There is limited potential for significant future growth in the

sector in Tendring. Growth likely to be tied to future population change.

- Business Services - the sector provides around 3,400 jobs (but is underrepresented relative to national regional averages) and largely serves the local population. Clacton is the primary centre for employment, whilst activity is also distributed across rural areas. There is limited growth potential and any growth is likely to be driven by future population change.
- Cultural and Visitor Economy - traditionally an important sector for Tendring, the sector now provides around 3,100 jobs, which is broadly in line with the national concentration of employment. Employment activity clustered around Clacton and coastal areas. There is moderate growth potential linked to the diversification of the visitor offer and developing a more year round, sustainable visitor economy.
- Health and Care -the largest employment sector in Tendring, providing around 6,700 jobs and strongly overrepresented relative to national averages. The Care and Assisted Living sector is particularly important, with a high ratio of care homes relative to the size of the population. Activity is located throughout the district, but particularly strong concentrations of activity in Clacton and throughout rural areas. There is strong potential for future growth, with a focus on the Care sector reflecting existing strengths and the current and likely future population demographic.
- Creative Industries - as with Business Services, the sector is strongly underrepresented relative to wider averages and provides a limited number of jobs (around 800). The majority of activity is located in Clacton, but the highest concentration of activity is in Manningtree. There is limited potential for future growth - again, this is likely to be dependent upon population growth and demographic change.
- Low Carbon Environmental Goods and Services - Tendring has a comparative strength in this sector and we estimate that it provides around 1,300 jobs. Activity is spread throughout the district, but is particularly clustered around Clacton; with concentrations of activity across rural areas and in Brightlingsea and Manningtree. There is moderate growth potential for the sector locally, although offshore wind activities at Harwich have been identified as a potential growth opportunity.

Agriculture

5.5 The Agricultural sector includes a range of activities which are associated with the growing of crops such as cereals and fresh produce, as well as the raising of animals. This sector also includes post-farming activities and supporting functions.

Sector Context

5.6 The Agriculture sector plays an important role in the national economy as well as regional and local levels.

5.7 At a national level, the sector contributes £9.75 billion of GVA; only 0.08% of total UK GVA. Despite this, the sector has obvious importance in terms of providing for the food and drink supply chain. The sector has not been greatly affected by the recession, but growth in the sector is slow[2].

5.8 At a local level, agriculture can be an important driver of the economy. The sector is typified by small businesses (2- 4 people) or self-employment in rural areas where very few other sectors would be viable. However, the sector is also typified by 'unskilled' and low/paying often seasonal work so is often seen as an unattractive sector. Despite this, increasing desire for provenance in food could make the sector increasingly important in the future.

5.9 There are a number of key drivers influencing the performance of the sector, at the national and local level. The most significant are identified below:

- **Intensification** – recent decades have seen large scale agricultural intensification, with a need to produce more food at a cheaper cost. This has led to the average size of farms increasing significantly;
- **Provenance** - Agriculture obviously plays a vital role in the food and drink chain and people are increasingly interested in the quality of their food and where it has come from – local produce is seen as a growth niche;
- **Diversification** – increasingly, smaller agricultural activities are seeking to diversify their activities. There are a number of particular diversification areas which have seen growth in recent years, including tourism and energy (such as biomass);
- **Workforce Availability** – An ageing workforce combined with unattractiveness low pay and lack of progression opportunities) of the sector to younger people is a major challenge to the sector[2] [3].

Current Performance in Tendring

5.10 Reflecting the rural characteristics of parts of Tendring, Agriculture remains an important employment sector within the district.

[2] UKCES (2012), *Agriculture, Forestry and Fishing: Sector Assessment.*

[3] Barclays (2012), *UK Agriculture Sector Outlook.*

5.11 The Department for Environment, Food, and Rural Affairs (DEFRA) monitors agricultural employment and provides the most comprehensive data on employment in this sector. The most recent data provided is for 2010 and allows for a comparison between Tendring and its neighbouring areas. At that time there were a total of 1,100 jobs in the Agricultural sector in Tendring, equal to about 3% of total employment.

5.12 Agriculture in Tendring is more concentrated locally than is average across the country. The sector has a Location Quotient of 2.4, which is greater than that of all local comparators. Nevertheless, it is important to note that employment has declined by a fifth (about 250 jobs) since 2007, the largest decline experienced across all comparator areas.

Table 5-1 Agriculture employment, 2007-10

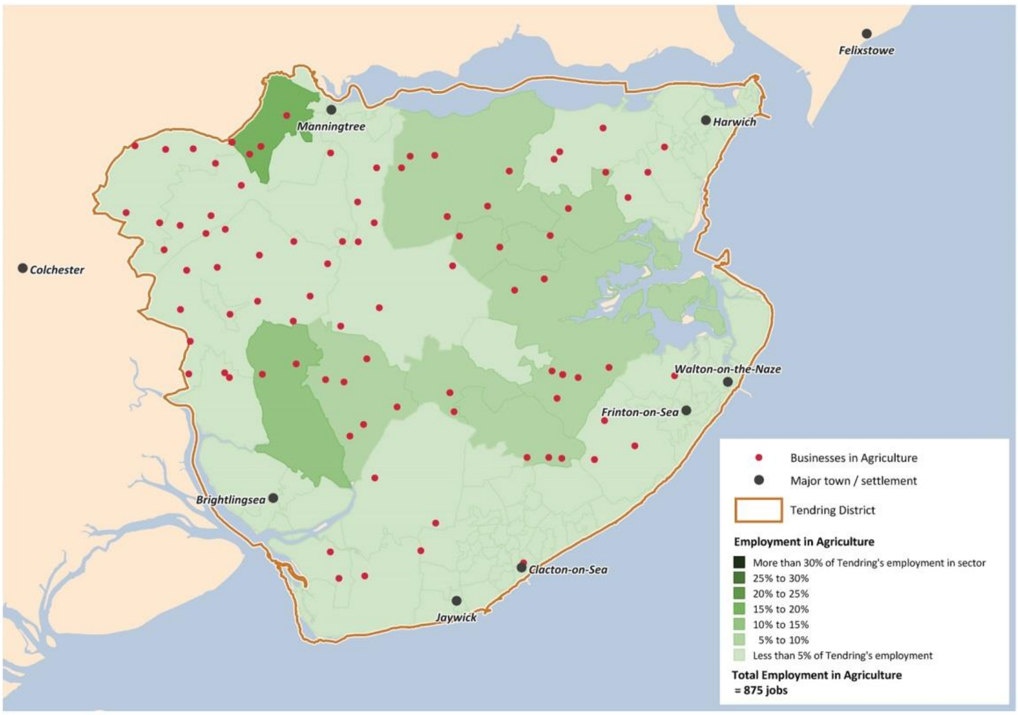
	Employment 2010	% of total	LQ vs. England	Change 2007-11	
				No	%
Tendring	**1,100**	**3%**	**2.4**	**-250**	**-19%**
Colchester	640	1%	0.7	-70	-10%
Thanet	220	1%	0.4	-40	-17%
Braintree	1,060	2%	1.8	-100	-9%
Ipswich and Babergh (see note below)	1,270	-	-	-110	-8%
England	293,170	1%	1.0	-14,970	-5%

Note: Data for Ipswich and Babergh is combined in the DEFRA Agriculture Employment dataset

Source: Department for Environment, Food and Rural Affairs, Agricultural Employment, 2011

5.13 Evidence from the Inter Departmental Business Register suggests that businesses in the Agriculture sector are spread evenly across the rural part of the district, with employment concentrated in a central band, away from the district's main urban settlements.

Figure 5-1 Employment in Agriculture



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

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5.14 Table 5-2 identifies the top 5 sub-sectors of employment in the Agriculture sector. Over a third of employment in agriculture (300) is in mixed farming, with an additional 260 people employed in the growing of vegetables, roots and tubers.

Table 5-2 Top 5 sub-sectors (5-digit SIC) in Agriculture in Tendring District					
	Employment		Businesses		Key Locations
	No	%	No	%	
1500: Mixed farming	300	34.3%	55	64.7%	• Located evenly across rural parts of District
1130: Growing of vegetables and melons, roots and tubers	300	29.1%	10	11.8%	• Located in rural part of District
1250: Growing of other tree and bush fruit and nuts	100	9.1%	5	0.0%	• Located evenly across rural parts of District
1110: Growing of cereals (except rice), leguminous crops and oil seeds	100	6.9%	5	5.9%	• Located evenly across rural parts of District
1240: Growing of pome fruits and stone fruits	<50	5.1%	5	5.9%	• Located evenly across rural parts of District
Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.					
Source: Inter Departmental Business Register, 2012					

Future Prospects for the Sector in Tendring

5.15 Future factors likely to affect the sector across the UK include:

- **Continuing intensification** – continuing need to produce more food and achieve more efficient use of land;
- **Sustainability** – agriculture will have to be aware of carbon output and resource use which will present challenges. However, there are also opportunities in terms of local produce and green energy;
- **Professionalisation** – increasing need for business management skills as opposed to trade knowledge;
- **Innovation** – link between science and agriculture. Potential to link research and development in new energy, genetically modified food and life sciences to agriculture;
- **Less integral to rural life** – it is possible that as other sectors become increasingly footloose, the diversity of the rural economy will increase. In this scenario, the importance of agriculture within rural life could decrease.

5.16 Given the rural nature of large parts of Tendring, agriculture is likely to remain an important provider of employment within the district in the future. In supporting the performance of the sector in Tendring, there are a number of areas of potential focus:

- **Diversification** – encourage diversification to improve business sustainability. Areas of potential focus are likely to be local produce, tourism and energy;
- **Business Support** – Access to relevant business advice and guidance would provide

support to businesses e.g. in analysing their skill needs, long term plans. This is particularly relevant in the context of the point above regarding diversification;

- **Workforce** – linking employers to training providers to ensure that employers and young people are aware of apprenticeship schemes and potential opportunities for workforce development.

Manufacturing

5.17 Manufacturing is a highly diverse sector and for this analysis a broad definition of the sector is considered which includes traditional manufacturing right through to more advanced forms of manufacturing and mechanical and electrical engineering.

Sector Context

5.18 The Manufacturing sector has traditionally played a significant economic role in the UK. Nationally the sector contributes £145 billion GVA, and accounts for 55% of UK exports and 74% of business R&D. While the sector has enjoyed continuous slow growth in value generation, employment numbers are continually shrinking[4].

5.19 Within the East of England, manufacturing has historically not been as important as in other regions. At the national level, the sector has seen shrinking in importance as an employer but growing in value generation. Perhaps the most important development in recent decades has been the emergence of specialised clusters of Research & Development activity in locations such as Cambridge.

5.20 There are a number of overarching trends which have been affecting the Manufacturing sector in recent years:

- **Competition** – in recent decades the performance of the UK Manufacturing sector has largely been defined by the impacts of increasing competition from locations overseas. Often these locations have a competitive advantage in their ability to drive down costs through comparatively cheap labour;

- **Advanced Manufacturing / R&D** – whilst traditional manufacturing continues to decline in the UK, recent decades have also seen the rise of Advanced Manufacturing and R&D related to this. Often this depends upon highly skilled, specialised labour and increasingly locations are competing to secure a competitive advantage in particular specialisms / niches;

- **Workforce challenges** – the sector is facing a number of workforce challenges. More traditional forms of manufacturing have been affected by an ageing workforce, combined with unattractiveness of the sector to younger people. More advanced forms of manufacturing typically require higher level specialist skills and the sector has faced challenges finding these in recent years[4] [5].

Current Performance in Tendring

5.21 The Manufacturing sector employs around 2,500 people in Tendring, representing just under 7% of all employment in the district. The district's concentration of employment in manufacturing is below that seen nationally (LQ 0.8).

5.22 Clacton is home to more than a thousand of these jobs, although again, the concentration of

[4] UKCES (2012), *Manufacturing Sector Assessment.*

[5] UKCES (2012), *Sector Skills Insights: Manufacturing.*

activity is lower than that seen nationally and is in line with that of the district. Higher concentrations of employment in manufacturing are found in Brightlingsea (LQ 1.0) and Manningtree (LQ 1.9) although there are comparatively few jobs here in absolute terms.

5.23 The district is home to over 200 businesses trading in the Manufacturing sector. Despite having a lower concentration of employment than is seen nationally, Tendring has a slightly higher than average concentration of manufacturing businesses (LQ 1.1). This suggests that manufacturing businesses in Tendring employ fewer people than is average nationally.

5.24 Within the district, the majority of manufacturing firms are found in Clacton (around 80) and Rural Areas (65).

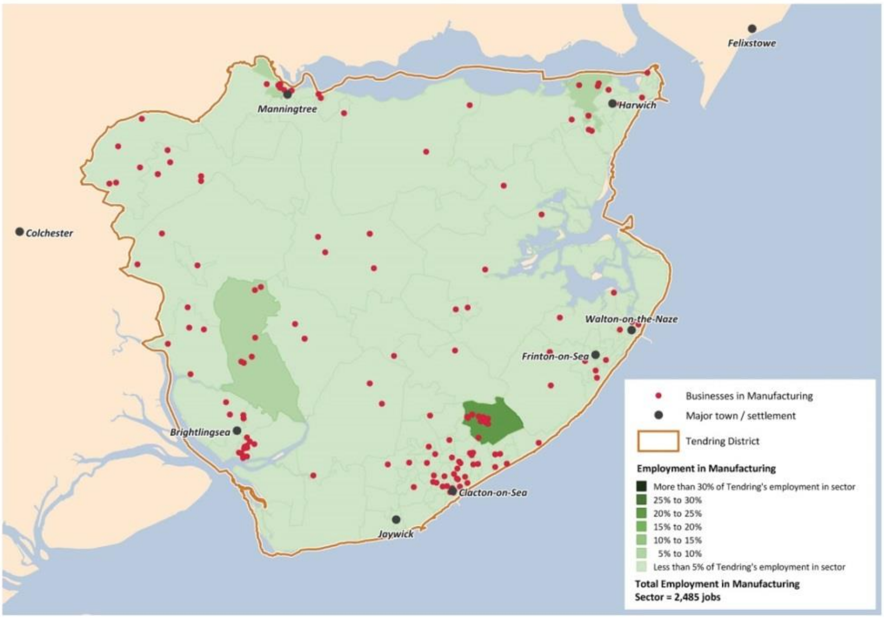
Table 5-3 Location of employment in the Manufacturing Sector

	Employment			Business Unit		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	200	9.1%	1.0	20	8.9%	1.7
Clacton	1,000	7.2%	0.8	80	7.3%	1.4
Frinton & Walton	100	2.1%	0.2	10	2.4%	0.4
Harwich & Dovercourt	400	7.8%	0.9	15	4.0%	0.7
Jaywick	-	-	-	-	-	-
Manningtree, Mistley & Lawford	300	17.2%	1.9	20	11.5%	2.1
Rural Areas	600	5.4%	0.6	65	5.1%	1.0
Tendring District (Total)	2,500	6.8%	0.8	205	5.9%	1.1

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

5.25 As highlighted by Figure 5-2, the majority of businesses in the Manufacturing sector are located in and around Clacton, with some additional clusters of activity seen at Brightlingsea and Manningtree. The area to the north east of Clacton (and the Gorse Lane Industrial Estate specifically) has a very high concentration of employment in the Manufacturing sector.

Figure 5-2 Employment in the Manufacturing Sector



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.26 The following table shows the top sub-sectors (5-digit UK SIC code) for employment in the Manufacturing sector in Tendring District. **In general, there is no particular specialism, with employment and businesses operating across a range of sub-sectors.** The majority of these sub-sectors are relatively traditional manufacturing activities as opposed to more niche, higher value added advanced manufacturing:

- Around 200 people are employed in the manufacture of electricity distribution and control apparatus, with an additional 100 people working as machinists (boring, milling, broaching, polishing and welding);
- Around 100 people at district level in Tendring are employed in the manufacturing of coachwork bodies for motor vehicles;
- The IDBR data does not identify a significant quantum of employment in the food manufacturing sub-sector. Despite this, evidence from consultees has highlighted the presence of Surya Rice, a food manufacturing company which employs around 100 people in the Harwich area.

Table 5-4 Top sub-sectors (5-digit SIC) in Manufacturing in Tendring District					
	Employment		Businesses		Key Locations
	No	%	No	%	
27120 : Manufacture of electricity distribution and control apparatus	200	6.1%	5	3.7%	Sample too small*
25620 : Machining	100	5.7%	15	11.1%	Concentrated within District's major settlements, especially Clacton and Harwich
29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans)	100	5.1%	<5	0.0%*	Sample too small*
25720 : Manufacture of locks and hinges	100	5.1%	<5	0.0%*	Sample too small*
17290 : Manufacture of other articles of paper and paperboard n.e.c.	100	4.9%	<5	0.0%*	Sample too small*
28290 : Manufacture of other general-purpose machinery n.e.c.	100	4.3%	<5	3.7%	Sample too small*
19201 : Mineral oil refining	100	3.9%	<5	0.0%*	Sample too small*

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Note*: Sample of corresponding sub-sector is too small. Disclosure of key locations may lead to individual businesses being identified.
Source: Inter Departmental Business Register, 2012

Future Prospects for Manufacturing in Tendring

5.27 As discussed previously, the Manufacturing sector is highly influenced by factors both internationally and domestically. Future factors which are likely to affect the sector across the UK include:

- **The Macro-Economic Context –** the economic downturn has had a wide ranging impact upon manufacturing activity in the UK, with a noted fall in demand for goods. Whilst manufacturing is seen as an important sector in determining the scale of the economic recovery, the ability of the sector to grow will be dependent on a complex range of factors, including import and export markets and UK consumer demand;

- **Growth of R&D and Advanced Manufacturing** – whilst the actual process of manufacturing of items is increasingly being carried out abroad, higher value Advanced Manufacturing and R&D activities have been an important growth area and are seen as a major potential driver in the future;

- **Brand UK** – whilst the long term trend has been a decline in the scale of traditional manufacturing activity, there is increasingly a movement which supports buying products 'made in the UK'. Consequently, there is still a limited future for the physical manufacturing of certain lower value goods in the UK. As costs in other locations increase, there is also potential for companies which had previously left the UK to return;

- **Efficiency** – in order to compete globally, the UK Manufacturing sector will need to become more efficient, in terms of reducing low skilled elements of the workforce while increasing value generation;

- **Demographic Change** – whilst an ageing population will affect the manufacturing workforce, it will also create new manufacturing demand. There is likely to be particular growth in health and pharmaceutical related manufacturing, which are typically relatively high value activities.

5.28 As discussed above, whilst manufacturing activity in Tendring is an important provider of jobs, the sector is less concentrated than is seen elsewhere. There also appears to be no particular area of specialism and activities are generally relatively low value in nature. As a result, supporting existing business and jobs is likely to be more effective than seeking to develop new strengths. Areas of focus could include:

- **Business Support** – ensuring that business have access to the support that they need to retain and grow their activities;

- **Skills** – linking local employers and training providers to ensure that current and future skills needs are met, and that local residents are able to access local jobs;

- **Premises and Infrastructure** – understanding business needs in terms of premises and infrastructure, particularly where these are constraining business performance. The Tendring Business Survey provides a good first step in this and suggests that the majority of local businesses are happy with their premises. Even so, it will be important to build upon this with on-going dialogue and engagement with the local business base, and proactive responses implemented where necessary;

- **Links to Higher Education** – whilst there is limited evidence of higher value added manufacturing activity in Tendring; the University of Essex has ambitions to develop a cluster of hi-tech knowledge based employment around its campus directly to the west of Tendring. Where possible, efforts should be made to engage businesses with the activities of the University of Essex, either through their postgraduate consultancy business support service, business networking, or, where relevant through more formal research commercialisation collaborations or locational opportunities.

Construction

5.29 The Construction sector includes all construction and civil engineering activity related to domestic, commercial and infrastructure projects. It also includes a number of other activities that are associated with construction projects, such as demolition, site preparation, painting, and other building completion and finishing activities.

Sector Context

5.30 Construction plays an important role at all levels of the economy. At national level, the GVA contribution of the sector doubled in the ten years to the start of the recession. However, the sector has been severely impacted by the recession and ensuing downturn. The sector continues to register poor performance and is seen as necessary for strong growth in the UK economy to be renewed[6].

5.31 A strong Construction sector is necessary for the implementation of regional and local infrastructure projects. The sector is characterised by extensive supply chains and often utilises regional or national level labour markets. At the more local level, construction is a relatively important employment sector for lower skilled workers.

5.32 The performance of the Construction sector is influenced by a number of drivers related to both the labour market and the wider economy:

- **The Macro Economic Context** – construction performance is heavily influenced by the performance of the wider economy. This has been highlighted in the recent economic downturn, where domestic, residential, commercial and infrastructure construction markets have declined due to reduced prosperity and increased austerity;

- **Population** – construction is largely driven by growth in the overall population. Housing makes up roughly 40% of the Construction sector's value. However, whilst high demand for new housing is almost universal across the UK, the current economic downturn is constraining the ability of the market to respond to this need and hence affecting the vitality of the Construction sector;

- **Workforce** – research suggests that the Construction sector finds it hard to fill higher skilled positions, whilst in recent years there has been a trend of lower skilled positions being filled by international migrants. This suggests that the domestic labour market is not responding efficiently to the opportunities presented by the sector[6, 7].

Current Performance in Tendring

5.33 In 2012 there were around 500 businesses trading in the Construction sector in Tendring District – a similar concentration of businesses to that seen nationally. Almost half of these were located in the district's rural areas, although there was also a high concentration of businesses in the Construction sector at Brightlingsea (LQ 1.5) in 2012.

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[6] UKCES (2012),*Construction, Building Services Engineering and Planning: Sector Assessment.*

[7] UKCES (2012), *Sector Skills Insights: Construction.*

5.34 The Construction sector employs around 1,900 people in the district, again giving the sector a concentration similar to that seen nationally. Given the nature of construction activity, the location of employment is perhaps less relevant than the location of businesses (many of the workers are unlikely to be working at the registered business address and may indeed be working outside the district).

5.35 This caveat in mind, a fifth of all construction jobs in Tendring District are located at businesses in Clacton, but almost half are spread evenly across the district's rural areas. Whilst absolute employment numbers are relatively low, the concentration of construction employment is relatively high in Brightlingsea and Manningtree (LQ 2.0 and LQ 2.2 respectively).

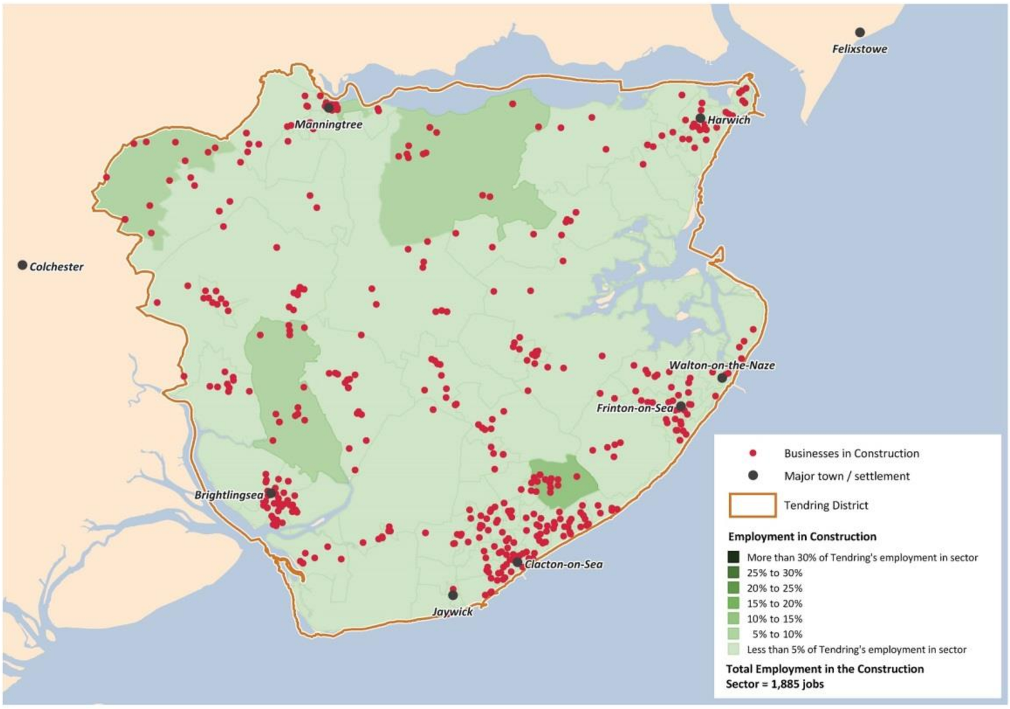
Table 5-5 Location of employment in the Construction Sector

	Employment			Business Unit		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	200	10.2%	2.0	45	19.1%	1.5
Clacton	400	3.0%	0.6	125	11.5%	0.9
Frinton & Walton	100	3.5%	0.7	35	10.9%	0.9
Harwich & Dovercourt	100	1.8%	0.3	35	10.2%	0.8
Jaywick	<50	0.9%	0.2	<5	4.5%	0.4
Manningtree, Mistley & Lawford	200	11.4%	2.2	20	9.9%	0.8
Rural Areas	900	8.4%	1.6	235	18.9%	1.5
Tendring District (Total)	1,900	5.2%	1.0	500	14.3%	1.1

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

5.36 Figure 5-3 illustrates where businesses in the Construction sector are located. The majority of businesses trading in the Construction sector are located in and around Clacton, with additional concentrations around Brightlingsea, Frinton and Manningtree.

Figure 5-3 Employment in the Construction Sector



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.37 The construction of domestic buildings is the major sub-sector (5-digit UK SIC code) for employment in construction in Tendring. This represents around a fifth of all construction jobs in the district, mostly concentrated along the northern and southern edges of Tendring, around the district's major settlements.

5.38 Employment in complementary activities, such as plumbing, heating and air conditioning installation (12%), electrical installation (9%) and joinery installation (8%) is also high, together representing almost a third of all employment in the Construction sector in Tendring.

Table 5-6 Top sub-sectors (5-digit SIC) in Construction in Tendring District

	Employment		Businesses		Key Locations
	No	%	No	%	
41202 : Construction of domestic buildings	400	19.7%	55	10.9%	• Concentrated along the northern and southern edges of the District. Largest concentration around Clacton and Manningtree
43220 : Plumbing, heat and air-conditioning installation	200	12.0%	75	14.9%	• Located mostly along the south coast of Tendring District at Brightlingsea and Clacton
42990 : Construction of other civil engineering projects n.e.c.	200	11.4%	50	9.9%	• Same as above, but less concentrated
43210 : Electrical installation	200	9.3%	65	12.9%	• Large concentrations at Clacton, Frinton and Walton, and Harwich
43320 : Joinery installation	200	8.2%	40	7.9%	• Some concentration around Clacton, Frinton and Walton, and Harwich
41201 : Construction of commercial buildings	100	7.2%	40	7.9%	• Clacton and Brightlingsea

43999 : Other specialised construction activities	100	5.9%	30	5.9%	• Clacton and Brightlingsea
Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5. Source: Inter Departmental Business Register, 2012					

Future Prospects

5.39 There are a number of key drivers at the national and international level which are likely to affect the future of the construction industry:

- **Wider economic context** – as discussed above, the economic downturn has impacted upon the vitality of the Construction sector as a result of the decline in the viability of development and reduced spending within the domestic markets. It is anticipated that these pressures will continue in the short to medium term, with implications for the growth prospects of the sector both regionally and locally;

- **Sustainability** – there will be increasing pressure, specifically on the construction industry, to implement sustainable methods through legal obligations and popular pressure. This also represents an opportunity – green construction is expected to be a particular area of growth in the future;

- **Population Change** – as mentioned previously, the residential construction market forms a core component of construction activity in the UK. The ability of local areas to match future demand for housing through new supply will therefore have an important influence on the sector in the future.

5.40 Evidence provided above highlights that the Construction sector in Tendring currently serves a largely domestic residential market. This is likely to remain the core market for local construction firms in the future. In supporting the performance of the sector, there are likely to be a number of areas for focus:

- **Local housing targets and wider developments** – clearly, the scale and the nature of local housing targets and wider commercial developments in Tendring and neighbouring areas will have implications for the local and regional construction market. Where opportunities do emerge, it is important that local businesses and employees are well placed to take advantage of these;

- **Business Support** – linked to the above, it will be important to ensure that support is available where needed to local businesses – relevant interventions are likely to include general advice around emerging opportunities and markets, and more targeted procurement support to link local supply chains to new opportunities. There is also potential to use section 106 agreements to encourage developers to utilise local supply chains and workers;

- **Labour Market** – ensuring that the local population has the skills to take advantage of opportunities, whether in traditional construction linked to new developments or in new market areas such as more sustainable methods of construction. Ensuring strong linkages between policy makers, developers, training providers and employers will be crucial in this respect;

- **Linkages to wider sectors such as Offshore Wind and Ports** – Ports and Offshore wind are two potential growth sectors for Tendring (see below). The Construction sector will potentially play an instrumental role in the development of both of these sectors. Ensuring that local workers and firms have the skills to take advantage of these opportunities will be important, given the fact that such sectors typically utilise national or even international labour markets.

Ports, Logistics and Distribution

5.41 The Ports, Logistics and Distribution sector includes a range of activities, including all, water, and air freight transport, warehousing and storage and postal activities.

Sector Context

5.42 At a national level, the Ports, Logistics and Distribution sector accounts for 5% of UK employment and has slightly above average value generation per employee than other sectors. The sector is seen as very important for other sectors of the economy such as manufacturing. The sector has been heavily hit by the recession and rising oil prices[8].

5.43 Regionally, the Logistics/Distribution sector is one of the most, if not the most, important nationally. The sector plays an important role in economic performance as both a driver of growth and provider of employment. This reflects the local presence of assets such as the Haven Ports and Stansted Airport. The Haven Ports includes large ports such as Felixstowe and Harwich along with smaller ones such as Brightlingsea, which together support around 32,000 jobs. Reflecting this, the sector is identified within the Essex Growth Strategy as a key growth sector across the county. The strategy identifies Thurrock, Southend, Stansted and Harwich as the key locations for the sector.

5.44 As discussed above, Tendring benefits from the presence of Harwich International Port. The port is primarily used for international ferry services, along with some cruise and freight container vessels. Stena Line operates ferries from Harwich to the Hook of Holland and carry approximately 500,000 passengers per annum. DFDS operate ferries to Denmark and carry around 94,000 per annum (2010 data). The cruise ship market is also growing at Harwich, with around 57 visits expected in 2013, with around 97,000 passengers and 40,000 crew members.

5.45 Since 2010, Harwich has also been used as the base for the installation of a number of North Sea Wind Farms. Harwich is also the location for the proposed Bathside Bay Container Port development by Hutchinson Ports. Whilst this has the potential to be a significant driver for economic growth in Tendring, there are uncertainties around the delivery of the new facility within the next 8 years (when the current planning consent expires).

Sector Drivers

5.46 There are a number of drivers which influence the performance of the sector nationally:

- **The Macro Economic Context** – given that a central role of the sector is the transportation of goods, the demand for goods has a large influence on sector performance. Partly as a result of declining demand both within the UK and internationally, the sector has been negatively affected by the recession;
- **Competition** – in recent decades, competition has increased significantly, with a move to a smaller number of larger ports. In the UK, the number of active ports has declined significantly and there is strong competition between the remaining ports;

[8] UKCES (2012), *Transportation and Storage Sector Assessment.*

- **Energy Costs** – high energy costs are severely hampering growth in the sector, impacting upon profitability and growth potential;
- **Sustainability** – low carbon legislation introduced over the past decades has seen additional constraints placed on the sector – for example, the EU carbon emissions trading scheme costs the sector roughly £1.1bn per annum;
- **Links to other sectors** – the sector has a symbiotic relationship with other sectors, such as construction and manufacturing, which are heavily dependent on a strong and efficient Ports, Logistics and Distribution sector;
- **Labour Market** – the sector has tended to employ cheap, low skilled labour. However, this is not seen as an attractive sector for young people and recruitment into the sector has proved difficult. Jobs in the sector are changing from largely unskilled to higher skilled (need to use technology), and the existing workforce is ageing and often unwilling to learn new skills[8] [9].

Current Sector Performance in Tendring

5.47 The relative importance of the Ports and Logistics sector in Tendring is borne out by the data. The sector employs over 1,700 people directly in Tendring and has a Location Quotient which is twice the national average (1.9). Tendring District is home of over 100 businesses trading in the sector – a LQ of 1.2. The fact that the level of concentration is lower for businesses than for employment suggests the presence of large employers locally.

5.48 As would be expected, Harwich is at the centre of the local Ports, Logistics and Distribution sector. The town has around 1,000 direct jobs in the sector (LQ of 7.7) and around 30 businesses (LQ of 3.1). This reflects the presence of Harwich International Port (around 300 jobs) and related clustering of relevant activities.

5.49 Although levels of employment are much lower than in Harwich, there are also above average concentrations of activity in the sector in Brightlingsea and Manningtree, Mistley and Lawford.

Table 5-7 Location of employment in Logistics and Distribution Sector

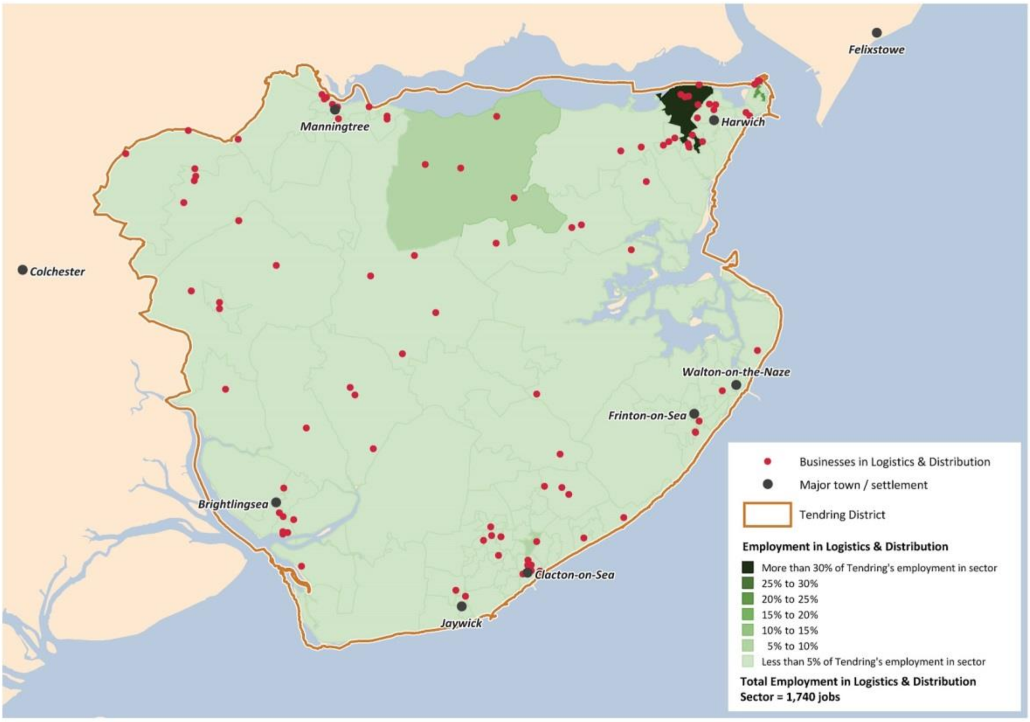
	Employment			Businesses		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	100	5.8%	2.3	5	3.0%	1.1
Clacton	200	1.7%	0.7	20	1.7%	0.6
Frinton & Walton	<50	1.5%	0.6	5	1.5%	0.6
Harwich & Dovercourt	1,000	19.8%	7.7	30	8.2%	3.1
Jaywick	<50	1.9%	0.7	<5	4.5%	1.7
Manningtree, Mistley & Lawford	100	5.7%	2.2	10	4.7%	1.8
Rural Areas	300	2.4%	0.9	40	3.3%	1.3
Tendring District (Total)	1,700	4.8%	1.9	110	3.2%	1.2

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

[9] Barclays (2012), *UK Transport and Logistics Sector Outlook.*

5.50 The trends described above are illustrated in Figure 5-4.

Figure 5-4 Employment in Ports, Logistics and Distribution Sector



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.51 Table 5-8 identifies the top 5 sub-sectors (using 5-digit UK SIC code) in the sector in Tendring. As would be expected, the port (water transportation) sub-sector accounts for a large proportion of employment locally. Road transport and other related transport activities are also important sub-sectors.

5.52 Jobs in the sub-sector representing Ports (activities incidental to water transportation) are located close to port facilities at Harwich and Brightlingsea. Jobs related to the movement of freight by road are also located close to the port facilities at Harwich and Brightlingsea, but also at Clacton to the South East of the district.

Table 5-8 Top 5 sub-sectors (5-digit SIC) in the Logistics and Distribution Sector in Tendring District

	Employment		Businesses		Key Locations
	No	%	No	%	
52220 : Service activities incidental to water transportation	600	36.0%	10	9.5%	• Concentrated around port facilities at Harwich and Brightlingsea
49410 : Freight transport by road	300	19.6%	50	47.6%	• Large concentration around Harwich, Clacton and Brightlingsea
52290 : Other transportation support activities	300	15.6%	10	9.5%	• Concentrated along the northern edge of Tendring District, with greatest concentration at Harwich
53100 : Postal activities under universal service obligation	300	15.3%	15	14.3%	• Spread across the District, present in Harwich,

					Manningtree, Brightlingsea, Clacton and Frinton
52219 : Other service activities incidental to land transportation	100	5.5%	10	9.5%	• Concentrated around Clacton
Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5. Source: Inter Departmental Business Register, 2012					

Future Prospects for the Sector in Tendring

5.53 The Ports, Logistics and Distribution sector has significant future prospects for growth within the UK. A number of the key influencing factors nationally are described below:

- **Demand –** whilst the sector (particularly ports) is subject to fluctuations in import and export demand, it is anticipated that long term demand will remain. The UK will always need to import goods, and as such, major internationally connected hubs in the sector will always be vital for an island economy;

- **Competition** – despite the above, there is a finite demand for port and logistics services in the UK. In the case of container ports, the DP World development at London Gateway is likely to increase levels of competition within an already tight market in the UK and Europe;

- **Climate Change and Rising Energy Costs** – it is anticipated that these factors will continue to exert an influence on the sector and could potentially impact upon growth;

- **Technology –** it is likely that further technology and efficiency enhancements will be necessary to mitigate against the rising overheads associated with energy costs, and sustainability;

- **Labour Market –** evidence suggests that there will be a national need for 553,000 job places by 2020**,** mainly job replacements due to an ageing workforce[10]. Whilst this represents an opportunity for young people and training providers, failure to match demand with supply could be a constraint for the sector.

5.54 The Ports, Logistics and Distribution sector is one of Tendring's core sector strengths, largely as a result of the port activities at Harwich. In considering the future prospects for the sector in Tendring, there are a number of considerations:

- **Existing and Future Port Assets** – Tendring's existing assets (Harwich International Port) mean that it will continue to have a strong competitive advantage in the Port sector. That said, unrealised capacity at Felixstowe and the completion of London Gateway mean that Harwich will be subject to significant competition and will ultimately need to define and differentiate its offer in the UK context. Smaller Ports and Quays should not be overlooked, with Mistley and Brightlingsea both playing supporting activity related to offshore wind, aggregates and minor imports.

- **Links to Wider Sectors** – there are a number of sectors which have the potential to

[10] UKCES (2012), *Transportation and Storage Sector Assessment.*

benefit from Tendring's Logistics and Ports strengths, including Low Carbon activities and construction. Elements of both of these sectors depend upon a strong Logistics and Ports sector. For example, consultation with partners suggests that Harwich is well placed to capitalise upon opportunities related to the UK Offshore Wind sector (valued at around £140bn to 2020). This and broader low carbon opportunities with port requirements are likely to play an important role in stimulating demand in Tendring. Establishing the nature of these cross-sector dependencies, and where relevant, building linkages and encouraging symbiotic relationships will be key to helping each sector to maximise the opportunity.

- **Transport Connectivity** – the wider Logistics sector depends upon connectivity. Enhancing this infrastructure, where possible, will be important in helping the opportunity to be maximised. Locally, the A120 is of core importance in this respect, whilst further afield, the M11, M25 and A12 are crucial to the sector.

- **Skills** – the Port, Logistics and Distribution sector clearly offer strong employment opportunities in Tendring. Ensuring that the mechanisms are in place to help young residents to access these opportunities and to ensure that demand is fully met will be important. The recently opened Energy Skills Centre at Harwich is a significant opportunity and strength on which to build in this respect. The Centre is providing apprenticeship and training programmes in engineering and welding, with capacity for up to 200-300 per year;

- **Links to HE –** the Ports and Logistics sector has experienced increasing levels of R&D and technology in recent years. The potential for collaboration between HE research and the Ports sector has been demonstrated by a recent Knowledge Transfer Project between the University of Essex and the Port of Felixstowe targeted at improving processes and efficiency. Clearly, the University of Essex represents an important asset with the local area. Exploring the potential for further sector / HE collaboration will be important.

Retail

5.55 The Retail sector is broadly defined to include all categories of retail, both in town and out of town. The sector does not include Wholesale.

Sector Context

5.56 Retail plays a significant role in the UK economy. The sector contributes 12% of UK GVA and is the largest sector in terms of employment at 14% of employment and 20% of businesses. The sector has been affected significantly by the recession and is seen to be a key component of economic recovery[11].

5.57 At the sub-regional level, there are a number of retail centres which are of relevance to Tendring. Colchester is of particular relevance, given its size, proximity to Tendring and strong position within the retail hierarchy. Further afield, towns such as Ipswich and Chelmsford, and out of town shopping centres such as Lakeside, Bluewater, Freeport Braintree and Westfield

[11] UKCES (2012), *Retail Sector Assessment.*

Stratford, also exert an influence, although to a lesser extent. London is also of relevance, given its large scale and diverse retail offer.

5.58 Within Tendring, the majority of retailing takes place within the town centres; and within these, Clacton is the primary retail centre. Manningtree, Dovercourt, Walton, Frinton and Brightlingsea all have much smaller town centres, which serve a primarily local catchment. Outside of the town centres, there are a number of additional retail outlets, including the Clacton Factory Outlet, and a number of superstores.

5.59 The performance of the Retail sector is impacted upon by a number of factors nationally:

- **Population** – clearly, population is a major driver of retail activity, with retail supply and performance closely matching demand. A main driver of growth in the Retail sector is a growing population;
- **The economic downturn** – aside from population, the Retail sector is also affected by prosperity, and in particular, disposable income. The sector has been strongly affected by the economic downturn, reflecting reduced levels of disposable income. As such, it is expected that the sector will recuperate alongside the wider economy, once disposable income levels become less constrained;
- **Changing shape of retail** – recent decades have seen significant changes in the way the Retail sector looks and operates. Town centres and the high street is the primary location for retail activity and in recent years this role has evolved with a growing café culture and use of town centres as meeting places. However, town centres are being increasingly challenged by out of town retail, superstores and online retail. As a result, town centre retailing across the UK faces numerous challenges relating to reduced footfall, increasing vacancy rates and reduced diversity of offer;
- **Labour market** – the sector draws heavily on young and unskilled cheap labour. However, the sector is also characterised by a high turnover of staff as these young employees up-skill and leave the sector. Consequently, a deficiency of higher skilled managerial staff restrains growth [12] [13].

Current Performance of the Sector in Tendring

5.60 Retail is one of the major employers in the district, employing around 5,400 people. With a LQ of 1.1, the concentration of employment in the Retail sector in Tendring District is similar to that seen across Britain. Tendring is also home to around 450 businesses trading in the sector – a higher concentration than is seen nationally, suggesting that the sector has a larger than average proportion of small retail businesses.

5.61 As would be expected, there are strong concentrations of retail activity in the main towns. Clacton (including both town centre and edge of town retail such as the Waterglade Retail Park) is home to over half of Tendring's retail jobs (3,000) and nearly half of all businesses (200). Here, around a fifth of all economic activity is in the Retail sector.

[12] Barclays (2012), UK *Retail, Motor Dealers and Wholesale Sector Outlook.*

[13] UKCES (2012), *Sector Skills Insights: Retail.*

5.62 Elsewhere, Harwich and Dovercourt contain around 700 retail jobs (including in the Harwich Gateway Retail Park) and Frinton and Walton contain around 500 retail jobs. There are also around 900 retail jobs spread across the rural areas of the district – this is likely to reflect the presence of out of town retail such as Brook Retail Park and the Clacton Factory Outlet.

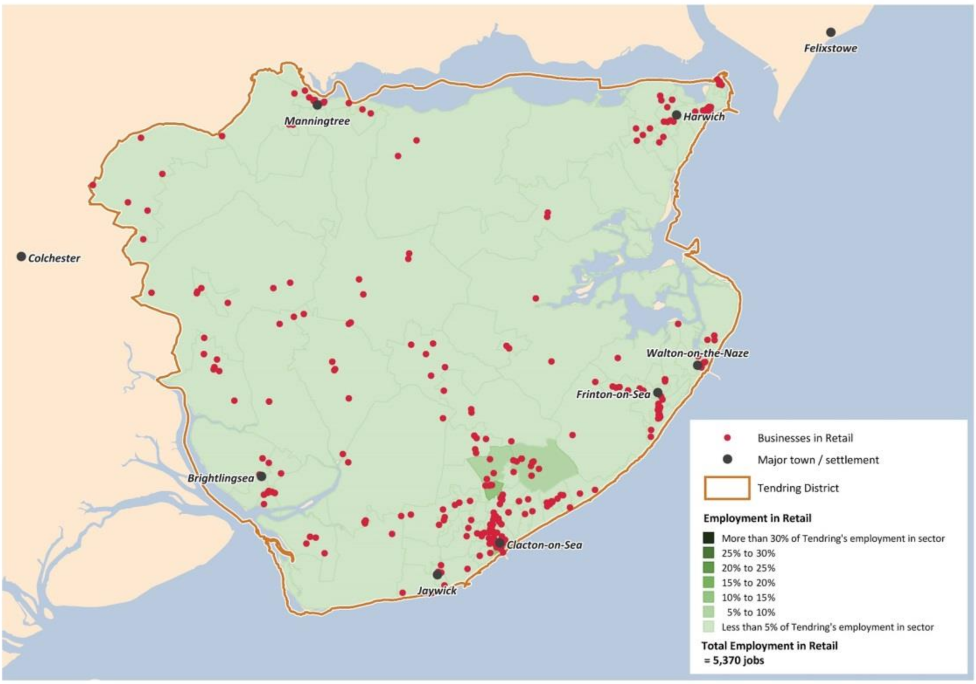
Table 5-9 Location of employment in the Retail Sector

	Employment			Business Unit		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	200	11.7%	0.9	20	8.9%	0.8
Clacton	2,900	20.4%	1.6	205	18.9%	1.8
Frinton & Walton	500	19.0%	1.4	60	18.3%	1.7
Harwich & Dovercourt	700	13.4%	1.0	55	15.8%	1.5
Jaywick	<50	10.0%	0.8	10	18.2%	1.7
Manningtree, Mistley & Lawford	200	11.3%	0.9	15	7.9%	0.7
Rural Areas	900	8.0%	0.6	100	8.2%	0.8
Tendring District (Total)	5,400	14.7%	1.1	465	13.4%	1.3

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

5.63 These trends are illustrated in Figure 5-5, with the majority of activity located close to the district's major settlements.

Figure 5-5 Employment in Retail Sector



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.64 Table 5-10 indicates that almost half of all employment in retail is in the sale of non-specialised stores selling food, drink and tobacco. Employment in this sub-sector is largely concentrated around Clacton. Other retail activities of non-specialised goods and clothing are also concentrated around Clacton.

5.65 Around 300 people in the district are employed in the sale of used cars and light motor vehicles. Employment in this sub-sector is mostly located close to Clacton and in the western part of the Tendring's rural areas, alongside the district's major trunk roads.

Table 5-10 Top sub-sectors (5-digit SIC) in the Retail Sector in Tendring District

	Employment		Businesses		Key Locations
	No	%	No	%	
47110 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	2,500	45.9%	65	13.8%	• Large concentration around Clacton
47190 : Other retail sale in non-specialised stores	400	6.9%	20	4.3%	• Mostly Clacton and Frinton
47710 : Retail sale of clothing in specialised stores	300	5.9%	30	6.4%	• Clacton
45112 : Sale of used cars and light motor vehicles	300	4.8%	15	3.2%	• Clacton and western part of rural area
47730 : Dispensing chemist in specialised stores	200	3.8%	25	5.3%	• Major settlements, largest concentration around Clacton
45111 : Sale of new cars and light motor vehicles	200	2.9%	15	3.2%	• Mostly Clacton
47760 : Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialised stores	100	2.7%	20	4.3%	• Clacton, Manningtree, and Frinton
47520 : Retail sale of hardware, paints and glass in specialised stores	100	2.5%	10	2.1%	• Clacton, Brightlingsea

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

Town Centre Vitality

5.66 The Tendring Core Strategy and Retail Study provide a snapshot of the performance of the town centres in Tendring. This is summarised in Table 5-11.

Table 5-11 : Summary of Town Centre Performance
Note: Information is largely taken from the 2012 Tendring Core Strategy or, if stated, the July 2013 Tendring Town Centre Health Check or the 2010 Tendring Retail Study.

Clacton	• The largest number and greatest range of shops in Tendring. • A total of just over 300 individual shop units with more than 52,000m2 floorspace –mainly 'convenience goods' (7%), the sale of 'comparison goods' (37%) and the provision of 'services' (50%). • There are also two major supermarkets in the town. • In July 2013, there were only 11 empty units (3.4%) – significantly below the national average (14.5%). • However, Clacton is seen to have a relatively poor retail offer and hence suffers retail leakage to surrounding towns / districts, such as Colchester and Ipswich;

	• Limited need identified for additional convenience space in the future, as the town is well served by supermarkets and out of town stores. Comparison – need for an additional 1,500m2 by 2015, increasing to around 7,500m2 by 2020 and around 14,000m2 by 2025.
Dovercourt	• More than 120 commercial units containing around 20,000m2of floorspace. • Vacancy rate in July 2013 of 5.8% (8 units) - below the national average (14.5%).
Walton	• The Council's 2010 Retail Study identified around 105 units and 11,400m2 of floorspace in Walton town centre. • Vacancy rates stood at 8.1% in July 2013 (9 units) - below the national average (14.5%). • Planning permission has been granted for the construction of a new food store on the edge of the town centre.
Frinton	• Around 130 commercial units containing nearly 20,000m2 of floorspace. • Vacancy rate of around 2.8% in July 2013 (4 units), well below the national average. • A high proportion of units (55%) in retail use, much higher than the national average (43%) – suggests that the town centre had been performing relatively well despite the downturn.
Manningtree	• The Council's 2010 Retail Study identified around 60 units and 4,900m2 of floorspace in Manningtree town centre. • The Council's 2010 Retail Study identified Manningtree as a healthy, vital and viable town centre that attracts a good range of retailers and businesses and which has remained strong despite the economic downturn. • Vacancy rate of around 3.8% in July 2013 (3 units), well below the national average. • Planning permission has been granted for the construction of a new food store on the edge of the town centre.
Brightlingsea	• The Council's 2010 Retail Study identified over 80 units and 3,000m2 of floorspace in Brightlingsea town centre. • Vacancy rate of around 3.7% in July 2013 (4 units), well below the national average.

Future Prospects for the Retail Sector in Tendring

5.67 The future performance of the Retail sector in the UK is likely to be dependent upon a number of national and international drivers:

- **Consumer preferences –** consumer preferences will affect the performance of the Retail sector in a number of ways. In terms of overall choice, consumer choice regarding online and out of town shopping will affect the nature of high street retailing. Town centre retailers will increasingly need to adapt their offer in order to compete;

- **Prosperity** – as discussed above, prosperity and disposable income is a key driver of the Retail sector. In the short to medium term, the performance of the sector is likely to continue to be influenced by the economic downturn, high levels of unemployment and lower disposable incomes;

- **Ageing population** – this has implications both in terms of consumer preferences (see above) but also in terms of implications for the supply of labour (the sector typically requires a supply of young unskilled workers);

- **Rising costs** – in recent year's retailer costs have been rising due to increasing energy costs, rent and business rates. As a result margins for retailers (particularly small ones) are becoming ever tighter. Again, retailers will increasingly need to adapt their offer and respond to new markets in order to compete;

- **Labour Market** – the sector will require a large but not necessarily highly skilled workforce. However, continuing technological advancements are likely to slightly cut employment rates while possibly greatly increasing efficiency (e.g. self-checkout tills). Higher end skills are likely to continue to represent a challenge for the sector due to high staff turnover levels.

5.68 As discussed above, retail is an integral part of the Tendring economy, particularly as a provider of employment. Key considerations for Tendring in the future include:

- **Population size** – there is a direct relationship between the size of a local population and the demand for (and hence supply of) retail amenities. As such, future changes in the size and nature of the Tendring population will shape local retail performance;

- **Diversification of the Town Centre offer** – ensuring a strong and diverse town centre offer is crucial in attracting footfall and hence in supporting the retail core. Efforts to reimagine town centres as community hubs and places of social interaction though a stronger cultural and leisure offer can play a role in this. Local schemes designed to bring empty shops back into use, potentially with 'meanwhile' community uses, could prove beneficial;

- **Quality of the retail offer** – making towns attractive, amiable places where people want to visit to do their shopping is key in attracting and retaining footfall. However, perhaps more important is the quality and diversity of the retail offer. Whilst this is primarily led by demand (i.e. critical mass of population), it is also affected by factors such as the suitability of floorspace (particularly the case for national multiples which are often important anchors within town centres);

- **Support for independents** – independent retailers form an important component of the local retail base, particularly in smaller centres in Tendring. Providing business support / training for these retailers will be important in helping them to adapt and compete in the face of emerging pressures;

- **Labour Market and Skills** – the Retail sector offers large scale employment opportunities within Tendring. Further efforts to engage young people into relevant training are likely to be beneficial, particularly in reducing staff turnover levels and encouraging young people to progress to higher skilled managerial positions, where evidence suggests demand exists and where the rewards are higher.

Business Services

5.69 The Business Services sector encompasses a wide range of largely professional service activities. It covers a number of sub-sectors, ranging from advertising, market research, financial services, business consultancy and real estate activities, to landscaping and cleaning services.

Sector Context

5.70 At a national level, Business Services make the largest sector contribution to the overall economy. The businesses services that are experiencing growth nationally are typically high value generating activities and are largely concentrated in and around London. Lower value business service activities elsewhere in the country have been heavily impacted by the downturn and are overall less influential in terms of economic growth and employment opportunities[14].

5.71 Regionally, Ipswich and Colchester are the main centres for higher value services but the universities and associated business/science parks are seen as growth opportunities. Lower value generating activities are necessary for sustaining population growth but are generally seen as less important at regional policy level.

5.72 More locally, the policy context suggests that higher value services are very limited and there is relatively small scale potential at this level. However, they do provide a limited number of jobs to higher skilled residents. Conversely, the lower value services are socially and economically important in terms of providing services for the local areas and also in terms of small scale employment provision, especially in rural areas.

5.73 Key drivers influencing the performance of the sector nationally include:

- **Globalisation** – domestic demand is hampering growth especially in the economic downturn, however, emerging economies worldwide (e.g. Brazil, UAE, China) are increasingly driving demand for business services in the UK. Only the largest companies in this sector can take advantage of that and as such smaller companies have faced the largest challenges;

- **Regulation** – increased regulation (financial supervision) is putting pressure on the growth potential of the sector. However this is also resulting in higher qualification and training levels in the workforce where before it was not necessarily required, creating a stronger sector;

- **Technology** – new technologies have broadened the market considerably and have led to significant new opportunities, particularly for higher value services such as Financial Services and Digital and Creative Industries;

- **Local demand / population change** – for the lower value generating services, growth is driven almost entirely by local demand for services. As such a growing local

[14] UKCES (2012), *Financial and other Professional Services Sector Assessment.*

population will see growth in demand in this sector. For some of the sub-sectors growth will also be affected by the type of population – for example, higher skilled / high paid local residents will demand a higher quality of business service offer[14] [15].

Current Performance in Tendring

5.74 Tendring District is home to over 3,400 jobs in the Business Services sector. Despite this, the concentration of jobs in the sector is low; around **half that found nationally**. The number of companies trading in business services in Tendring District is just over 800 companies. Whilst this is over one fifth of all businesses in the district, it is again a lower concentration than seen nationally.

5.75 As the largest town and population centre in the district, it is unsurprising that Clacton is home to almost one in three jobs (1,000) and around a quarter (200) of businesses in the sector. Despite this, the majority of business services businesses (300 or 38%) are distributed across the rural areas of the district. The fact that these business only account for 13% of Business Services employment in Tendring suggests that these rural businesses are typically small in nature.

Table 5-12 Location of employment in Business Services

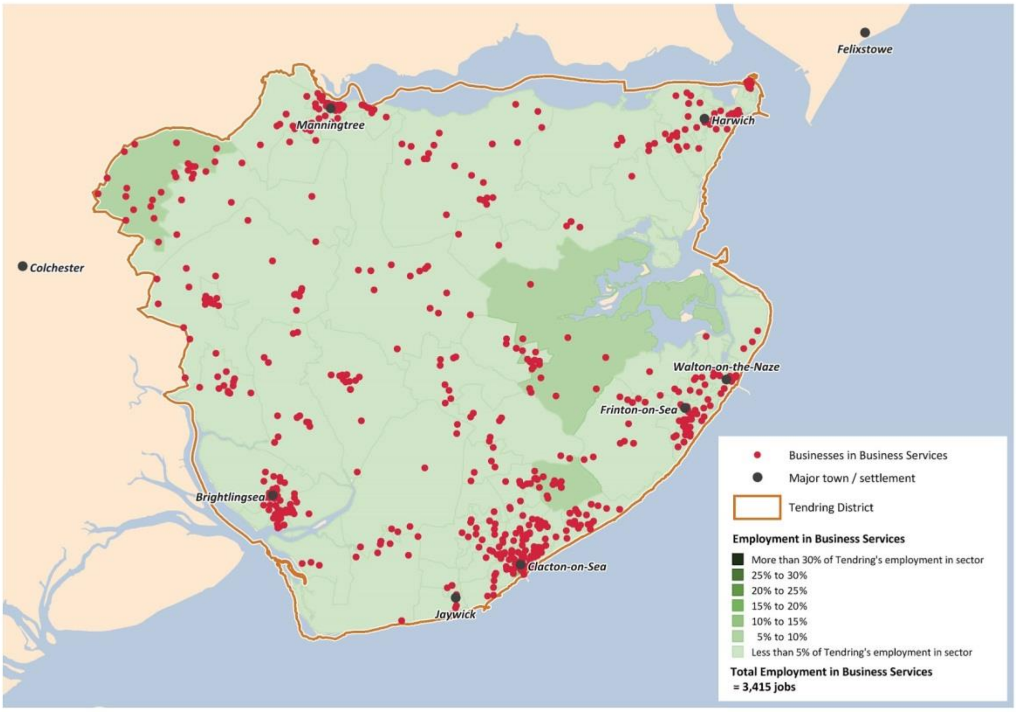
	Employment			Businesses		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	200	12.9%	0.7	70	28.9%	0.8
Clacton	1,000	7.3%	0.4	205	19.2%	0.5
Frinton & Walton	200	8.6%	0.5	90	26.5%	0.8
Harwich & Dovercourt	300	5.3%	0.3	70	19.2%	0.5
Jaywick	<50	4.7%	0.2	5	15.9%	0.5
Manningtree, Mistley & Lawford	200	13.7%	0.7	60	31.9%	0.9
Rural Areas	1,400	13.1%	0.7	305	24.4%	0.7
Tendring District (Total)	3,400	9.4%	0.5	805	23.1%	0.7

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

5.76 Figure 5-6 shows both the concentration of employment in the Business Services sector in Tendring as well as the locations of businesses identified as operating within the sector.

Figure 5-6 Employment in Business Services

[15] Barclays (2012), *UK Business Services Sector Outlook & UK Professional Services Sector Outlook.*



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.77 Table 5-13 identifies the top 5 sub-sectors (5-digit UK SIC code) operating within Tendring District. Over 1,000 jobs in the district are in "Other business support service activities n.e.c." which includes a range of lower value business services activities, including fundraising organisation services, repossession services, activities of independent auctioneers, administration of loyalty programmes and other support activities.

Table 5-13 Top 5 sub-sectors (5-digit SIC) in Business Services in Tendring District

	Employment		Businesses		Key Locations
	No	%	No	%	
82990 : Other business support service activities n.e.c.	1,000	31.4%	255	32.9%	Spread across the whole District with larger concentration around Clacton, Brightlingsea and Frinton
74909 : Other professional, scientific and technical activities n.e.c.	200	6.8%	105	13.5%	Similar to above but less concentrated
64191 : Banks	200	6.2%	20	2.6%	Present in District's major settlements
68310 : Real estate agencies	200	4.9%	45	5.8%	Present in District's major settlements
81300 : Landscape service activities	100	3.7%	15	1.9%	Spread randomly across Tendring District
69102 : Solicitors	100	3.6%	15	1.9%	Present in District's major settlements

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

Future Sector Prospects in Tendring

5.78 Key drivers of the sector nationally in the future are likely to include:

- **Economic Recovery –** in the short to medium term, recovery from the economic downturn is likely to influence the performance of the Business Services sector in a number of ways, including in terms of levels of economic prosperity and personal disposable income and levels of residential and commercial construction activity;

- **Growth –** over the longer term, many areas of the UK are expecting to see continued population growth; this will act as a future driver of the lower value generating Service sector at the local level;

- **Ageing population–** it is assumed that this will increase skills levels / availability as people remain in work longer. Also, an ageing consumer base is likely to have different demands than current customers – for example, increased interest in financial planning that will require new product development and innovation;

- **Regulation –** increased regulation (e.g. financial supervision) is likely to put pressure on the sector. This is particularly the case for smaller businesses at the local level which may lack the expertise or skills to conform.

5.79 Previous evidence has highlighted that the Business Services sector in Tendring is less significant than the national position. However, the sector remains an important employer, particularly in largely lower value business activities which service the local population. In the longer term, the most likely route for growth for the Business Services sector is via population growth. However, in the short term, it is unlikely that the role of the sector locally will change significantly and, as such, focus should be on supporting the businesses and employment which already exist:

- Skills training – a better skilled labour force helps to increase efficiency and growth. Training in new technologies and business management techniques also helps small business owners increase and exploit new markets and achieve growth. Linkages between training providers and employers will be important in ensuring that needs and met and catered for through training provision;

- Business Support – ensuring that businesses are able to access support to help them to grow and access new markets is important given the recent reorganisation of business support provision by Central Government. Enhanced integration into established business networks across the wider Essex area could be beneficial;

- Linkages with growth of neighbouring areas – nearby areas such as Colchester and Chelmsford have strong Business Services sectors and strong growth prospects. There is potential for Tendring to take advantage of this by making sure that local residents are able to access employment opportunities and by exploring potential synergies with the existing local business base;

- Possible links with universities – the growth plans and research of the University of Essex is a key strength within the sub-region. Exploring ways in which local businesses can utilise and interact with this resource is an opportunity.

Cultural, Visitor and Tourism Sector

5.80 In previous baselines and strategy documents, Tendring DC and partners have tended to focus upon tourism and the visitor economy as a specific sector, concentrating upon staying visits and the 'traditional tourism offer'. Based on the opinions of consultees, this baseline looks at a broader sector which encompasses tourism as well as the cultural industries which serve the local population.

5.81 The Cultural, Visitor, and Tourism sector includes a range of activities that span across these three areas. The cultural aspect includes activities such as visitor attractions and leisure facilities. This sector also includes a wide range of tourism related activities primarily relating to accommodation and food and drink services.

Sector Context

5.82 At national level, the sector contributes around 7% of UK employment, with hotels and restaurants alone contributing around 2.9% of national GVA. However, the sector has relatively low value generation per employee (£23,000 compared to £46,000 across all sectors). The sector has not been affected as largely by the recession as other sectors but is not seen as a core driver of growth. Whilst the forecast is for growth in terms of workforce size, the sector is unlikely to contribute significantly to higher levels of GVA[16].

5.83 At a regional level, the sector has played an important role historically. This is particularly the case in terms of the visitor economy in Tendring. Many of the main settlements in Tendring including Clacton, Walton and Frinton developed as seaside resorts and were for decades dependent upon the visitor economy. Whilst the local visitor economy in Tendring has declined significantly in recent decades, it still forms an important part of the local economy both in terms of value generated and employment supported. Within Tendring, the main visitor asset is the coastline and the majority of visits to Tendring are to the coastal towns. Whilst much of the tourism is in the form of daytrips, overnight stays are catered for by a number of caravan parks along the coast and accommodation within the main towns.

5.84 There are a number of drivers influencing the performance of the sector at national level:

- **Impact of downturn** – the economic downturn has impacted on levels of disposable income which in turn has impacted upon tourism trends. Anecdotally, increasingly numbers of people have been staying for holidays within the UK rather than travelling abroad. If this is the case, there is a potential benefit for the UK visitor economy;

- **Population** – As the population increases (and increasingly clusters in urban areas), demand for cultural facilities and experiences increases;

- **Changing trends** – aside from the above, recent years have seen changing holidaying trends, with shorter, more frequent trips. This includes the rise of city breaks and 'active days out';

- **The 'Savvy' Consumer** – increasingly people are looking for better value for money

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[16] UKCES (2012), *Hospitality, Tourism and Sport Sector Assessment.*

and recent years have seen the rise of vouchers and deal websites as a new way of marketing and attracting custom;

- **New Markets** – in recent years a number of new tourism markets have emerged, which have transformed the nature of the UK visitor economy. These include the growing importance of food (as evidenced by the upsurge in street markets, cafes and interest in local produce), interest in innovative accommodation, events (such as festivals) and growing interest in environmental and sustainability issues;

- **Technology** – technology is playing an increasingly important role in the sector, as evidenced by the important role that the internet, apps and social media play in defining consumer preferences and trends[16] [17].

Current Performance

5.85 Tourism clearly plays an important role in the Tendring economy. The Tendring Tourism Strategy 2010-2016 stated that tourism is worth more than £276 million to Tendring, with the industry responsible for over 6,000 jobs, equivalent to 13% of the district's employment.

5.86 For the analysis in this chapter we have employed a more narrow definition of the sector. However, this still suggests that the sector plays an important role in the local economy. Using our definition of the Cultural, Visitor and Economy sector (see Appendix B for the definition), and the IDBR data, we estimate that the sector currently provides over 3,000 jobs and around 350 businesses across Tendring[18]. Despite this, across the district the concentration of activity is similar to that seen nationally.

5.87 The majority of jobs (1,200) and businesses (110) are located in Clacton – these jobs and businesses account for around 8% and 10% of employment respectively, although again, this is a similar level of concentration to the national average. Within most of the rest of Tendring's towns, businesses operating within this sector are slightly more concentrated than is average national.

Table 5-14 Location of employment in the Cultural, Visitor and Tourism Sector

	Employment			Businesses		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	100	4.2%	0.5	20	8.1%	0.9
Clacton	1,200	8.3%	0.9	110	10.1%	1.1
Frinton & Walton	300	10.1%	1.1	40	11.5%	1.2
Harwich & Dovercourt	500	9.6%	1.1	45	13.3%	1.4
Jaywick	100	27.2%	3.0	10	20.5%	2.2
Manningtree, Mistley & Lawford	200	10.2%	1.1	25	12.0%	1.3
Rural Areas	800	7.4%	0.8	95	7.6%	0.8
Tendring District (Total)	3,100	8.4%	0.9	340	9.8%	1.0

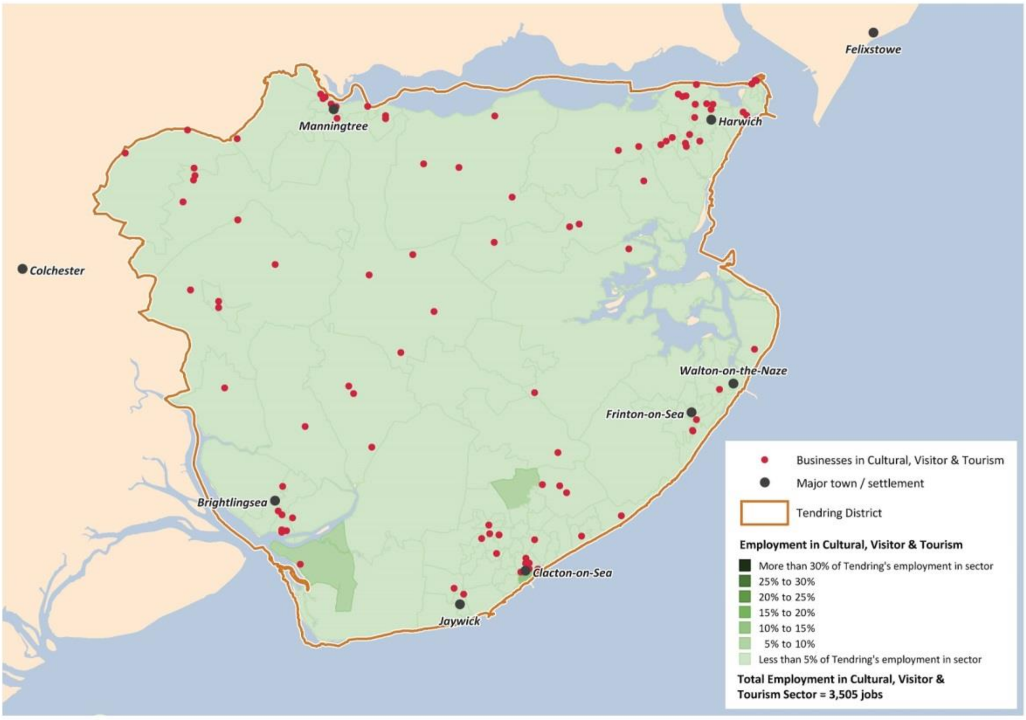
[17] Barclays (2012), *UK Hospitality and Leisure Sector Outlook.*

[18] The employment figure suggested by the IDBR (3,000) and the Tourism Strategy (6,000) should not be compared. These are based upon different sector definitions and data sources.

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

5.88 These trends are illustrated in Figure 5-7.

Figure 5-7 Employment in Cultural, Visitor and Tourism Sector



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.89 Employment in caravan sites, trailer parks and camping grounds represent a significant quantum of employment in this sector locally. Evidence from the IDBR suggests that this sub-sector provides around 700 jobs. However, it is thought that in reality this figure is much higher – evidence collated by Tendring DC suggests that three of the largest caravan parks in Tendring employ around 1,000 people alone in peak season and there are around 30 holiday parks (of varying sizes and offer) across the district in total.

5.90 The majority of businesses operating within this sub-sector tend to concentrate along Tendring's coast, close to the district's major settlements and resorts. Employment in food and drink (including pubs, bars, restaurants and other food establishments) is also very important in Tendring. More than a third of all jobs in the Cultural, Visitor and Tourism sector are related to the food and drink service industry, and together these sub-sectors employ over 1,100 people.

Table 5-15 Top 5 sub-sectors (5-digit SIC) in the Cultural, Visitor and Tourism Sector in Tendring District

	Employment		Businesses		Key Locations
	No	%	No	%	
55300 : Recreational vehicle parks, trailer parks and camping grounds	700	24.3%	20	5.9%	• Largely located along Tendring coast
56302 : Public houses and bars	500	15.1%	65	19.1%	• Spread throughout District with greater presence in

					Clacton and other major settlements
56101 : Licensed restaurants	400	13.6%	50	14.7%	• Spread throughout District with greater presence in Clacton and other major settlements
55100 : Hotels and similar accommodation	300	10.3%	20	5.9%	• Mostly Clacton and Harwich
56103 : Take-away food shops and mobile food stands	200	7.7%	45	13.2%	• Spread throughout District with greater presence in Clacton and other major settlements
Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5. Source: Inter Departmental Business Register, 2012					

Future Prospects for the Sector in Tendring

5.91 There are a number of drivers which will affect the future prospects of the Cultural, Visitor, and Tourism sector in the UK. These are discussed below.

- **An Active Ageing Population** – the UK is projected to experience greatest population growth across the older ages of society over the next 20 years. While the thriving economy and property market at the turn of the millennium helped fuel early and wealthier retirement for many people (a third of over 65's agree that the recession has made no difference to their holiday choices and they are the least likely to have cut back on the number or length of holidays), the 2008 recession and changing legislation appear to be reversing this trend with a greater proportion of people staying in work to 65 and beyond. That said, the current generation of retired people have greater discretionary spending capacity than their predecessors, are less constrained by time than those in work and are increasingly interested in more active lifestyles.

- **Increasingly Value Conscious Consumers** – consumers across all segments of society are increasingly prioritising their leisure decisions based on price and value for money and are savvier than ever in assessing value for money as the stigma associated with 'bargain hunting' diminishes. A clearer divide between premium and price-discounted products has been fuelled by a variety of factors, including the introduction of free admission to national museums in 2001; the rise of loyalty schemes throughout the Retail and Leisure sectors; shopping's emergence as a mainstream leisure activity; the proliferation of deals and vouchers; and increased access to information through multi-media channels.

- **Resurgence of All Things British** – recent royal weddings, London's successful hosting of the Olympic Games, the Diamond Jubilee and an abundance of documentaries celebrating Britain's diversity of landscapes and coastlines, culture and heritage, food and drink, flora and fauna, have all generated a more patriotic affinity for all things British. Visitor attractions and exhibitions themed around the monarchy, and British history and heritage have experienced unprecedented success and these positive effects are evident across both domestic and international markets. The 'staycation' trend – partly a factor of the economic recession – is also a product of domestic holidays becoming more competitive with international destinations. During 2012, 13% of adults took holidays in the UK rather than overseas as a result of the poor economic climate and demand for holidays in the UK was highest among those consumers who felt that monetary pressures were making travelling abroad either more difficult or completely unattainable. More co-ordinated and effective destination marketing has also helped in raising awareness of Britain's diverse tourism and leisure offer and financial pressures, forced by the recession, have influenced consumer decisions to sample and experience what Britain has to offer. That said, 43% of consumers who feel the recession has made no difference to their holiday choices are also planning a domestic holiday in 2013, suggesting that domestic holidays appeal not only to those who lack the financial capacity to travel abroad. Hence, it is anticipated that demand for domestic holidays in Britain will continue to trend positively even when demand for overseas holidays returns.

- **Growing Importance of Food** – food and drink, as a social and leisure experience, has become increasingly central to the offer and success of destinations. Around half the adult population eat and/or drink out on a monthly basis, making it the most popular leisure activity. Despite consumers cutting back heavily on food and drink spending in the recession, research confirms that more than one fifth of visitors on 'days out' would spend more if they were offered healthier options. Furthermore, there is growing demand and willingness to pay a premium for ethical produce such as: locally sourced, free range, organic and fair trade – particularly for more affluent and sophisticated markets who are also more willing to be more adventurous and experiment with unfamiliar foods and catering concepts. The return of local produce markets to towns and cities throughout the UK has helped to stir as well as capitalise on this trend, as has the upsurge in quality independent cafés, restaurants and eateries delivering unique experiences and personal service.

- **Power of the Internet** – in 2012, 80% of households in the UK had internet access and 67% of adults used a computer every day. In 2013 it is estimated that 48% of UK residents will be smartphone users but by 2017 that figure will have risen to 66%. With bourgeoning internet access, increasing confidence in security and the proliferation of crowd sourced opinion (e.g. Trip Advisor), the internet will continue to rise in dominance as the preferred resource for researching and purchasing tourism and leisure product. Improved internet access and the elimination of barriers between suppliers and consumers that this affords, should encourage innovation and drive up quality across the industry. Inevitably, as barriers to entry reduce, markets will become increasingly competitive. This presents smaller and fledgling businesses with greater opportunity to challenge larger and more dominant players through creative marketing campaigns, lower cost bases and more flexible operations.

- **Innovative and Independent Accommodation** – the choice of accommodation in the UK is becoming ever more diverse as consumers and industry challenge the more traditional pricing models and quality standards of hotels and self-catered options. Despite traditional hotels, holiday-parks and campsites continuing to dominate the UK market by volume, the industry is seeing an expanding provision of unique, independent and innovating concepts. In rural destinations, tree houses, converted heritage buildings, yurts and other glamping concepts are challenging the traditional offers of campsites, B&Bs and guest houses. Equally, a greater range of serviced apartments, pop-up hotels, city-glamping sites and boutique options at affordable prices across towns and cities are forcing budget and mid-market hotels to up their game. Consumers are increasingly demanding affordable luxury, free Wi-Fi as standard, quality designed interiors and show a willingness to trade these for smaller room sizes.

- **Shorter But More Frequent Trips** – the internet, mobile communication, social media, low cost airlines and many other factors have contributed to a perceived shrinking of distance between destinations. As a result, consumers are on average making shorter but more frequent trips. Within the UK, the short break market has continued to grow in value from 2006 to 2011. No longer does a non-stop car journey from one end of Britain to the other seem out of the norm. A two day excursion from Liverpool to Rome is commonplace. And even a 16 hour roundtrip from London to experience one night of Berlin's club land only mildly raises eyebrows. Furthermore, despite continuing rises in the price of petrol and diesel, the number of domestic holidays taken by car increased from 43.4 million in 2010 to 46.1 million in 2011.

- **Rise in 'Active Days Out'** – sustained public and private investment in outdoor UK destinations over the last decade together with lowering barriers to participation across what were once considered elite or extreme sports has given rise to a relatively sizeable and affluent 'active days out' market. 'Active days out' can cover a broad spectrum of pursuits from adrenaline sports to countryside walks; from wild swimming to competing in one of the many mass participation events. While demand and participation levels are certainly growing it is being met by a constant flow of new product innovation and thus maintaining a relatively competitive market. Demand for 'active days out' is not uniform across all market segments but equally is not limited to a particular age bracket. That said, the type of activity strongly influences the strength of demand from different age groups and demographics. The proliferation of technical equipment and apparel associated with active pursuits has also added further appeal from individuals who are particularly style conscious and who are keen to express their active lifestyles and healthy pursuits.

The Broad Health and Care Sector

5.92 The broadly defined Health and Care sector covers a number of activities, which range from medical practice and hospital activities to more specialised residential and non-residential care services and social work activities.

Sector Context

5.93 The Health and Care sector plays a significant role in the national government's economic and innovation strategies. It is also a key sector at the local level due to the rising demands of an aging population:

- **National –** the development of heath care and its supporting industries in life sciences, including pharmaceutical R&D and biotechnology are a key priority for the Government. This sector has been identified as a key sector of growth for the national economy, with the potential to contribute high value added activities and employment[19];
- **Regional** – the Health and Care sector and the higher-value R&D activities associated with this sector have a relatively high concentration of activity in the East of England due to the research institutes in Cambridge and the related niche R&D firms nearby. Other activities in this sector related to elderly care are very much a reflection of the age structure of the regional economy, which has an above average population of those aged over 65. The Health and Care economy is identified as a key growth sector in the Essex Growth Strategy. This includes a focus on medical technologies as exemplified by the Enterprise West Essex med tech campus proposals for Harlow.

Current Performance in Tendring

5.94 The Health and Care sector is one of the major employers in Tendring, providing employment for more than 6,500 people. The concentration of activity in the Health and Care sector in Tendring is above average (LQ=1.4). The largest concentration of jobs in the Health and Care sector is found in Clacton, where more than one in five jobs is in the sector (3,000 jobs). There is also a high quantum and concentration of employment across rural areas (2,300 jobs; LQ of 1.4).

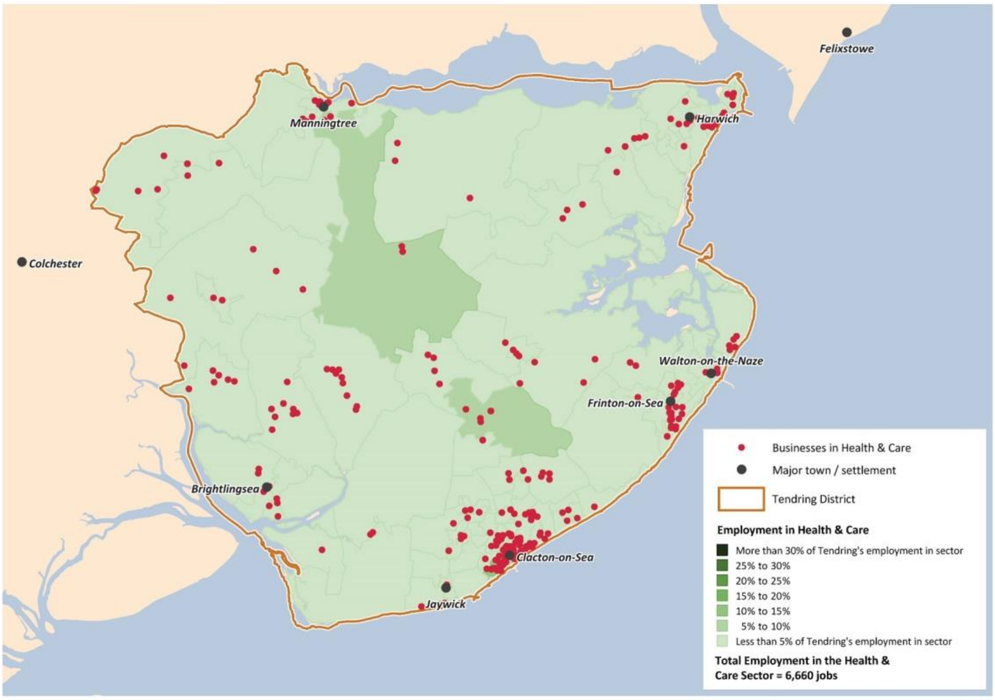
5.95 Tendring is home to over 300 businesses trading in the Health and Care sector. The concentration of businesses trading in the Health and Care sector in Tendring District (LQ 2.2) is more than twice that found nationally. This concentration is higher in some areas, especially Clacton (LQ 3.0), Frinton (LQ 2.3) and Rural Areas (LQ 1.9). Around 40% of these businesses are located in Clacton, representing 13% of all the businesses in the area.

[19] UKCES (2012), *Health Sector Assessment.*

Table 5-16 Location of employment in the Health and Care Sector						
	Employment			Business Unit		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	100	7.0%	0.5	10	3.8%	0.9
Clacton	3,000	20.9%	1.5	140	12.9%	3.0
Frinton & Walton	600	22.6%	1.7	35	10.0%	2.3
Harwich & Dovercourt	500	9.6%	0.7	30	9.0%	2.1
Jaywick	100	25.3%	1.9	5	15.9%	3.7
Manningtree, Mistley & Lawford	100	5.8%	0.4	15	7.3%	1.7
Rural Areas	2,300	21.1%	1.6	100	8.1%	1.9
Tendring District (Total)	6,700	18.3%	1.4	335	9.7%	2.2
Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5. Source: Inter Departmental Business Register, 2012						

5.96 Figure 5-8 highlights that businesses trading in the Health and Care sector are spread across the district, with particular concentrations around Clacton and Frinton.

Figure 5-8 Employment in the Health and Care Sector



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.97 Table 5-17 highlights the top sub-sectors in the Health and Care sector in Tendring. A high proportion of jobs are in residential care activities. These jobs are spread throughout the whole district, but with a particular concentration around Clacton.

regeneris

Table 5-17 Top sub-sectors (5-digit SIC) in the Health and Care Sector in Tendring District					
	Employment		Businesses		Key Locations
	No	%	No	%	
87900 : Other residential care activities n.e.c.	1,300	19.6%	55	16.4%	• Spread throughout Tendring with a large concentration at Clacton
87300 : Residential care activities for the elderly and disabled	1,200	18.4%	65	19.4%	• As above
86900 : Other human health activities	900	13.4%	40	11.9%	• As above
88100 : Social work activities without accommodation for the elderly and disabled	600	9.1%	25	7.5%	• Mostly Clacton
86101 : Hospital activities	600	8.6%	20	6.0%	• Mostly Clacton
87100 : Residential nursing care facilities	500	7.3%	10	3.0%	• Clacton
86210 : General medical practice activities	500	7.1%	30	9.0%	• Frinton, Clacton, and Manningtree
88990 : Other social work activities without accommodation n.e.c.	500	7.0%	55	16.4%	• Spread throughout Tendring with a large concentration at Clacton
Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5. Source: Inter Departmental Business Register, 2012					

The Tendring Care Sector

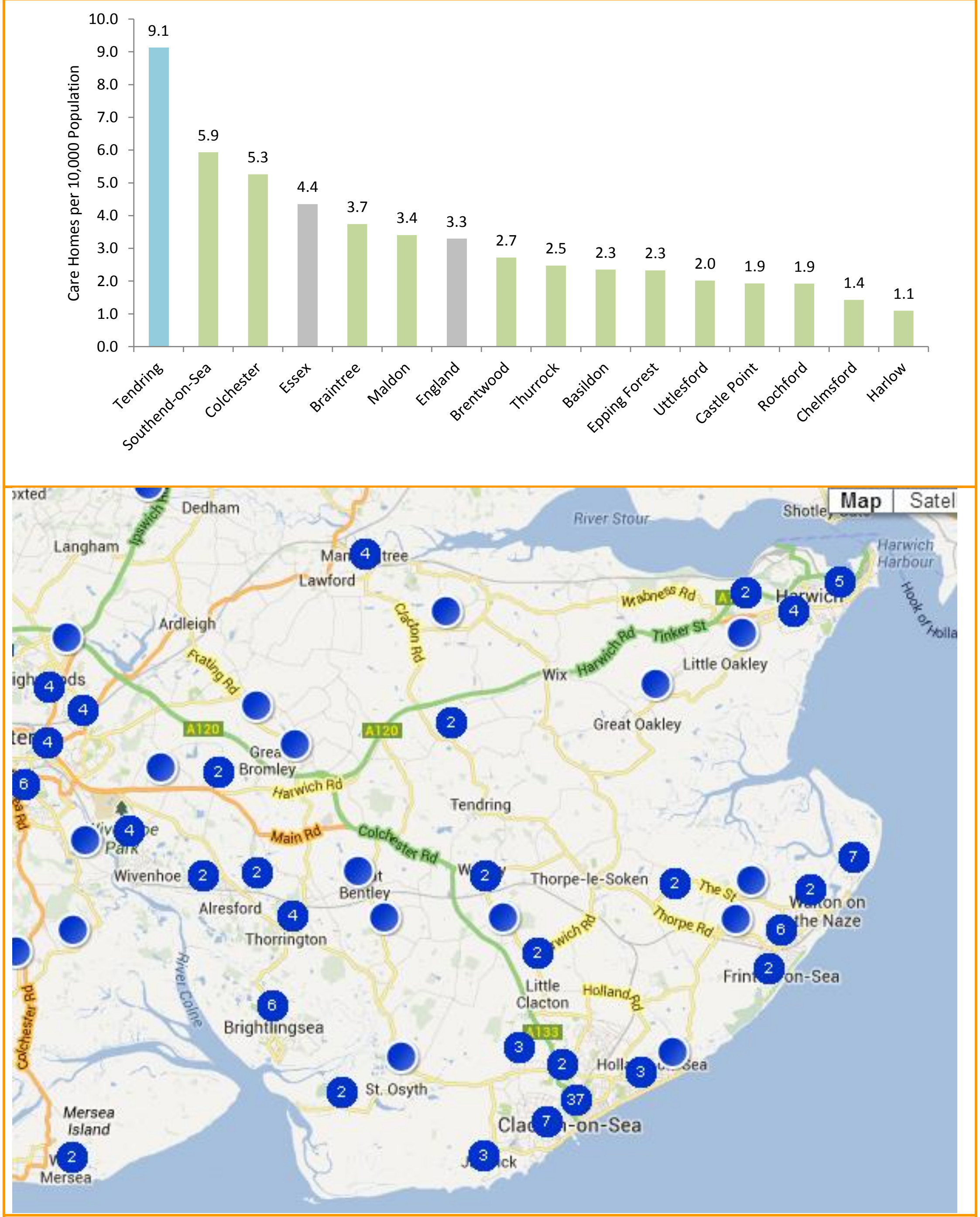
5.98 As highlighted by the above, within the broad Health and Care sector, Care activities (both with and without accommodation) account for a high proportion of activity in Tendring. Reflecting this, this section focuses in more detail on the scale and characteristics of the Care sector in Tendring, and opportunities for future sector development.

Sector Drill Down

5.99 More information about the characteristics of the sub-sector can be gained through analysis of information on the *carehomes.co.uk* website. This suggests that in Tendring District, there are a total of around 130 Care Homes – **one fifth of all care homes in Essex and more than any other district in the county**. The number of care homes is put into context when considered in relation to the size of the local population – in Tendring there are around 9 Care Homes for every 10,000 residents – significantly higher than any other district in Essex, around twice the County average and around 3 times the national average.

5.100 The distribution of these care Homes is mapped in Figure 5-9 and this corroborates the information provided by the IDBR – Care Homes are located throughout the district, but are particularly densely clustered around the Clacton area.

Figure 5-9: Care Home Density – Number of Care Homes Per 10,000 Population



Source: carehomes.co.uk

5.101 Further detail on the characteristics of Care Homes is provided by the IDBR data. This shows that Care Homes in Tendring vary in size – whilst around 30 (22%) employ less than 5 people, around 15 (12%) employ between 50 and 100 people and 2 employ between 100 and 200 people. The majority (74 or 57%) employ between 10 and 50 people.

Table 5-18: Care Homes in Tendring – Size

Number of Jobs	Number	%
0 to 5	28	22%
6 to 10	11	8%
11 to 20	42	32%
21 to 50	32	25%
51 to 100	15	12%
101 to 150	1	1%
151 to 200	1	1%

Source: Inter Departmental Business Register, 2012

Future Sector Prospects – Care Sector

UK Growth Prospects and Drivers

5.102 The most recent projections by UKCES (UKCES, 2011) project that the UK Care sector will grow in the future, with demographic change leading to increased demand and hence an increase in the size of the workforce. However, the scale of growth is likely to be constrained by a number of factors, including economic pressures and productivity improvements.

5.103 Some of the most important drivers likely to influence future sector growth in the UK are outlined below:

- Regulation and Governance – future government policy regarding expenditure and public sector funding for health and care will be a key influencing factor in the future of the sector. Also key will be the regulation of services and registration of care workers, impacting significantly on the quality of services and skills and also on financial margins;

- Demographic Change – as previous discussed, population ageing is a significant consideration – in 2017, for example, there are projected to be 1.74 million people aged over 85, compared to 1.34 million in 2008. This will impact upon demand for services, leading to employment growth in personal care and professional / associate professional occupations. There are also likely to be increased levels of service user needs associated with age related ill health and disabilities – this will result in demands for more specialist and skilled workers;

- Consumer Demand – there is some evidence to suggest that aggregate consumer demand is shifting towards greater levels of expenditure on health related products and services than was previously the case. Again, this is likely to result in higher demand and hence greater levels of employment;

- Technological Changes – projections suggests that assisted living (including Telecare and Telehealth) will play an important role in managing health and supporting older people's independencies going forward. This will have implications for the demand for employment – with higher levels of productivity and hence smaller employment requirements. Despite this, employment demands are likely to become more specialised and skilled, with jobs higher value in nature;

- Changing models of care / living – Allied to the technological changes described above, changes are also anticipated in terms of the types of accommodation and locations within which older people retire to and are cared for. Whilst retirement or care villages are still a relatively new market in the UK, they are already long established in locations such as the US and Australia. Care / retirement villages have a number of advantages over the more established model of smaller housing with care developments – these include greater levels of social interaction across a range of different ages groups or care needs (and hence more attractive to occupants), economies of scale allowing for enhanced care and non-care facilities and higher levels of independent living. Numerous schemes have now been developed in the UK and the sector is expected to grow further[20] [21].

Prospects for the Care Sector in Tendring

5.104 Taking into account the above, there is evidence that there is potential for growth in the Care sector in Tendring. This partly reflects the existing strength of the sector locally – the existing demographic profile of the area generates strong demand for care services, resulting in the strong levels of provision described above. As with the rest of the UK, population ageing is anticipated to continue in Tendring and as a result, demand for care services is likely to continue to increase.

5.105 Traditionally, the sector is seen as relatively low value adding in economic terms. This is demonstrated by the fact that productivity in the sector (GVA per employee) stands at around £14,000 – a comparable level to the Food and Drink sector and significantly lower than the average across all sectors of around £42,000.

5.106 Despite this, the breadth of the sector means that there are also higher value activities (and skills) required, and this is likely to increase as technology plays an ever more important role in the development of the sector.

5.107 There is limited evidence of higher value or innovative activity currently existing in the Care sector in Tendring. There are however, a number of opportunities to increase the value added activities of the sector, hence taking full advantage of existing strengths and projected future growth. The key opportunities include:

- Links to Higher Education – The University of Essex is one of the UK's leading research institutions and has research strengths in the Health and Care sector. This has been demonstrated by a number of Knowledge Transfer Partnerships (KTPs) established by the University in recent years – including a highly innovative KTP with Ipswich based firm Logical Glue, to develop an artificial intelligence based system to create a virtual care home where technology monitors and assists in the care of the inhabitants. The research strengths of University of Essex provide an opportunity to develop local strengths in higher value added Care sector activities in Tendring;

- Medical Technology sector development in West Essex – at a county level, strong focus is being placed on the development of the Healthcare and Life Sciences sector in West Essex, with a focus on Enterprise West Essex in Harlow. These high value

[20] UKCES (2012), *Health Sector Assessment.*

[21] Barclays (2012),*UK Healthcare Sector Outlook.*

added activities and strengths could be complementary to Tendring as it looks to develop a Care Sector which generates higher levels of value added.

5.108 In order to support the future growth of the sector, there are a number of issues that would need to be addressed:

- Linkages with FE / HE – Whilst the University of Essex is currently undertaking world leading research in the Health and Care sector, linkages with Tendring firms in the sector are currently limited. It is important that, where relevant, linkages are made between business and FE and HE – both in terms of ensuring future labour demand is met, but also in terms of assessing the potential to help businesses to engage with HE to ensure that opportunities for commercialisation of research are maximised;

- Changing nature of care: there is a need for organisations to work together to ensure that the correct service models for the delivery of healthcare are put in place and to ensure that support is available for individuals working in the sector to deal with the changes. There is also a need to monitor the potential for new healthcare services/facilities such as care homes and social enterprises to deliver community care;

- Skills Issues: The Care sector and its supply chains require a wide range of skills. Both the number of workers and level of skills required are likely to increase, reflecting increasing demand and increasing implementation of technology. In Tendring, levels of skills within the workforce and resident populations are below average. As such, it will be important to understand in detail the skills requirements of the sector and the extent to which additional training is required locally to match future requirements. This can only be achieved through close partnership working between existing firms in the sector and skills providers.

Creative Industries

5.109 The Creative Industries sector includes a diverse range of activities. These include those associated with the urban environment (architecture and urban planning), photography, performing arts, publishing, digital media (including film and television), and the manufacturing of textiles and clothing.

5.110 Again, it is important to note that this is a cross cutting sector, which includes activities across the economy (including many of those activities explored in previous sector profiles, including elements of manufacturing and business services).

Sector Context

5.111 At a national level, the Creative Industries sector has grown significantly in recent years. As a whole, the sector encompasses relatively high value added activities, and much focus has been placed on it in policy in efforts to move the economy away from declining industries. The sector has been relatively unaffected by the recession and is one of the few sectors that is expecting significant growth in future years[22].

5.112 At a regional level, there is a higher concentration of activity in the sector than the rest of the UK. Regionally, one of the core objectives of the Haven Gateway Partnership is to develop Colchester and Ipswich as complementary centres of creative activity[23].

5.113 The performance of this industry is influenced by a diverse range of factors. These include the following:

- **Policy –** many of the creative industry sub-sectors are at the heart of government policy regarding future economic growth. Creative activities are seen as highly desirable given their high value added nature, highly skilled workforce and tendency to cluster;
- **Innovation** – the sector is primarily driven by continuous technological advancement and innovation which is in turn driven by a high skilled, young workforce. The sector is characterised by very highly specialised sub sectors;
- **Infrastructure and quality of life –** businesses are heavily reliant on high speed broadband and have a tendency to cluster. Businesses are relatively footloose and hence quality of life in a local area is often an important factor;
- **Labour force** – the sector is very attractive to young skilled people and the workforce is characterised by many freelancers, self-employed and small businesses[24] [25].

Current Sector Performance in Tendring

[22] UKCES (2012), *Creative Media and Entertainment Sector Assessment.*

[23] Haven Gateway Partnership (2010), *Prospectus.*

[24] Barclays (2012), *UK Telecoms, Media and Technology Sector Outlook.*

[25] UKCES (2012), *Sector Skills Insights:Digital and Creative.*

5.114 The Creative Industries sector provides employment to over 800 people in Tendring, across 150 businesses. However, at 2.2%, the concentration of activity is less than half the national average (employment and businesses, LQ=0.4).

5.115 A large proportion of these jobs and businesses are found in Clacton and the district's rural areas. However, even within these areas, the concentration of activity in the sector is low compared to the national average (LQ 0.4).

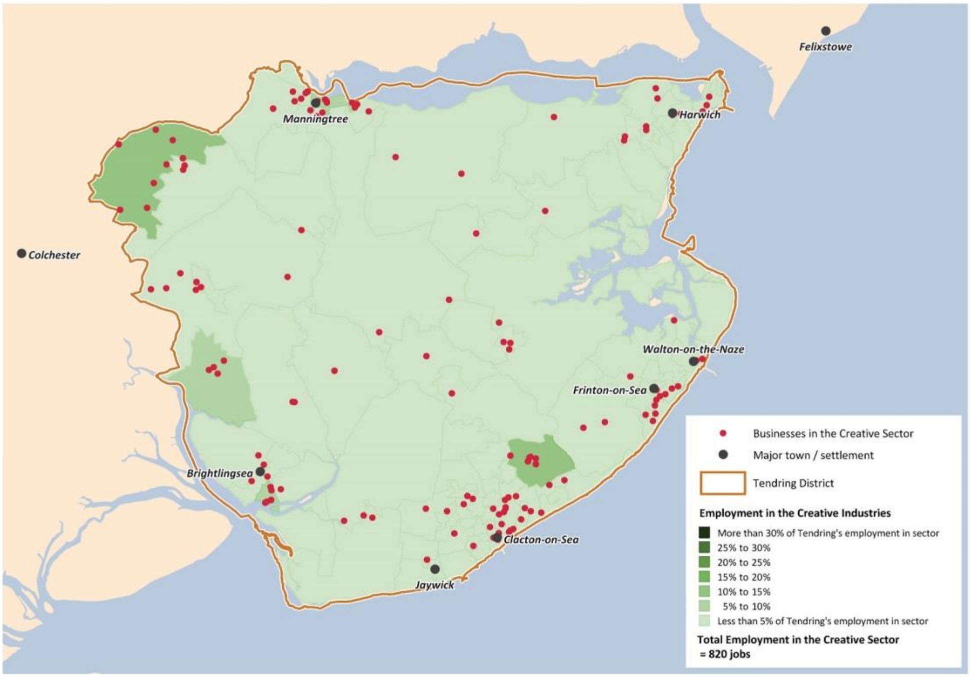
Table 5-19 Location of employment in the Creative Industries sector

	Employment			Business Unit		
	Number	% of Total	LQ *vs.* GB	Number	% of Total	LQ *vs.* GB
Brightlingsea	100	3.6%	0.7	10	4.7%	0.4
Clacton	300	1.9%	0.4	40	3.5%	0.3
Frinton & Walton	<50	1.3%	0.3	15	3.8%	0.3
Harwich & Dovercourt	<50	1.5%	0.3	10	3.1%	0.3
Jaywick	<50	0.6%	0.1	<5	2.3%	0.2
Manningtree, Mistley & Lawford	100	4.9%	1.0	15	7.9%	0.7
Rural Areas	300	2.8%	0.5	55	4.4%	0.4
Tendring District (Total)	800	2.2%	0.4	144	4.1%	0.4

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Source: Inter Departmental Business Register, 2012

5.116 Businesses within the sector are concentrated mostly around the district's major settlements of Clacton, Brightlingsea, Manningtree and Frinton. Activity is also concentrated to the west of the district. This is likely to partly reflect the existing strength of neighbouring Colchester in creative industries.

Figure 5-10 Employment in the Creative Industries Sector



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.117 The major employment sub-sectors (5-digit UK SIC code) in the Creative Industries sector include media representation services, advertising agencies, engineering activities as well as business and domestic software development. However, levels of employment and business activity in these sub-sectors is low overall.

Table 5-20 Top sub-sectors (5-digit SIC) in the Creative Industries sector in Tendring District

	Employment		Businesses		Key Locations
	No	%	No	%	
73120 : Media representation services	100	11.7%	5	3.7%	• Sample too small*
73110 : Advertising agencies	100	11.0%	10	7.4%	• Clacton and Manningtree
71121 : Engineering design activities for industrial process and production	100	9.8%	5	3.7%	• Sample too small*
62012 : Business and domestic software development	100	6.7%	15	11.1%	• Frinton and Manningtree
71129 : Other engineering activities	100	6.7%	20	14.8%	• Clacton, Harwich and Manningtree
71122 : Engineering related scientific and technical consulting activities	100	6.7%	5	3.7%	• Sample too small*

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.
Note*: Sample of corresponding sub-sector is too small. Disclosure of key locations may lead to individual businesses being identified.
Source: Inter Departmental Business Register, 2012

Future Prospects

5.118 Generally, sector bodies and commentators suggest that the Creative Industries sector has

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strong prospects for future performance across the UK[26]. Factors that will influence this include:

- **Competition –** this is already a very competitive sector in the UK and abroad and the sector is becoming increasingly globalised. Such competition is expected to increase in the future;
- **Regulation and Funding Cuts -** up until now many elements of the sector have been relatively well funded through grants from government and there has been very little regulation to constrain growth; however both of these characteristics are subject to change over time. However, it is expected that the sector will be important at a policy level and so growth is likely to be encouraged. To maintain growth, the sector will need to commercialise to a greater extent;
- **Skills Gaps –** the labour market is seen as an important challenge for the sector, particularly away from London and the major cities. Not having an adequate supply of highly skilled, very specialised staff could severely restrain sector growth;
- **Knowledge Transfer –** cooperation and coordination between different elements of the creative knowledge economy (e.g. the Education sector, and businesses) will be at the heart of driving future growth.

5.119 Tendring is currently characterised by low levels of activity in the Creative Industries sector. Whilst this is unlikely to change significantly in the short term, there are a number of potential areas to focus upon:

- **Proximity to Major Creative Centres** – developing a strong creative economy is at the heart of the Haven Gateway Partnership's objectives and Colchester already has an established strength, with over 1,300 creative businesses and 5,600 employees. The University of Essex also offers numerous research and teaching strengths in fields of relevance to the creative industries. Further afield, London is a global centre for activities in the Creative sector. Proximity to these locations offers Tendring a potential opportunity upon which to build. In the short term, this opportunity could include helping local Tendring residents to access employment opportunities, whilst in the longer term, a larger, younger and more highly skilled population is likely to make Tendring a more attractive location for creative businesses looking to locate within the Haven Gateway area;
- **Labour Market** – as discussed above, skills are important to the Creative Industries. Making local residents aware of the opportunities that exist and ensuring that (where demand exists) skills provision is available will be important in helping residents to access the opportunity;
- **Infrastructure** – ensuring that adequate infrastructure is in place to attract businesses (e.g. high speed broadband) will be important for Tendring;
- **Wider Sector Links** – potential sector opportunities have been described elsewhere including in the visitor economy and the low carbon economy. The growth of these

[26] Barclays (2012), *UK Telecoms, Media and Technology Sector Outlook.*

sectors could lead to opportunities in the Creative Industries sector – it will be important to understand where these opportunities / potential complementarities exist and ensure that the mechanisms are put in place to maximise them.

Low Carbon Environmental Goods and Services Sector

5.120 The Low Carbon Environmental Goods and Services (LCEGS) sector includes a diverse range of activities. These can be summarised under four main themes:

- **Decarbonising the Energy System** – focussing mainly on low carbon electricity production and distribution and low carbon transport;
- **Improving Resource Efficiency** – including a range of activities mainly focusing on waste management, recycling and reuse, sustainable material and eco-design;
- **Preserving and Enhancing the Natural Environment** – consisting of green infrastructure, sustainable agriculture and bio-diversity;
- **Multi-disciplinary** – incorporating activities such as consultancy and Research and Development, which operate across all three of the above segments.

5.121 It is important to note that this is a cross cutting sector, which includes activities across the economy (including many of those activities explored in previous sector profiles, including elements of manufacturing, engineering, construction and business services).

Sector Context

5.122 The Low Carbon Environmental Goods and Services Sector is increasingly becoming a key sector for growth in the UK.

5.123 Nationally, the sector is still in relative infancy but has experienced large growth in recent years. The sector is at the heart of government policy in terms of reducing emissions, driving innovation and the provision of relatively high value added jobs. The Department for Business, Innovation and Skills (BIS) estimates that the sector currently supports GVA of £120 billion and employs around 0.9 million people. The Energy sector currently only equates to about 1.6% of UK employment but GVA created per employee is much greater than most other sectors[27].

5.124 Renewables and Low Carbon industries are one of the four priority sectors within the Essex Growth Plan. Consultees have suggested Tendring (particularly Harwich and the A120 Corridor) are well placed to exploit emerging opportunities in this area.

5.125 There are a number of key drivers influencing the performance of the sector nationally:

- Climate change and sustainability – these are major global political and social issues which are driving the impetus for growth in this sector;
- Creating energy security – linked to the above, there is a desire to achieve greater energy security in the UK, with less reliance on foreign energy supplies;
- Technology and innovation – the sector is driven by continually improving technologies that increase efficiencies and value generation. As such, the sector has

[27] UKCES (2012), *Energy Production and Utilities Sector Assessment.*

been identified by government as a key driver of future growth;

- Competition – despite the fact that the sector is in its infancy, there is already strong competition from overseas in the Low Carbon sector. The extent to which the Low Carbon sector can represent a viable opportunity for economic growth at the local level will be dictated by the extent to which local specialisms can be developed which are not reliant on expertise / labour from international markets[27] [28].

Current Performance

5.126 The Low Carbon Environmental Goods and Services sector is growing in importance nationally, and this is nowhere more evident than in Tendring.

5.127 The LCEGS sector is difficult to define for statistical purposes as many of the activities are not identified separately within the Standard Industrial Classification (SIC). Reflecting this, the Regeneris LCEGS model identifies between primary, secondary and supply chain activities in the LCEGS sector (a similar approach used by BIS and DECC in defining the sector at a national level):

- **Primary Activities** – these are activities which can be categorised solely as LCEGS activities and which have their own SIC code. As such, we assume that all jobs / businesses in these activity areas are in the LCEGS sector;

- **Secondary Jobs** – these are activities which are likely to include some LCEGS jobs / businesses, alongside non LCEGS jobs / businesses. As such, based on research from elsewhere in the UK, the Regeneris model makes assumptions around the proportion of the activity which can be classified as LCEGS;

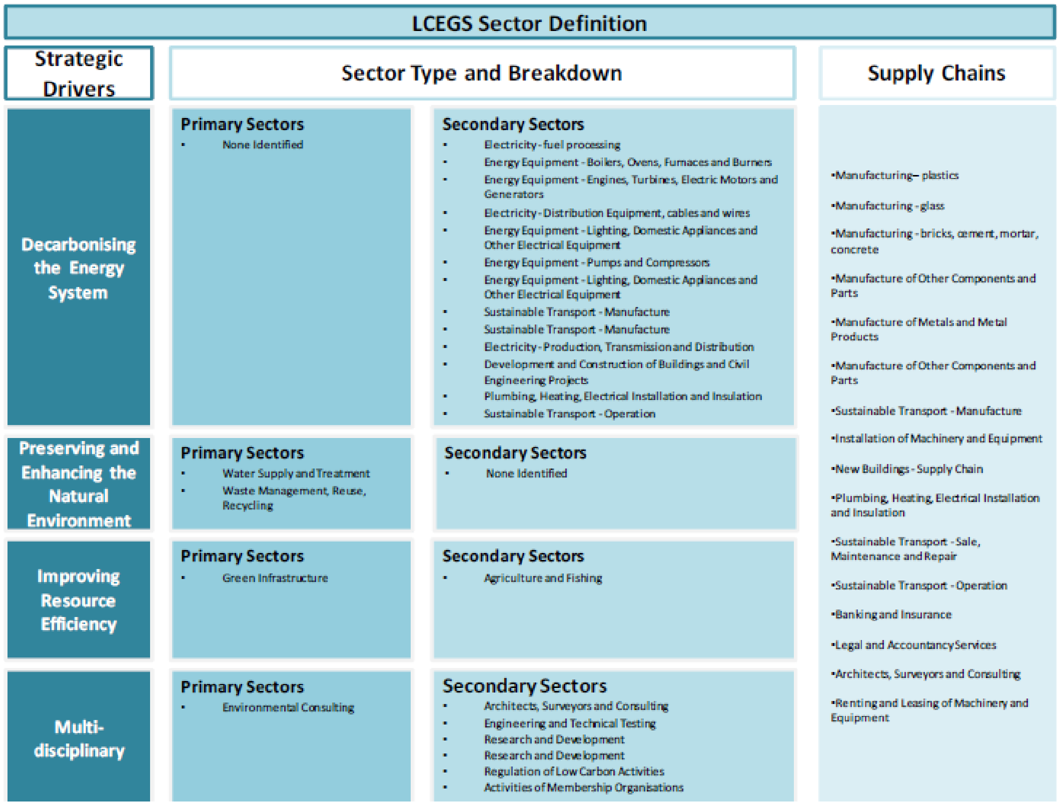
- **Supply Chains** – we have also identified the supply chain activities which are likely to be involved in the LCEGS sector. The model seeks to identify the presence of these activities rather than identifying the proportion which are actually involved in LCEGS supply chains.

5.128 It is important to note that the businesses and employees defined within this sector will not necessarily be operating in core Low Carbon sectors. In many cases, companies will have a profile which means that they are well placed to work within the LCEGS sector, but may not currently be realising their potential in this specific area.

5.129 The Regeneris model for defining the sector is illustrated Figure 5-11:

[28] Crown Estate (2012), *Offshore Wind Energy Report*; Marine Industries Alliance (2011); *Strategy for growth for the UK Marine Industries*; Oil and Gas UK (2012), *Economic Report.*

Figure 5-11: Regeneris Model for Defining Activity of Relevance to the LCEGS Sector



Source: Regeneris Consulting

5.130 Using the Regeneris LCEGS model, it is estimated that there are currently over 1,300 jobs in this sector within Tendring. This is a higher concentration than is average nationally (LQ of 1.4).

5.131 Around half of all the jobs in the LCEGS sector are found in the district's rural areas, with an additional 400 jobs found at Clacton. The concentration of jobs in the LCEGS sector is higher in Brightlingsea (LQ 1.6), the district's rural areas (LQ 2.2), as well as Manningtree, Mistley and Lawford (LQ 2.6). However, the actual quantum of jobs in these areas is relatively low.

Table 5-21 Location of employment in the Low Carbon Environmental Goods and Services Sector

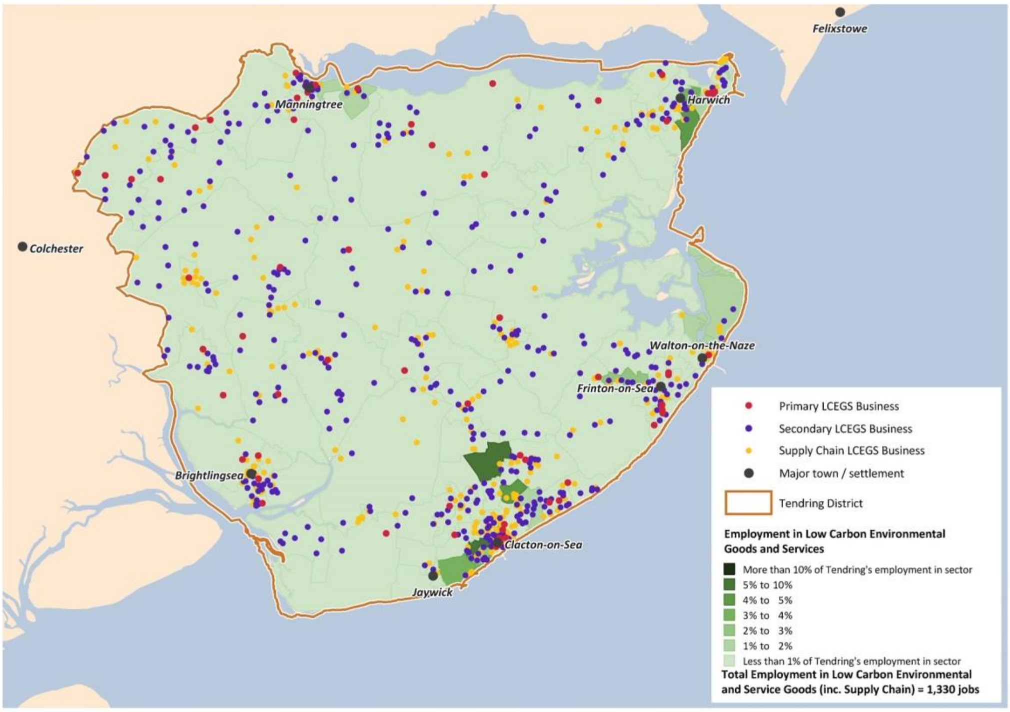
	Employment		
	Number	% of Total	LQ *vs.* GB
Brightlingsea	100	3.9%	1.6
Clacton	400	2.8%	1.1
Frinton & Walton	<100	1.0%	0.4
Harwich & Dovercourt	<100	0.8%	0.3
Jaywick	<50	0.2%	0.1
Manningtree, Mistley & Lawford	100	6.6%	2.6
Rural Areas	600	5.7%	2.2
Tendring District (Total)	1,300	3.4%	1.4

Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5.

*Note: The figures in brackets “( )” refer to all the businesses (primary + all secondary) that may be associated with the Low Carbon Environmental Goods and Services Sector. These figures do not include businesses within the supply chains of businesses associated with the LCEGS sector.
Source: Inter Departmental Business Register, 2012

5.132 Figure 5-12 identifies where businesses which are trading in the LCEGS sector (or which have the potential to trade in the sector) are located within Tendring. The majority of businesses trading primarily in the sector are located close to / around the district’s major settlements. Secondary businesses are spread evenly throughout the district, but concentrated around primary sectors. Additionally, the map identifies where businesses that have the potential to serve in LCEGS sector supply chains are located.

Figure 5-12 Employment in the Low Carbon Environmental and Goods Sector (including Supply Chain jobs)



Source: Regeneris Consulting using Inter Departmental Business Register, 2012

5.133 The Regeneris Consulting LCEGS model identifies between four different strategic drivers for employment in the LCEGS. Two of these, Decarbonising the Energy System and Multi-Disciplinary Activities have no primary employment in the district, whereas Preserving and Enhancing the Natural Environment and Improving Resource Efficiency provide employment for 100 and 500 people respectively. Employment within secondary jobs in each of the four strategic drivers varies between 100 and 300 jobs.

Table 5-22 Employment in the Low Carbon Environmental and Service Sector

	Primary		Secondary		Total Employment
	Number	% of Total	Number	% of Total	
Decarbonising the Energy System	*None identified*	-	300	39.1%	300
Preserving & Enhancing the Natural Environment	100	21.8%	300	49.6%	400
Improving Resource Efficiency	500	78.2%	*None*	-	500

			Identified		
Multi-disciplinary	*None identified*	-	100	11.3%	100
Total LCEGS sector	600		700		1,300
Note: All employment figures are rounded to the nearest 100, business figures to the nearest 5. Source: Inter Departmental Business Register, 2012					

5.134 On the ground there is limited evidence of Tendring companies overtly capitalising upon opportunities within the low carbon sector. Where they are, these tend to be linked to existing construction, rural or manufacturing activity, rather than high end, innovation activities.

Future Prospects for Sector in Tendring

5.135 Future prospects for the LCEGS sector are affected by a number of international and national drivers. The most influential of these drivers are identified below:

- **Climate Change Agenda –** The sector will continue to be largely be driven by the need to tackle climate change at a global and local level;
- **Politics –** Whilst the Low Carbon sector has been identified within policy as a key sector for future growth, elements of the sector (for example nuclear and wind) remain politically contentious. The extent to which the sector is able to achieve growth locally will be influenced by how these political discussions play out;
- **Competition** – As discussed previously, there is strong competition from overseas markets in the Low Carbon sector. This is exemplified by the Onshore Wind sector, where there is already strong expertise in manufacturing and installation elsewhere in northern Europe. This expertise will affect the extent to which UK businesses and employees are able to gain maximum benefit from the low carbon opportunity;
- **Technology –** It is expected that growth in the sector will continue to be driven in part by technological advancement. In some cases, significant future employment is expected to come from technologies which have not yet been successfully commercialised (e.g. carbon capture);
- **Decommissioning and Repurposing –** The need to decommission or repurpose old energy infrastructure brought about through the development of new technologies will help continual growth in this sector;
- **Skills Gaps –** This sector suffers greater skill shortages than most other sectors. In addition the workforce is slightly older than the UK average and will see a relatively significant number of retirements in the coming decade. Potential shortages of appropriate labour could restrain growth[29].

5.136 Evidence suggests that Tendring already benefits from the presence of a strong pool of businesses and employment which could potentially engage with the Low Carbon sector going forward. On the ground, this has been highlighted by the offshore wind port activities at

[29] UKCES (2012), *Sector Skills Insights: Energy.*

Harwich. There are a number of potential areas which the district could focus on in the future:

- **Building upon Existing Advantages** – The Haven Ports (including Harwich) have a number of unique advantages to build upon including deep-water ports and access to the water for construction and maintenance of offshore energy and the decommissioning of first generation oil and gas. Given the competitive nature of the market, identifying how these advantages can be exploited will be important in the short term to ensure that the opportunity is not lost;

- **Links to Existing Sector Strengths** – There is potential for low carbon activities within a number of Tendring's largest employment sectors – including port and logistics (as discussed above), construction (environmental / green technologies) and agriculture (opportunities around solar farms and biomass). Exploring where these opportunities exist and how they can be exploited will be important;

- **Emerging Complementary Activity**– Plans for new industrial space (primarily on the A120) and house building in the district will provide opportunities to apply new techniques, modern methods and low carbon strategies which could provide jobs and value for the local economy. Low Carbon housing and Sustainable Industrial Parks are two potential interventions which could stimulate this;

- **Labour Force** – The LCEGS sector is a broad sector requiring a broad range of skills and specialisms. As such, it is important to identify the nature of emerging opportunities and their skills requirements. The recently opened Energy Skills Centre at Harwich is a significant opportunity and strength on which to build in this respect. The Centre is providing apprenticeship and training programmes in engineering and welding with capacity for up to 200-300 apprenticeships per year. The Centre provides an example of employers and training providers working together to achieve shared outcomes – a strong model on which to build in the future.

Summary

5.137 The findings of the above sector profiles are summarised below.

Table 5-23: Sector Profile Summary

Sector	Current Importance (colour denotes relative concentration – green = strong; red = weak)			Prospects for Growth in Tendring	Factors likely to influence future sector development in Tendring
	Jobs	Businesses	Key Locations		
Agriculture	800	100	• Rural areas	• **Limited**, although potential for diversification into tourism and energy	• Diversification • Support for Businesses • Labour Market and Skills
Manufacturing	2,500	200	• Clacton has majority of activity, but strong concentration in Manningtree and Brightlingsea	• **Limited**, although some potential to link into port / offshore wind activity and University of Essex Knowledge Gateway to attract advanced manufacturing firms	• Premises and infrastructure • Links to HE and other Knowledge sectors Business Support • Skills
Construction	1,900	500	• Throughout the district, but concentration of activity in Brightlingsea, Manningtree and Rural Areas	• **Limited**, future growth likely to be tied to scale of residential development	• Local and sub-regional development activity • Linkages to wider sectors such as ports and offshore wind • Business Support • Labour Market and Skills
Ports, Logistics and Distribution	1,700	100	• Majority of activity in Harwich, also concentrations of activity in Brightlingsea and Manningtree	• **Strong**, albeit tied to performance of Harwich International Port, growth plans and wider competition	• Existing and future port assets • Stansted Airport growth • Links to wider sectors such as construction and offshore wind • Infrastructure (e.g. A120) • Skills and Labour market • Links to HE (UOE)
Retail	5,400	500	• Clacton is the primary retail centre, retail also important in economy of other Tendring towns	• **Limited** – likely to be tied to future population change and wider high street dynamics	• Population size and prosperity • Consumer choice • Quality of the retail offer • Support for independents • Labour market and skills
Business Services	3,400	800	• Clacton is the primary centre, but level of concentration	• **Limited** –as with other sectors growth likely to be driven by	• Skills and training • Business support

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			relatively low. Activity also distributed across rural areas	population growth and potential growth of neighbouring areas such as Colchester	• Linkages to growth of neighbouring areas • Possible links to university
Creative Industries	800	100	• Majority of activity located in Clacton and throughout rural areas. Concentration of activity highest in Manningtree	• **Limited** – future growth likely to be dependent upon population growth and demographic change. Some potential in the west of the district to link in to activity taking place in wider Haven Gateway	• Proximity to major creative centres outside district • Links to HE • Labour market and skills • Infrastructure • Wider sector links (e.g. low carbon and visitor economy)
Cultural and Visitor Economy	3,100	300	• Majority of activity located in Clacton, and to a lesser extent Harwich and Frinton and Walton. Also large amount of employment spread across rural areas	• **Moderate** –potential to diversify the visitor offer and develop a more year round, sustainable visitor economy but unlikely to become a driver of the economy	• Diversification • Destinations • Identity • Labour Market and Skills • Business Support
Low Carbon and Environmental Goods and Services	1,300	n/a	• Activity spread throughout the district, but particularly clustered around Clacton. Concentration of activity across rural areas and in Brightlingsea and Manningtree	• **Moderate** – some growth potential, particularly around offshore wind activities at Harwich. However, highly competitive sector and more analysis of opportunity needed	• Building upon existing assets and strengths • Links to existing Port and Logistics sector strengths • Labour force and skills – Harwich Energy Skills Centre • Potential links to HE
Health and Care	6,700	300	• Activity throughout district, but particularly strong concentrations of activity in Clacton and throughout rural areas.	• **Strong**, with a focus on the Care sector reflecting existing strength and population demographic. To maximise opportunity, transition needs to be made to higher value Care activities	• Ageing population • Changing nature of care • Linkages to FE/ HE • Skills and labour market issues

6. Population and Labour Market

6.1 This section provides a detailed analysis of the Tendring population and labour market. The analysis examines local demographic characteristics before examining the size and characteristics of the local labour market and the implications of this for economic performance.

6.2 It is important to note that much of the data presented within this chapter is based upon the results of the 2011 Census. This data source is valuable in providing a detailed snapshot of the Tendring labour market and local variations in characteristics. The data source is considered more robust than alternative data sources such as the Annual Population Survey, as it based on the survey of the total population rather than just a sample. Despite this, it is important to note that this dataset has only recently been released and that it is the subject of concern from Tendring DC regarding the reliability of some of the population figures. Conversations are currently on-going between Tendring DC and ONS regarding the accuracy of the dataset.

Key Messages

The Tendring Population *– Tendring is characterised by a population which is skewed towards the older age groups*

- **A stationary population in recent years** – Tendring currently has a population of 138,050 residents. Since 2001 the population has remained relatively stationary, while the national population growth rate for this period is equal to 8%.
- **A relatively small working age population** – In 2011, 57% of Tendring's population was of working age (78,220 residents). This figure is the lowest proportion relative to all comparator areas, including Essex (63%) and England (65%).
- **A large population of older residents** –The area has a higher than average proportion of people aged over 65, particularly in the coastal towns

Supply of Labour *–Tendring is characterised by higher than average levels of economic inactivity and unemployment*

- **Low economic activity rates** –Tendring's economic activity rate is equal to 62% (59,910 people), which is below all other comparator areas including Essex (71%) and England (70%). Economic activity rates are particularly low in Clacton and Jaywick but are above the district average in Brightlingsea, Harwich and Dovercourt, Manningtree, Mistley, and Lawford, and rural areas;
- **Low employment rates** –the district's employment rate is 55% (53,290 people), which is low compared to the national rate of 62% and comparator areas such as Braintree (67%) and Babergh (65%).
- **A relatively old labour market** – 37% of Tendring's residents who are in employment are above the age of 50. This proportion of older workers is significantly above the national level (29%) and even that of Essex (32%).
- **High levels of unemployment** – as of April 2013 there a total of 3,270 claimants in Tendring, equivalent to a claimant rate of 4.2. Over a third of these claimants are located in Clacton, which had a claimant rate above the district level (5.2).
- **A strong labour market when wider Functional Economic Areas are considered** – overall, when Tendring's local areas are considered with their FEAs, the rates of economic activity and employment increase significantly and surpass the national average.

Labour Market Skills*- Tendring is characterised by lower than average skills levels within the resident population*

- **Below average but improving performance at local schools and lower than average levels of post 16 progression** – since 2005 Tendring's proportion of pupils achieving level 4+ in Maths and English in key stage 2 has been lower than all comparator areas with the exception of Thanet and has remained so through to 2012. Tendring has improved from below 40% of pupils achieving five or more A*-C GCSEs in 2005 to about 53% in 2012. However, performance is still below national average. Only 36% of residents aged 16 – 24 in Tendring are enrolled as full-time students, compared to 47% nationally and 40% in Essex;
- **Below average qualifications levels in the labour market** – Tendring has a greater proportion of residents with no qualifications (34%) than wider areas of Essex (24%) and England (22%).
- **Lower than average skills levels in the labour market** – a smaller proportion of Tendring residents are in manager, director, professional, and associate occupations (32%). This proportion is below those of Essex and England (41% each) as well as all comparator areas.
- **Lower than average earning levels for both residents and workers in Tendring** – in 2012 the median gross weekly pay of a resident in Tendring was £490, whilst the median earnings of a worker in Tendring was £410. Both of these figures are below regional and national comparator averages.

Population and Demography

Size of Population

6.3 Whilst acknowledging the previously stated caveats regarding the use of Census data, this dataset provides the most up to data assessment of the size of the Tendring population.

6.4 The Census suggests that in 2011 Tendring had a total population of around 138,000. Since 2001, Tendring's population has declined slightly (by around 500 people). This is contrary to wider trends – over the same time period the national population increased by 8%, whilst local comparator areas such as Colchester (11%) and Braintree (11%) also experienced growth. **This finding is currently being queried by Tendring DC, given the expectation of a population increase over that time period.**

6.5 At the local level within Tendring, Clacton is the largest settlement with about 46,000 residents. The next largest settlements are Harwich and Dovercourt (18,700 residents), and Frinton and Walton (14,100 residents). Around 40,500 people live in Rural Tendring.

6.6 Population change at the local level has been varied. Data caveats aside, the Census suggests that Harwich and Dovercourt experienced the greatest increase over the decade to 2011, with 600 new residents. Clacton and Frinton and Walton are the local areas which experienced the most significant population decline, decreasing by 1,000 and 400 residents, respectively.

Table 6-1: Total population, 2001-11

		2011	Change 2001-11	
			No.	%
Local Areas	Clacton	46,000	-0.96	-2%
	Jaywick	4,800	0.13	3%
	Frinton & Walton	14,120	-0.42	-3%
	Brightlingsea	8,080	-0.06	-1%
	Harwich & Dovercourt	18,670	0.63	3%
	Manningtree, Mistley and Lawford	5,860	0.03	1%

	Rural areas	40,520	0.16	0%
	Tendring District	**138,050**	**-0.49**	**0%**
Comparator Areas	Colchester	173,070	17.3	11%
	Thanet	134,190	7.5	6%
	Babergh	87,740	4.3	5%
	Braintree	147,080	14.9	11%
Wider Areas	Essex	1,393,590	82.8	6%
	SE LEP	3,821,580	279.0	8%
	England	53,012,460	3,873.6	8%
Source: Census 2001 and 2011				

Age Structure

6.7 The working age population (WAP) is an important indicator in understanding the potential pool of labour that Tendring has to support its economy. The working age population is currently defined by the ONS as the population between the ages of 16 and 64.

6.8 The data suggests that the Tendring working age population is relatively small and has not increased in size in recent years. In 2011, 57% of Tendring's population was of working age (78,200 residents). This figure is the lower than all comparator areas, including Essex (63%) and England (65%). Since 2001, Tendring's WAP has not grown in absolute terms, but has increased its proportion in the total population due to a decrease in the number of those aged 65 and over. During the same period, the WAP grew in absolute terms in all other comparator areas.

6.9 The proportion of working aged residents at the local level varies. Manningtree, Mistley, and Lawford (63%), Harwich and Dovercourt (60%), Brightlingsea (59%), and the rural areas (59%) all have a proportion of working age residents above the Tendring average. Conversely, less than half the population of Frinton and Walton is of working age.

Table 6-2 Total working age population (WAP), 2001-11

		2011		Change 2001-11		
		No.	% of total	No.	% change	Point change
Local Areas	Clacton	25,360	55%	-0.05	0%	1%
	Jaywick	2,610	54%	0.13	5%	1%
	Frinton & Walton	6,730	48%	0.08	1%	2%
	Brightlingsea	4,800	59%	-0.13	-3%	-2%
	Harwich & Dovercourt	11,140	60%	0.35	3%	0%
	Manningtree, Mistley and Lawford	3,710	63%	0.06	2%	0%
	Rural areas	23,870	59%	-0.48	-2%	-1%
	Tendring District	78,220	**57%**	**-0.04**	**0%**	**1%**
Comparator Areas	Colchester	114,120	66%	12.2	12%	1%
	Thanet	80,140	60%	6.5	9%	2%
	Babergh	53,070	60%	1.2	2%	-2%

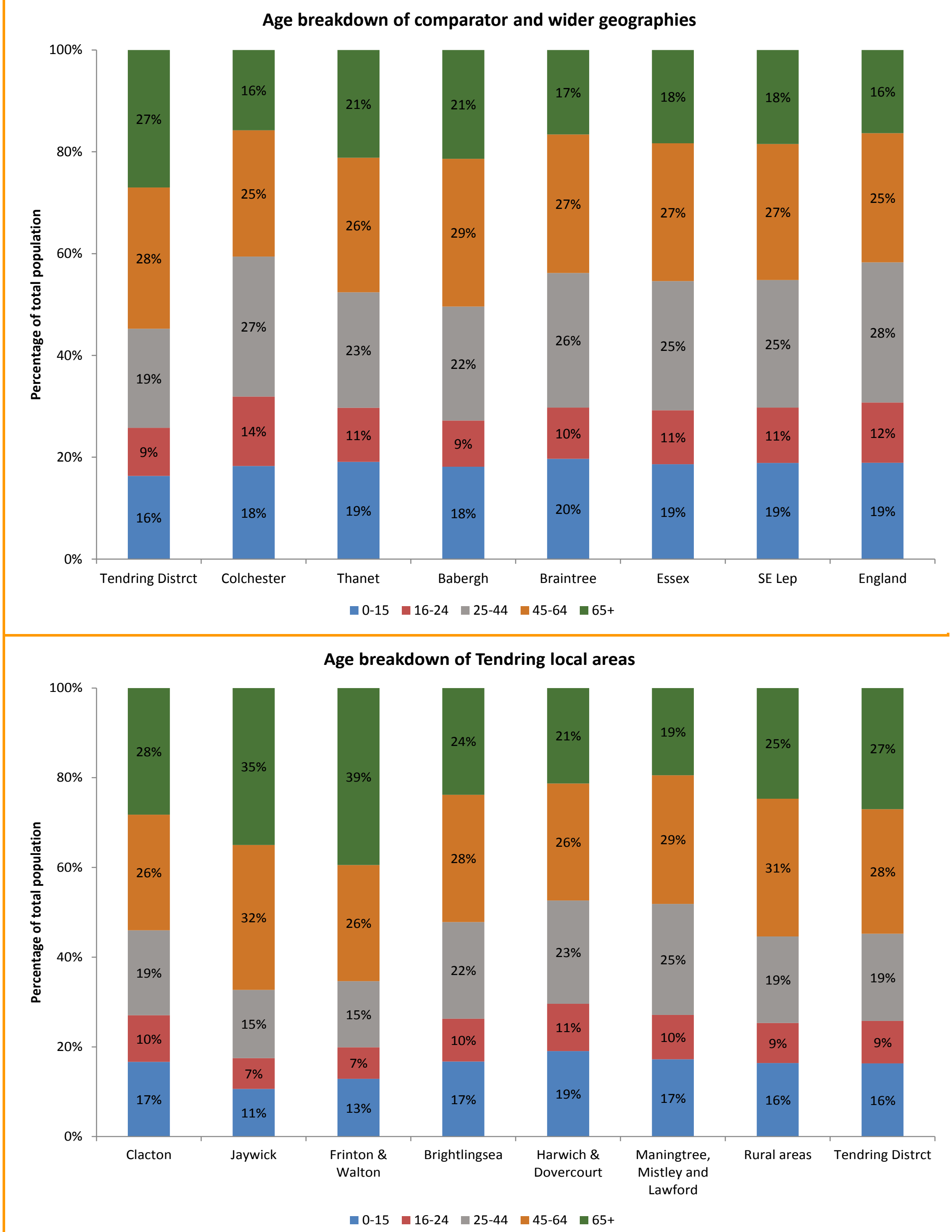
	Braintree	93,690	64%	8.9	11%	0%
Wider Areas	Essex	878,290	63%	48.1	6%	0%
	SE LEP	2,395,250	63%	188.5	9%	1%
	England	34,329,090	65%	2,899.8	9%	1%
Note: WAP defined as those aged 16 – 64						
Source: Census 2001 and 2011						

6.10 In addition to understanding the changes in Tendring's WAP, it is also important to consider the area's age profile for younger and older residents.

6.11 There is a significantly larger than average proportion of residents in the district who are aged 65 and older; in Tendring this figure is 27%, compared to 18% in Essex and 16% nationally. Conversely, Tendring has a smaller proportion of younger residents compared to these wider geographies. While 25% of the district's residents are below the age of 25, this proportion is equal to about 30% for both Essex and England.

6.12 The age profile of local areas within Tendring varies, with several having a significantly higher proportion of residents over 65, including Jaywick (67%) and Frinton and Walton (65%). As may be expected, these areas also have a significantly smaller proportion of younger residents compared to Tendring's average. Harwich and Dovercourt and Manningtree, Mistley, and Lawford and the areas in the district that have the smallest proportion of residents over 65 (about 48% each). This finding aligns with the fact that these are also the two local areas with the largest proportion of WAP.

Figure 6-1 Age breakdown in Tendring Local Areas, 2011 (Top) and wider geographies (Bottom)



Source: Business Register and Employment Survey, 2011

Ethnicity of Population

6.13 Levels of ethnic diversity in Tendring are relatively low.

6.14 The majority of residents in Tendring are classified as being within the White ethnic group (98%), with small proportions of mixed ethnicity and Asian/Asian British residents. Tendring is less ethnically diverse than is average across Essex and the country.

Table 6-3 Ethnicity of local population, 2011						
		White	Mixed/ multiple ethnic groups	Asian/Asian British	Black/African / Caribbean/ Black British	Other ethnic group
Comparator Areas	**Tendring District**	**98%**	**1%**	**1%**	**0%**	**0%**
	Colchester	92%	2%	4%	1%	1%
	Thanet	96%	2%	2%	1%	0%
	Babergh	98%	1%	1%	0%	0%
	Braintree	97%	1%	1%	1%	0%
Wider Areas	Essex	94%	1%	3%	1%	0%
	SE LEP	94%	2%	3%	1%	0%
	England	85%	2%	8%	3%	1%
Source: Census 2011						

Population Projections

6.15 Latest population projections by ONS suggest that the Tendring population could grow by around a quarter from 2011 to 2029 – from around 138,000 to around 172,000.

6.16 Significant population ageing is projected to take place in this period – whilst the simply defined working age population is projected to increase by 11%, the number of people in the 65-75 and 75+ age groups is projected to increase by 41% and 57% respectively. As a result, by 2029, a third of the population could be aged 65+ (compared to around a quarter now). This has significant implications, including for local service delivery (providing for the needs of an ageing population), local economic opportunities (businesses / sectors responding to the needs of an ageing population) and the operation of the Tendring labour market (a smaller proportion of working age residents, but also potential for people to work to an older age).

Table 6-4 Tendring Population Projections, 2011-2029						
	2011		2029		Change	
	No	%	No	%	No	%
0-15	28,190	16.3%	28,903	17%	6,418	28.5%
16-64	85,947	56.5%	86,935	51%	8,894	11.4%
65-74	26,029	13.8%	26,903	16%	7,864	41.3%
75+	27,871	13.4%	29,043	17%	10,546	57.0%
Total Population	168,037	100.0%	171,784	100%	33,722	24.4%
Source: ONS Sub-National Population Projections, 2011						

6.17 It is important to note that these population projections are **unconstrained** and do not take into account local policy – particularly local housing targets. Clearly, in reality, the level of population growth will be dictated by levels of capacity / growth within the housing market. The demographic and economic implications of current local housing targets are considered later in this report in Chapter 7.

Size of the Tendring Labour Market

6.18 This section provides a detailed assessment of the Tendring's labour market. In doing so, analysis considers both the pool of labour within the boundaries of Tendring District and the pool of labour across wider functional economic areas.

The Local Tendring Labour Market

6.19 The local Tendring labour market refers to the pool of labour which resides within the boundaries of Tendring District. The size of this labour pool can be quantified by taking into account local economic activity and employment rates,

Economic Activity Levels

6.20 The economic activity rate is a key driver of the local labour market. This measure covers those residents who are either in employment or who are unemployed but seeking employment, including students. In this section we consider the economic activity rate for those aged 16-74. This is a wider group than the traditionally defined working age population (16-64) but reflects the fact that many people are now continuing work to an older age.

6.21 Tendring typically performs comparatively weakly in terms of economic activity rate. This is likely to reflect a number of factors including the age profile of the local population and the performance of the Tendring economy.

6.22 Tendring currently has an economic activity rate of 62% (59,900 people), which is significantly below the economic activity rate of comparator areas including Essex (71%) and England (70%). All other comparator areas also have higher rates of economic activity, with Braintree having the highest of 74% (78,700 people).

6.23 During the period 2001–2011, Tendring experienced a 6% increase in the number of residents who are economically active (3,300 additional people). However, this rate of increase is below that of all comparator areas, which averaged about 15% growth over the same period (with the exception of Babergh).

6.24 Economic activity rates within Tendring vary and are likely to reflect differences identified in population characteristics, such as the proportion of residents who are of working age. Those areas with economic activity rates above the district average include Brightlingsea (68%), Harwich and Dovercourt (66%), Manningtree, Mistley, and Lawford (72%), and rural areas (65%). The other areas perform below the Tendring average (including Jaywick where less than half of residents aged 16-74 are economically active).

Table 6-5 Economically active population, 2001-11

		2011		Change 01-11	
		No.	%	No.	%
Local Areas	Clacton	18,430	58%	840	5%
	Jaywick	1,610	45%	290	22%
	Frinton & Walton	4,940	54%	330	7%
	Brightlingsea	3,940	68%	20	1%
	Harwich & Dovercourt	8,740	66%	700	9%

	Manningtree, Mistley and Lawford	3,100	72%	230	8%
	Rural areas	19,140	65%	850	5%
	Tendring District	**59,910**	**62%**	**3,270**	**6%**
Comparator areas	Colchester	91,390	71%	13,230	17%
	Thanet	61,270	65%	7,960	15%
	Babergh	44,350	70%	2,620	6%
	Braintree	78,720	74%	10,290	15%
Wider Areas	Essex	719,430	71%	68,900	11%
	SE LEP	1,938,570	70%	228,420	13%
	England	27,183,130	70%	3,426,420	14%

Source: Census 2001 and 2011
Note: Economic activity rates are calculated using population aged 16 – 74, as specified in the 2011 Census methodology.

Employment Rate

6.25 Tendring also performs comparatively weakly in terms of the local employment rate (those residents currently in work).

6.26 As above, in this section we consider the employment rate for those aged 16-74 (to ensure older workers are captured). Tendring currently has an employment rate of 55%, meaning that slightly over half of all residents aged 16–74 in employment (equal to 53,300 people). Compared to other areas, this figure is relatively low; while the national rate is 62%, comparator areas reach rates as high as 67% in Braintree and 65% in Babergh. Thanet is the exception, which has an employment rate of 56%.

6.27 The change in Tendring's employment rate over the period 2001–11 is very similar to that of its economic activity rate and is lower than average; it has increased by 2% (1,100 people) compared to 12% in Thanet, Colchester, and England and 8% in Essex.

6.28 Within Tendring, the areas with highest economic activity rates are also those with the highest proportion of residents in employment. Employment rates are highest in Manningtree, Mistley, and Lawford (66%) and lowest in Jaywick (36%) and Frinton and Walton (48%). Growth in the number of residents in employment within Tendring has been sluggish and no local area achieved growth rates in line with the national average (12%). While the growth in Jaywick (10% increase) exceeded that of Essex (8%), this figure is inflated due to the small base of persons in employment.

Table 6-6 Population in employment, 2001-11

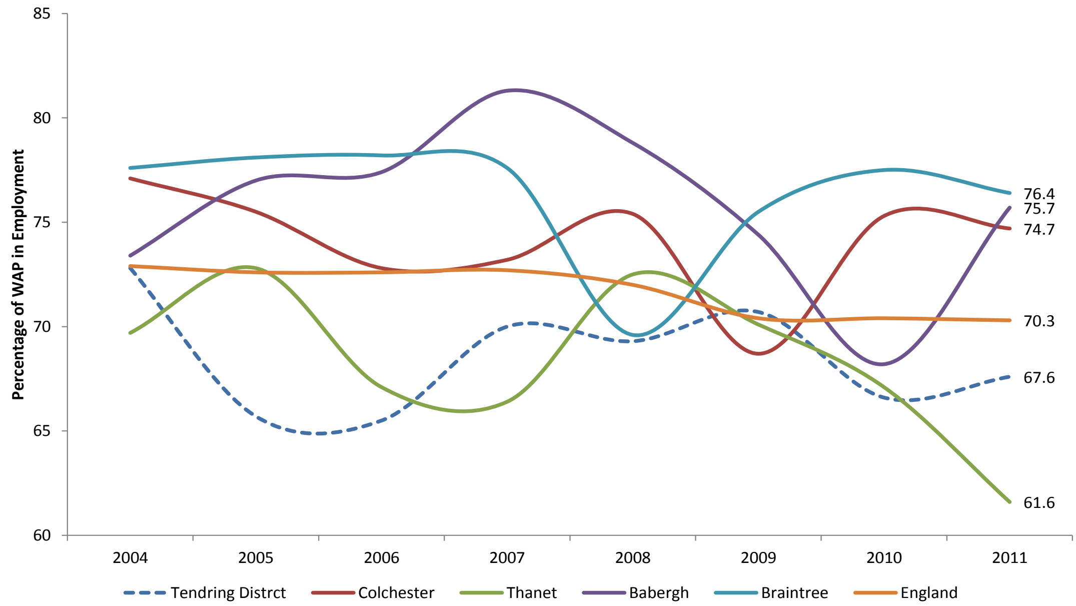
		2011		Change 01-11	
		No.	%	No.	%
Local Areas	Clacton	15,920	50%	10	0%
	Jaywick	1,280	36%	120	10%
	Frinton & Walton	4,390	48%	150	4%
	Brightlingsea	3,600	62%	-70	-2%
	Harwich & Dovercourt	7,730	59%	390	5%

	Manningtree, Mistley and Lawford	2,840	66%	140	5%
	Rural areas	17,530	60%	360	2%
	Tendring District	**53,290**	**55%**	**1,100**	**2%**
Comparator areas	Colchester	81,210	63%	8,960	12%
	Thanet	53,120	56%	5,510	12%
	Babergh	41,040	65%	1,850	5%
	Braintree	72,020	67%	7,700	12%
Wider Areas	Essex	653,610	65%	46,810	8%
	SE LEP	1,748,660	63%	164,520	10%
	England	24,143,460	62%	2,493,190	12%

Source: Census 2001 and 2011
Note: Employment rates are calculated using population aged 16 – 74, as specified in the 2011 Census methodology.

6.29 The diagram below illustrates the change in employment rates over the period 2004 – 11. While Tendring was in line with the national average in 2004, its proportion has dropped since 2009, failing to recover to the same levels as before.

Figure 6-2 Percentage of Working Age Population in Employment, 2004-11

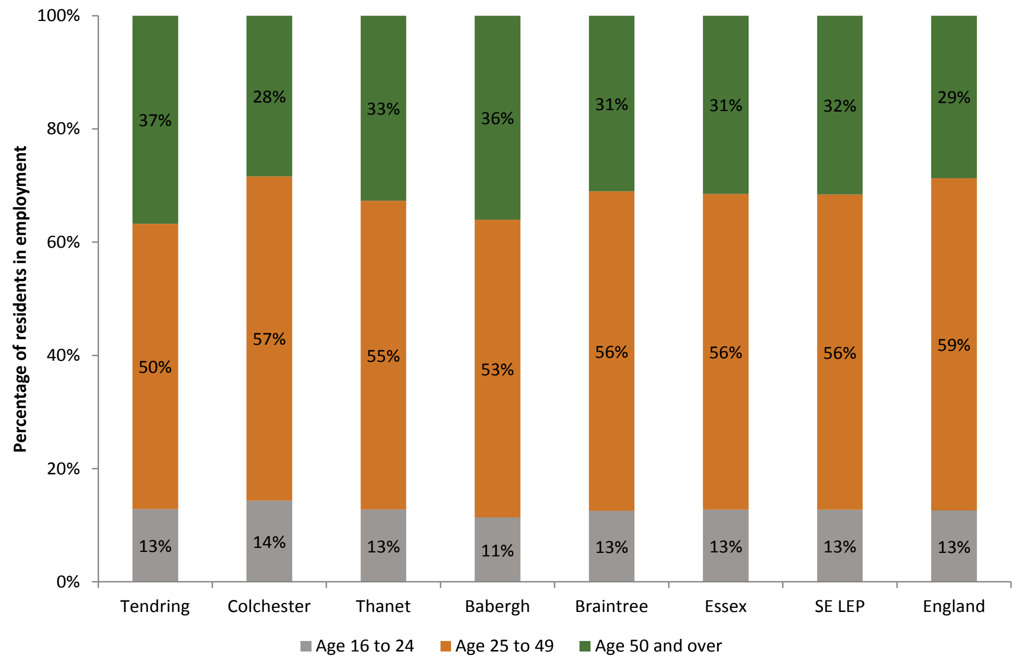


Source: Annual Population Survey, 2004-2011

6.30 The age profile of Tendring's labour market reflects that of its wider population. As illustrated by Figure 6-3, 37% of Tendring's residents in employment are above the age of 50. This proportion of older workers is significantly above the national level (29%) and even that of Essex (32%). Conversely, workers aged 25 – 49 (50%) are under-represented in Tendring relative to other areas including England (59%).

6.31 This suggests a process of ageing in the Tendring labour market, which has the potential to have significant implications for the operation of the local labour market and economy in future years.

Figure 6-3 Age profile of residents in employment, 2011



Source: Census 2011

Unemployment

6.32 Unemployment is a key indicator in assessing the relative vitality of a local labour market. There are two measures of unemployment that are commonly used:

- **International Labour Organisation Unemployment (ILO)** – This measures all those people who want to work, are available to work, and who are actively seeking employment. The ILO unemployment rate is based upon the Annual Population Survey / Census and includes a larger number of individuals than the claimant count;

- **The Claimant Count** – this only measures those people who are claiming unemployment related benefits. It does not include all unemployed people, as some of those unemployed may not be able to claim benefits or chose not to do so. The measure is based on records from Jobcentre Plus.

ILO Unemployment

6.33 There are currently around 6,200 unemployed working age people in Tendring – a rate of 10.4%. This rate is above county and national averages and above that seen in many of the local benchmark areas.

6.34 The unemployment rate has increased significantly in recent years. The number of unemployed people has increased by 210%, with the unemployment rate increasing by 7 points. Again, performance has been weaker than in comparator areas, Thanet accepted.

Table 6-7 ILO Unemployment, 2004-2012

	2012	Absolute Change, 2004-2012	Point Change, 2004-2012

	Number	%	No	%	
Tendring	6,200	10.4	4,200	210%	7.0
Babergh	1,500	3.7	500	50%	1.3
Braintree	5,600	7.8	3,500	167%	4.8
Colchester	6,700	7.0	3,400	103%	3.0
Thanet	7,600	13.1	5,300	230%	9.0
Essex	51,300	7.2	26,000	103%	3.4
South East	140,000	7.3	65,400	88%	3.2
England	2,083,400	8.0	914,900	78%	3.2
Source: Annual Population Survey, 2012					

Total Claimant Count

6.35 Most recent data for this indicator reveals that as of April 2013 there are a total of 3,300 claimants in Tendring, equivalent to a claimant rate of 4.2%. This rate is higher than is average across Essex, the LEP Area and nationally.

6.36 Over a third of these claimants are located in Clacton, which has a claimant rate above the district level (5.2%; 1,400 claimants). Harwich and Dovercourt also have a significant number of claimants (650), while Brightlingsea has the least out of all local areas (100 claimants).

6.37 At the district level, almost 30% of all claimants are between the ages of 18 – 24. This proportion is higher in Harwich and Dovercourt (33%) and Manningtree, Mistley, and Lawford (34%).

Table 6-8 Total claimants and proportion aged 18 – 24, April 2013

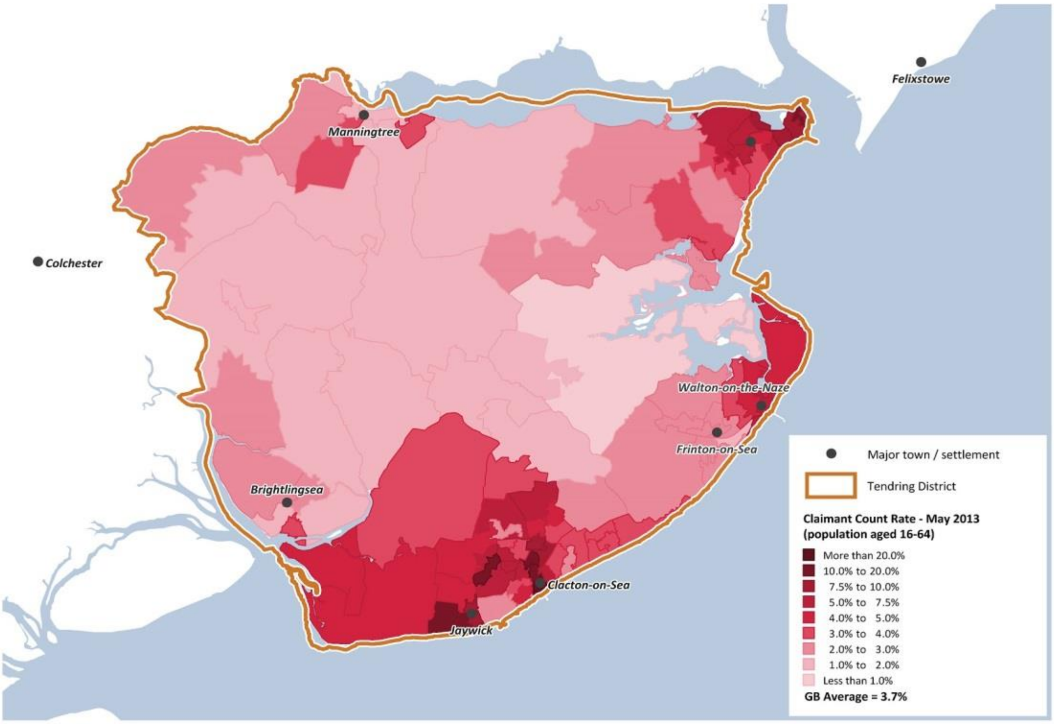
		Total claimants		Claimants aged 18-24	
		No.	Rate	No.	% of total
Local Areas	Clacton	1,423	5.2	430	30%
	Jaywick	212	8.0	50	24%
	Frinton and Walton	205	2.9	50	24%
	Brightlingsea	108	2.1	20	19%

	Harwich and Dovercourt	649	-	215	33%
	Manningtree, Mistley, and Lawford	104	-	35	34%
	Rural Areas	569	-	160	28%
	Tendring	**3,270**	**4.2**	**960**	**29%**
Comparator Areas	Colchester	3,108	2.7	815	26%
	Thanet	4,863	6.1	1,405	29%
	Babergh	1,213	2.3	305	25%
	Braintree	2,596	2.8	715	28%
Wider Areas	Essex	25,980	3.0	7,135	27%
	SE LEP	74,562	3.1	20,325	27%
	England	1,258,069	3.7	327,115	26%

Source: Claimant Count Database, NOMIS, 2013
Note: claimant count rates for Harwich and Dovercourt, Manningtree, Mistley, and Lawford, and rural areas were not provided in the dataset.

6.38 Mapping of claimant count rates across Tendring can be used to understand the geographic spread of unemployment across the district (Figure 6-4). The darker shade of red indicates a higher claimant count rate. As such, this map further illustrates that the highest claimant count rates in Tendring are found in Jaywick and Clacton, followed by Harwich and Dovercourt.

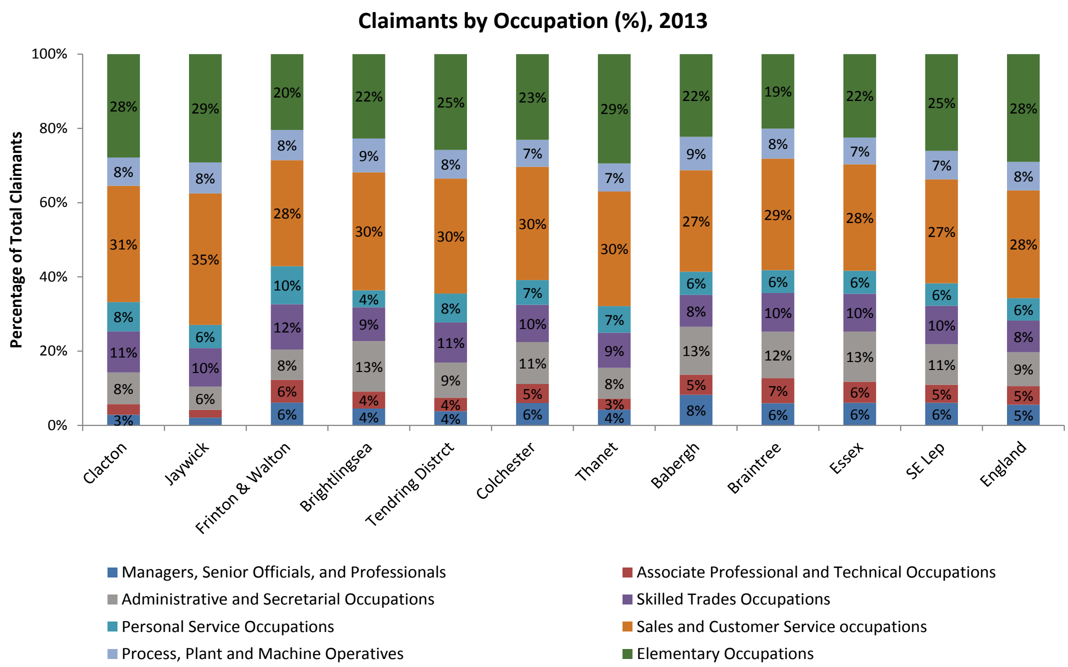
Figure 6-4 Claimant Count, May 2013



Source: Regeneris Consulting using NOMIS (May 2013) and Census 2011

6.39 The claimant count rate can also be analysed in terms of the occupations of claimants in order to better understand the characteristics of this segment of the population. While there are no great discrepancies between the profile of Tendring compared to Essex and England, there is a slightly greater proportion of claimants within the personal service occupational category in Tendring (30% versus 28% in Essex and England).

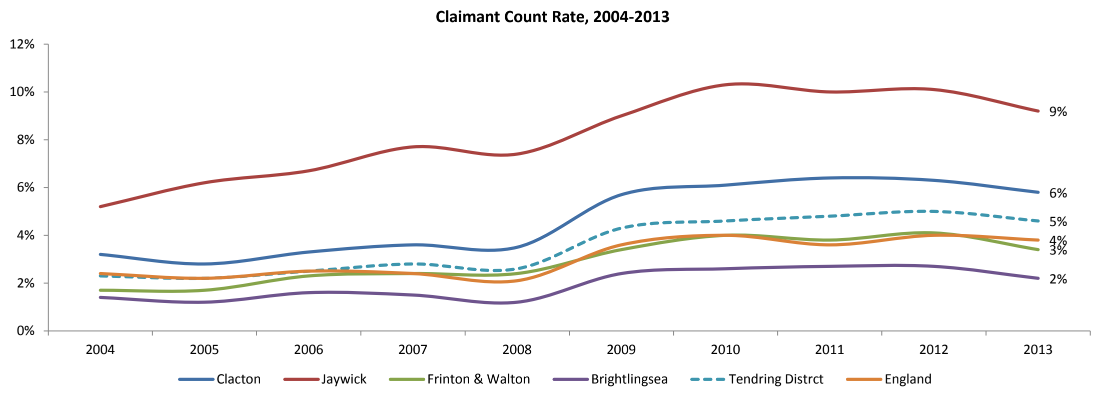
Figure 6-5 Claimant Count by Occupation, April 2013



Source: Claimant Count Database, NOMIS, 2013

6.40 Figure 6-6 highlights the long term trend in claimant count rate. For all geographies, the claimant count has increased significantly over the past decade, with a sharp increase in 2008 and 2009. Since 2009, the claimant count rate has stabilised to a large extent.

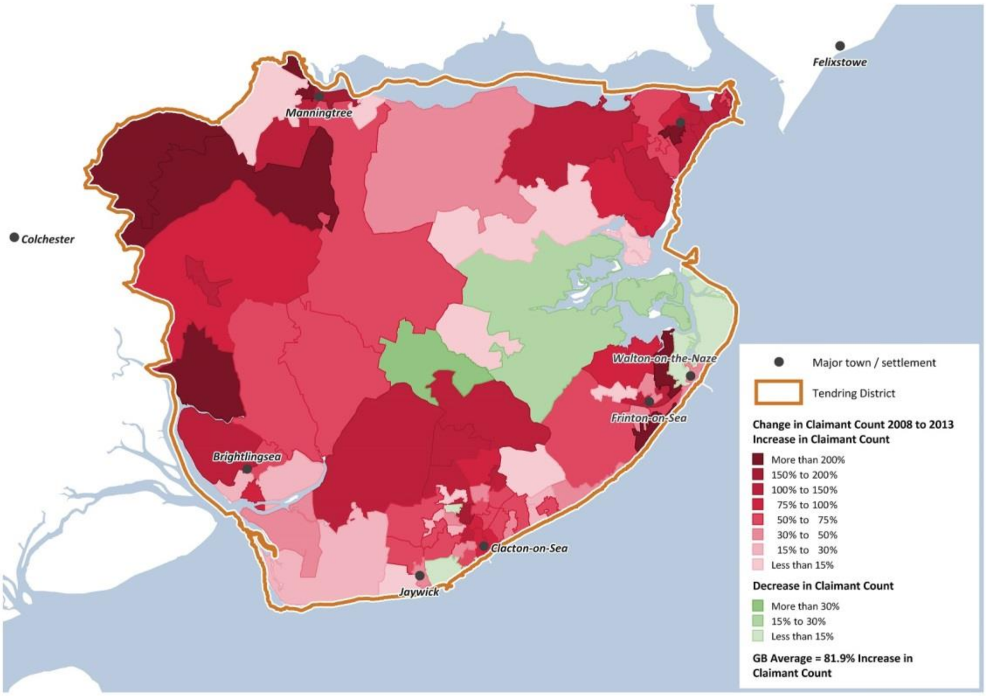
Figure 6-6 Long Term Change in Claimant Count Rate 2004-13



Source: Claimant Count Database, NOMIS, 2013

6.41 It is possible to further contextualise the change in claimant count rates since 2008 by mapping these changes across Tendring. The darker the shade of red indicates a greater increase in number of claimants; while the darker the shade of green indicates a greater decrease. Over the period 2008 - 2013 the northwest corner of Tendring, which borders Colchester, experienced the greatest increase in claimants. There were also other pockets of significant increase located in Frinton and Walton, and Harwich and Dovercourt.

Figure 6-7 Change in Absolute Number of Claimants, 2008-13

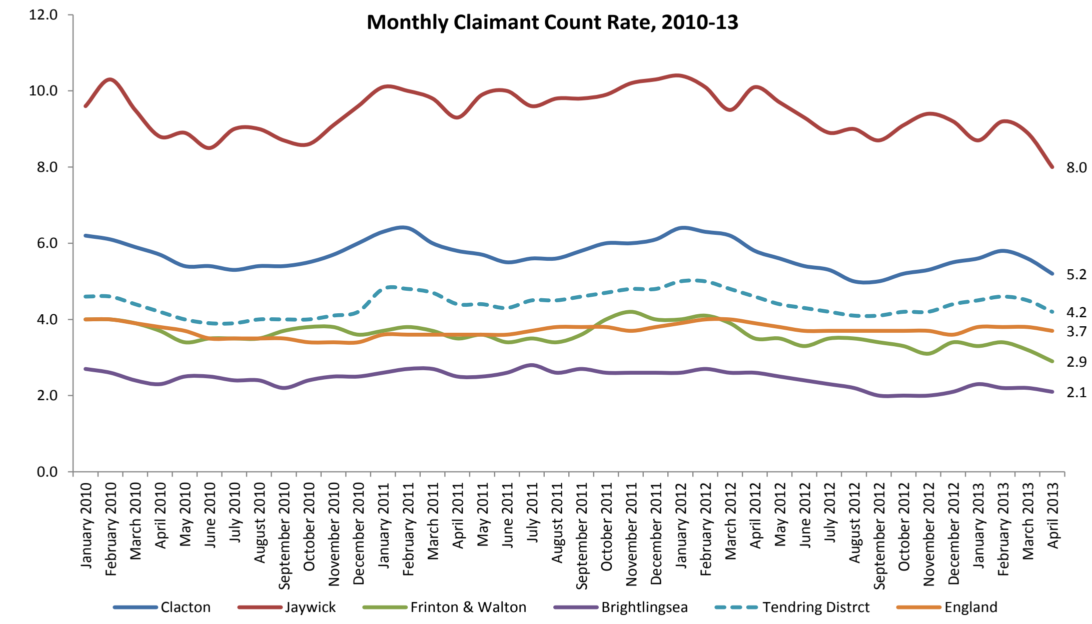


Source: Regeneris Consulting using Job Seekers Allowance (May 2008 and May 2013) and Census 2011

Source: Claimant Count Database, NOMIS, 2013

6.42 The diagram below illustrates the monthly claimant count rate for local areas within Tendring during the period January 2010 – April 2013. Analysis of month-on-month claimant rates shows that for some areas (including Clacton) unemployment is typically lowest in summer and highest in winter. This is likely to reflect seasonal employment patterns associated with the local visitor economy.

Figure 6-8 Monthly Claimant Count Rate 2010-13



Source: Claimant Count Database, NOMIS, 2013

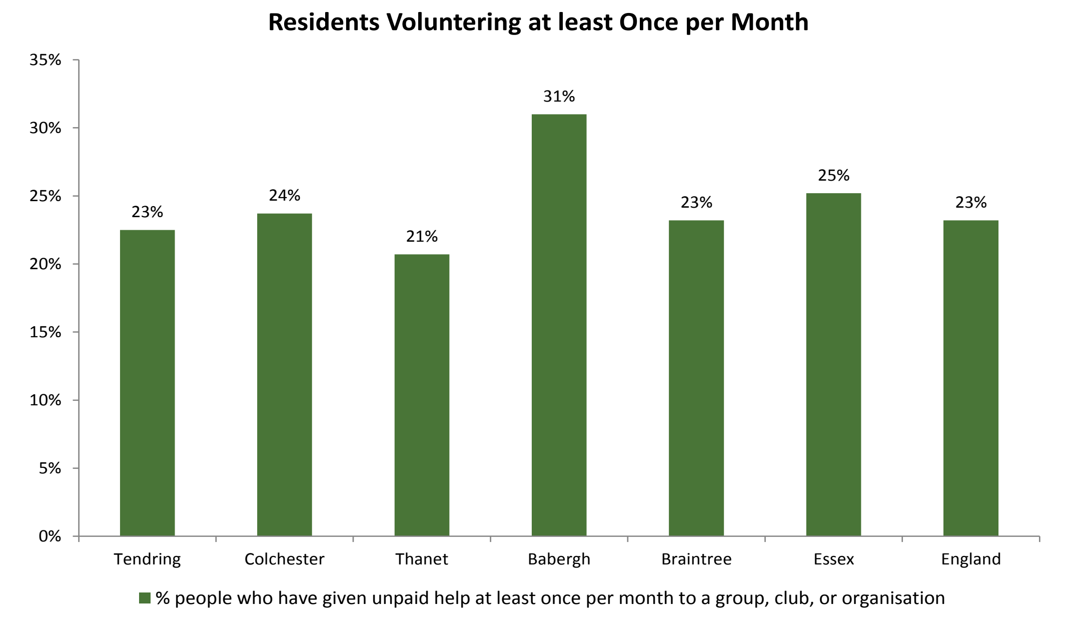
Volunteering

6.43 Localities which have a relatively older population are often characterised by strong levels of volunteering. Whilst this constitutes unpaid work for the individual, volunteering can make an important contribution to overall economic performance. WRVS[30] estimate that in 2010, volunteering activities of older people contributed £10.6 billion to the UK economy.

6.44 Given the age profile of Tendring's residents and workforce, it is useful to know what proportion of the population may be working unpaid (volunteering) for local community organisations or clubs. The Place Survey, conducted in 2008 by local authorities throughout England suggests that about 23% of all Tendring residents over the age of 18 volunteer at least once per month. This proportion of the population is in line with the national average (23%) and most comparator areas. Babergh has a significantly higher proportion (31%), while Thanet is slightly lower (21%). Given the large proportion of residents in older age groups in Tendring, this suggests that rates of volunteering amongst these groups in Tendring are actually lower than average.

[30] WRVS (2011) Gold Gage Pensioners, Valuing the socio-economic contribution of older people in the UK

Figure 6-9 Percentage of residents over 18 who have given unpaid help at least once per month

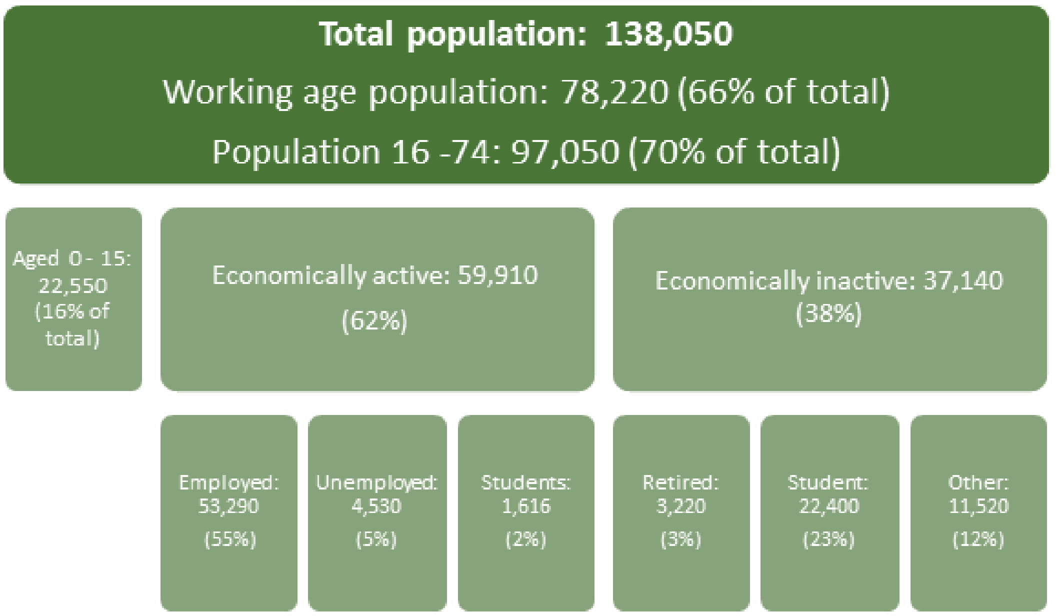


Source: The Place Survey, 2008

Summary of the Tendring Internal Labour Market

6.45 An overview of Tendring's internal labour market is provided below.

Figure 6-10 Tendring workforce summary, 2011



Note: economic activity and inactivity proportions have been calculated on percentage of population between the ages 16-74. We have done this to reflect the demographic characteristics of Tendring and to ensure that those who carry on working post 65 are captured. The working age population is defined as those between the ages of 16 – 64.

Source: Census 2011

Labour Market of Tendring's Functional Economic Areas

6.46 While the previous section analysed the local Tendring labour market, it is important to consider the wider labour markets which are relevant to the Tendring economy. Analysis of the labour pool within the wider Tendring functional economic areas allows for a more comprehensive understanding of the potential labour pool that is theoretically available to employers in the district.

Size of the Tendring FEA Labour Markets

6.47 This analysis suggests that despite issues of peripherality, employers in Tendring theoretically have access to a large pool of labour.

6.48 Within Tendring there are around 60,000 economically active residents, of whom around 53,000 are in employment. When the wider functional economic geography (defined as a 45 minute drive time from the centre of the district) is taken into account, this labour pool increases to over half a million economically active people and around 460,000 people currently employment. This represents a significant labour resource for employers who are already located within Tendring but also to those wishing to move to the area.

Table 6-9 Overview of labour supply within Tendring's functional economic areas, 2011

Business Location…	Number Economically Active			Number In Employment		
	Local Area	Tendring	FEA	Local Area	Tendring	FEA
Clacton	18,430	59,910	399,100	15,920	59,910	360,120
Harwich & Dovercourt	8,740	59,910	395,400	7,730	59,910	356,800
Frinton and Walton	4,940	59,910	356,020	4,390	59,910	320,430
Manningtree	3,100	59,910	578,900	2,840	59,910	525,710
Brightlingsea	3,940	59,910	487,100	3,600	59,910	440,620
Jaywick	1,610	59,910	354,390	1,280	59,910	318,860
Tendring	**59,910**	**59,910**	**510,990**	**53,290**	**53,290**	**462,650**

Source: Regeneris and Census 2011
Note: Functional economic areas are defined using a 45 minute drive time map

Existing Labour Flows

6.49 As discussed previously in Chapter 2, these theoretical functional economies are played out in reality, as evidenced by the strong travel to work flows which exist both within Tendring and across the wider Essex area.

6.50 This previous analysis highlighted a net outflow of around 12,000 commuters from Tendring per day, largely to neighbouring areas such as Colchester, Ipswich and Braintree. There is also a large outflow to London, although anecdotal evidence suggests this is likely to relate mainly to the Manningtree part of Tendring, which benefits from a direct and relatively fast rail service to London.

6.51 These trends broadly suggest that the quantum and nature of jobs currently available in Tendring is not sufficient to meet the needs of the labour force internal to Tendring. As a result, the demand / pull for labour from even wider functional geographies by existing employers within Tendring is relatively weak.

Labour Market Skills

6.52 While the previous section presented an analysis of the labour market size of Tendring and its FEAs, this section studies the skills characteristics of the Tendring labour market. This sets the basis for an assessment of any gaps that exist between the demand for and supply of skills within the local economy.

Skills Supply

6.53 When considering skills supply in a local area it is important to consider a range of indicators, such a local education performance, levels of progression to Further Education and Higher Education, and qualifications held by the existing labour market.

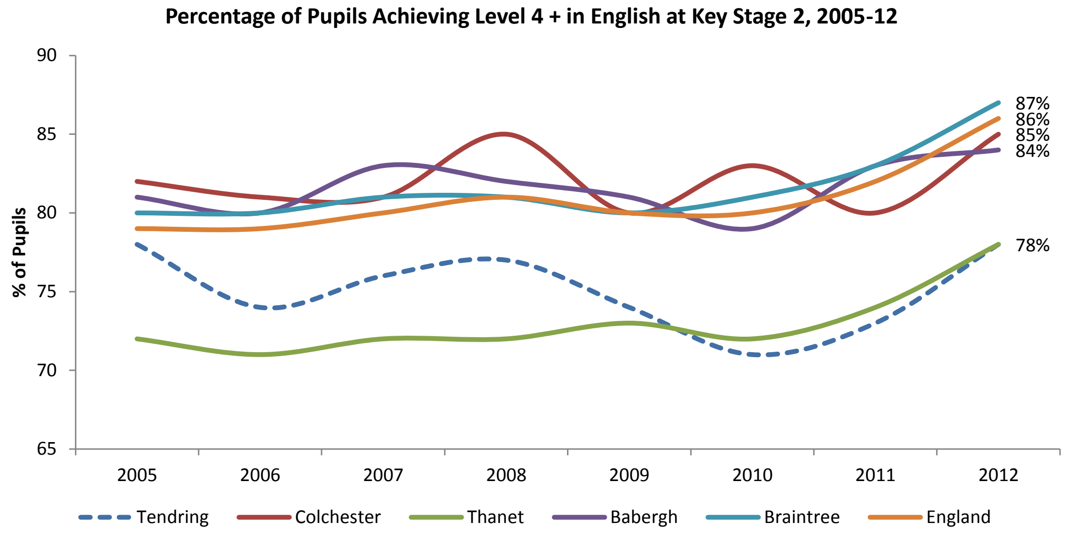
Education Performance of Tendring Residents

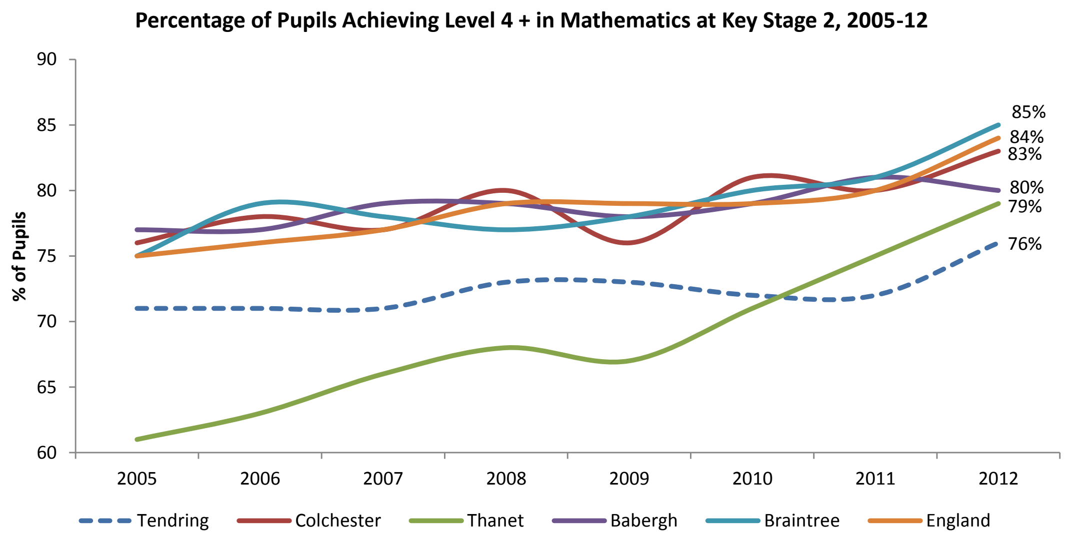
6.54 Education data provides an overview of performance at a number of levels:

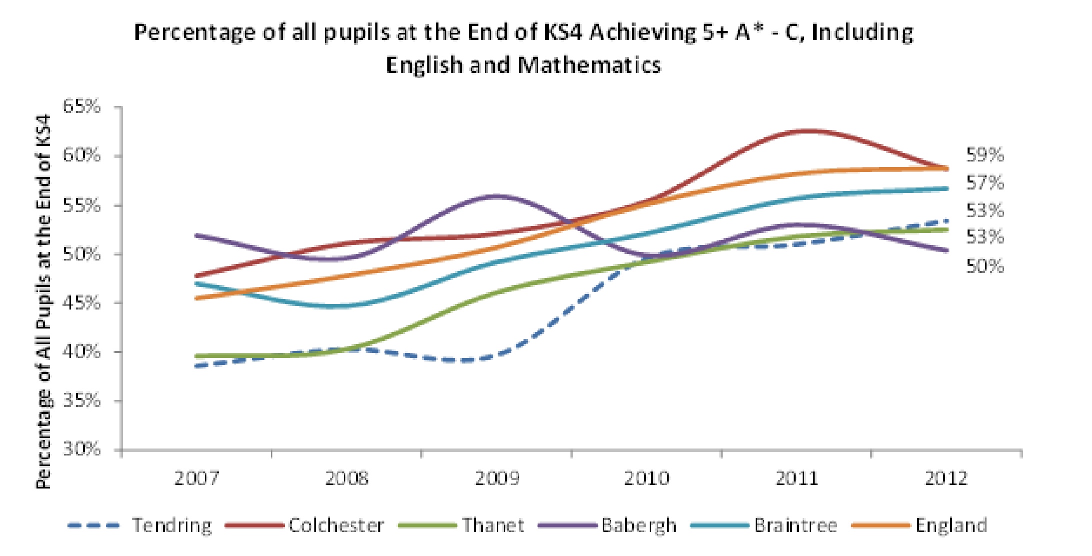
- Key Stage 2 (age 10-11) – the data below presents a time series of the proportion of students achieving a level 4+ in English and Maths at Key Stage 2. Since 2005 the proportion of pupils achieving these results has been lower than all comparator areas, with the exception of Thanet, and has remained so through to 2012. In 2012, 79% of students in Tendring achieved Level 4+ in Maths, 4 percentage points below the national average. In English 78% of pupils in Tendring achieved these results, which is 8 percentage points below the national average;

- GCSE (age 15-16) – whilst all comparator areas have shown significant improvement in the number of pupils achieving five or more A* - C on GCSE results since 2005, improvement in Tendring has been particularly strong. Since 2005 Tendring has improved from having below 40% of pupils achieving these results to about 53% in 2012. Despite this, performance is still below the national average and the averages for neighbouring areas, such as Colchester and Braintree.

Figure 6-11 Overview of Key Stage 2 Results in English (Top) and Mathematics (Middle) and GCSE Performance, including English and Maths (Bottom), 2004-12 (%)



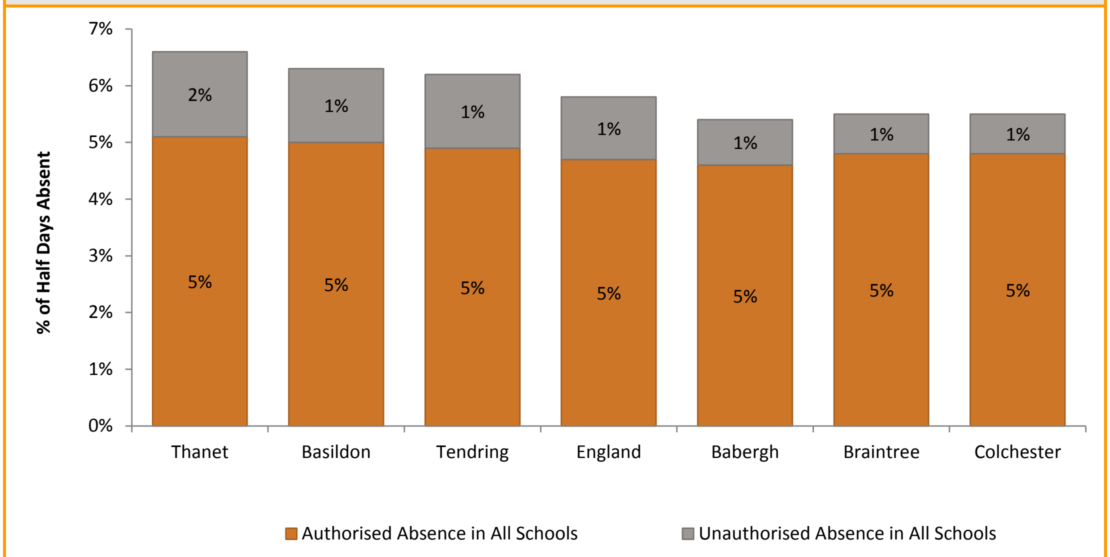




Source: Education in your area dataset, Department for Education, 2013

6.55 State school pupils resident in Tendring missed around 6% of all half school days in 2010/11 – a higher figure than in many of the surrounding areas.

Figure 6-12 Absence of Pupils by Area of Residence, 2010/11

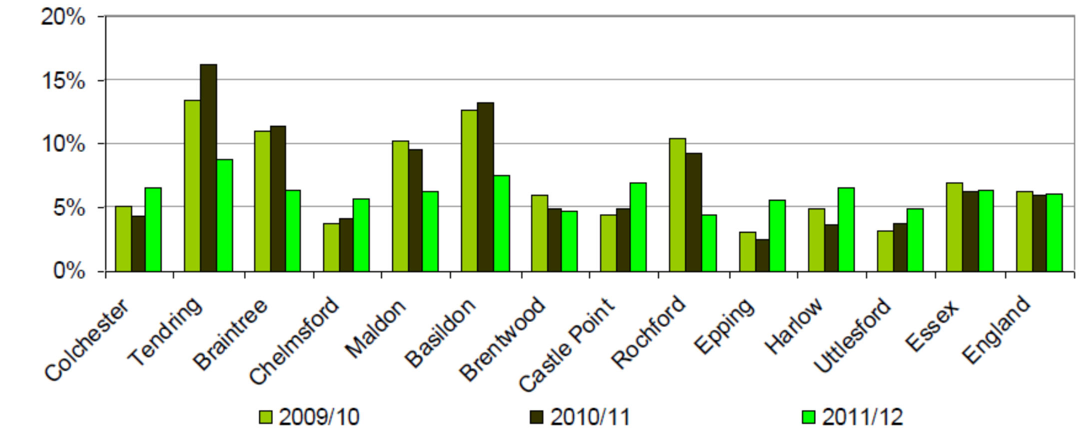


Source: Department for Education, 2013

Young People Aged 16-19 in Tendring

6.56 The percentage of 16 to 18 years olds in Tendring who are not in education, employment or training (NEET) has historically been above county and national averages. Whilst this remains the case, most recent data (2011/12) suggests that the rate has declined sharply and now stands at less than 10%.

Figure 6-13 Percentage of Young People 16-18 who are Not in Education Employment or Training, Three Month Average Nov-Jan



Note: These figures relate to 'known' NEETs only. There is always a relatively large group for whom no data exists

Source: Essex Insight, 2012

Progression to Higher Education for Residents of Tendring

6.57 In order to understand Tendring's skills base it is also important to understand the proportion of young people who progress to higher education. Data published by the Higher Education Funding Council for England tracks the proportion of young people who turn 18 that enter higher education. Over the period 2005-9, 24% of residents in Tendring who turned 18 entered higher education. This proportion is the lowest of all comparator areas and significantly below the national average (35%).

Table 6-10 Participation in higher education (HE) of young people who reached 18 between 2005-9

	Young HE entrants	Young population	Participation rate
Tendring	2,070	8,580	24%
Colchester	3,460	10,010	35%
Thanet	2,440	8,550	29%
Babergh	2,000	5,460	37%
Braintree	2,650	9,140	29%
East of England	119,800	354,720	34%
England	1,360,300	3,925,240	35%

Source: Higher Education Funding Council for England, 2010
Note: Young population is defined as those residents who turned 18 during the period 2005-9.

6.58 When interpreting this indicator it is important to consider the implications that it can have on the local economy. Although around 2,000 local residents entered higher education, the benefit to the local economy largely depends on whether these students return to the local area post completion. An influential factor in this case is the offer of jobs; residents are less likely to return to their local area (or new residents attracted) if there is a lack of jobs requiring higher education level skills.

Qualification Levels within the Adult Population

6.59 The level of resident qualification is a strong indication of the local population's skills base. Tendring performs relatively weakly in this respect.

6.60 Figure 6-14 shows the proportion of Tendring residents and the highest qualification they have achieved. Overall, Tendring has a greater proportion of residents with no qualifications (34%) compared to the wider areas of Essex (24%) and England (22%). Given this finding, it is not surprising that the proportion of residents with a level 4 qualification or higher is also lower; 10% of Tendring residents are qualified to this level compared to 23% in Essex and 27% nationally. This is likely to reflect a number of factors – including the relatively low rates of progression to HE amongst local residents and a lack of suitable jobs which attract HE students to live in Tendring post education.

6.61 At the local level within Tendring, resident qualifications vary:

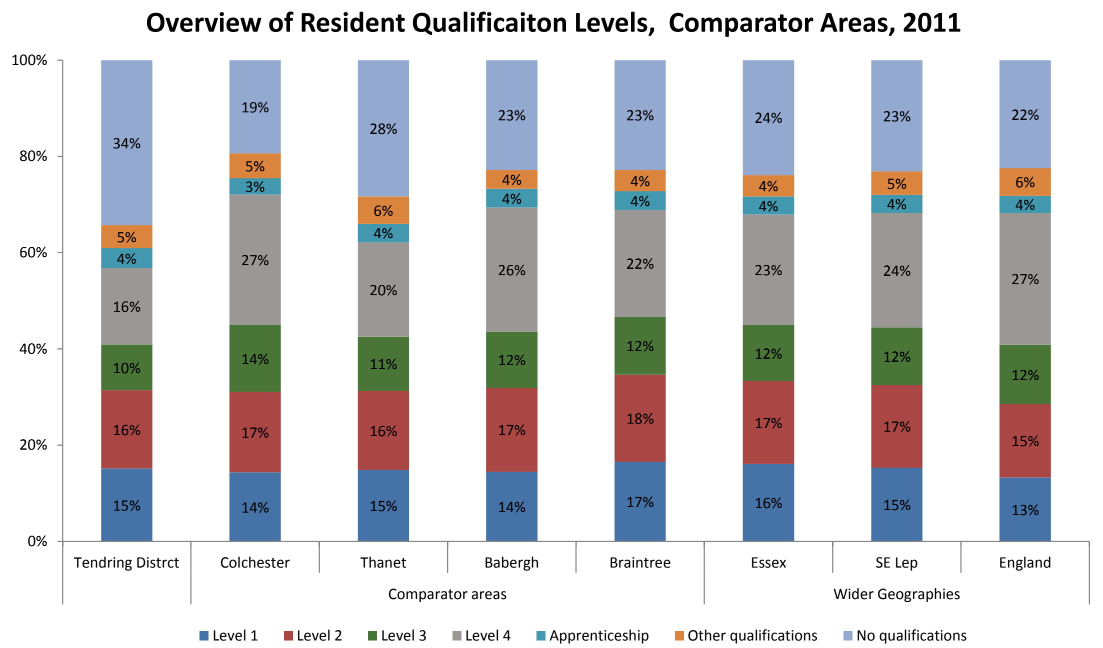
- Lower than average qualifications levels – compared to the district average, there are several areas with a larger proportion of residents with no qualifications. These include Clacton (40%) and Jaywick (55%). Clacton and Jaywick also have a lower than district average proportion of residents qualified to Level 4;

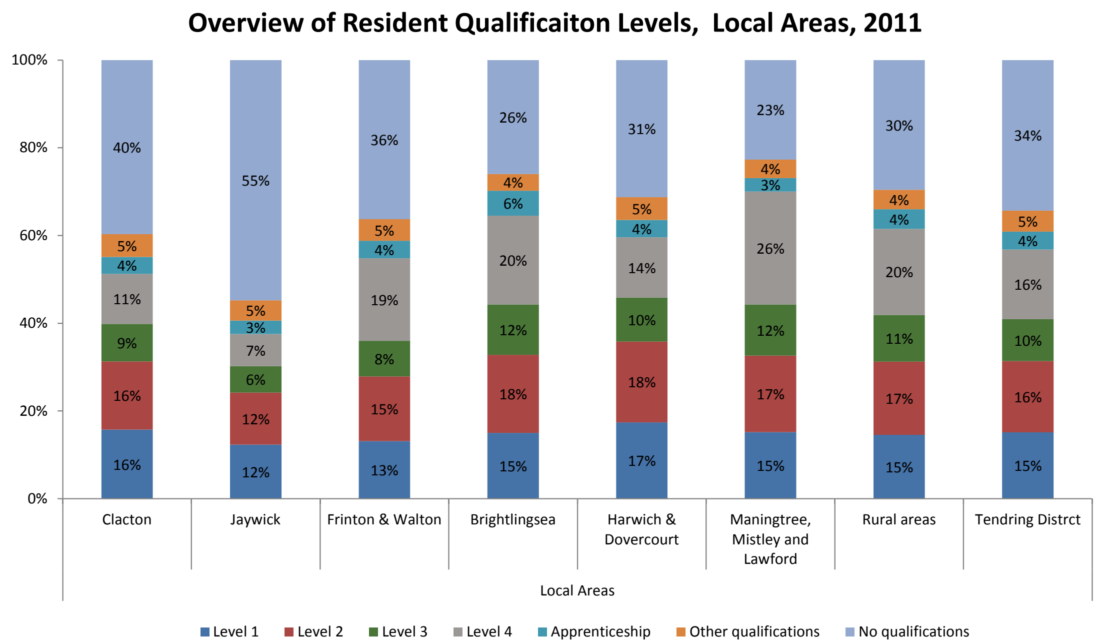
- Higher than average qualifications levels – Brightlingsea, Manningtree and Rural Areas perform more strongly, with lower than district average levels of residents with no qualifications and higher than average proportions with Level 4 qualifications;

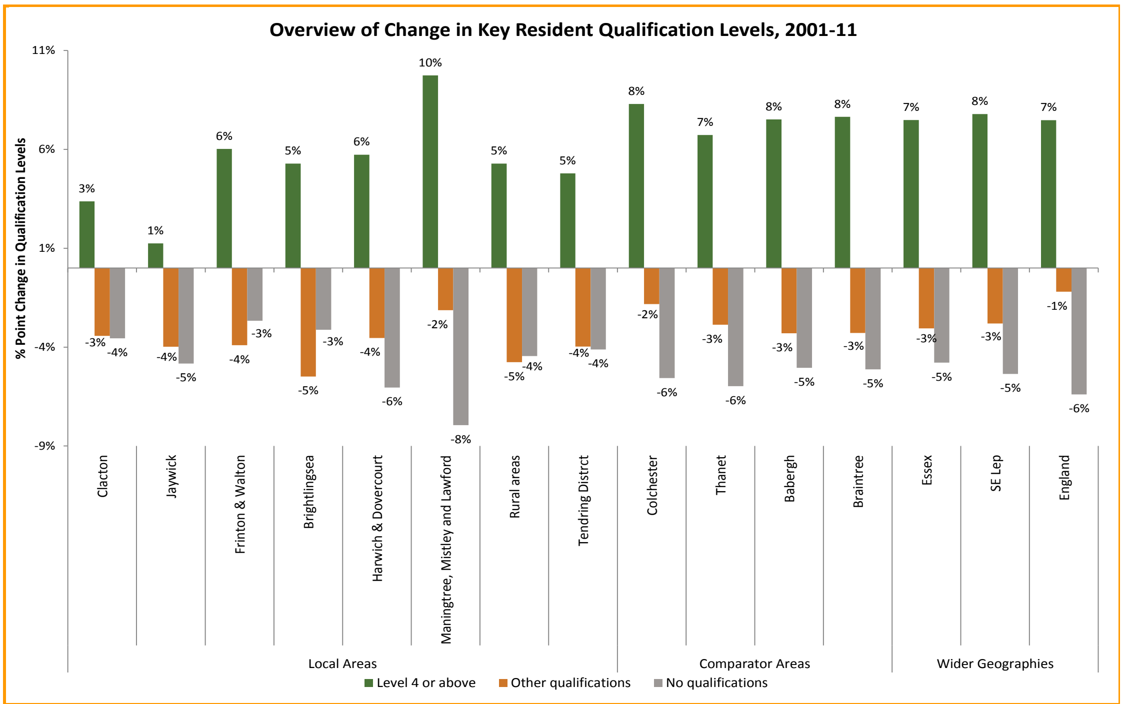
- Varied Performance – performance is more varied in Frinton and Walton and Harwich. In Frinton and Walton, a relatively high proportion of residents have no qualifications, but a higher than district average proportion have Level 4 qualifications. This might reflect the demographic characteristics of the town described earlier. In Harwich, the opposite is true, with a relatively low proportion of residents with no qualifications, but a lower than district average proportion with Level 4 qualifications. This could reflect the presence of the port locally, which is likely to depend upon workers qualified to more technical levels.

6.62 Since the time of the 2001 Census all areas of analysis have seen an increase in the proportion of residents qualified to level 4 or above. However, Tendring has performed below average in this respect (with a 5 percentage point increase against this indicator since 2001, compared to a 7 point increase in both Essex and England). Manningtree, Mistley, and Lawford is the local area which has experienced the greatest increase in this proportion, equal to 10 percentage points and above all comparator areas.

Figure 6-14 Resident Qualification Levels- Comparator Areas 2011 (Top), Local Areas 2011 (Middle), and Point Change 2001-11 (Bottom)







Source: Census 2001-11

Occupational Profile of Tendring Residents

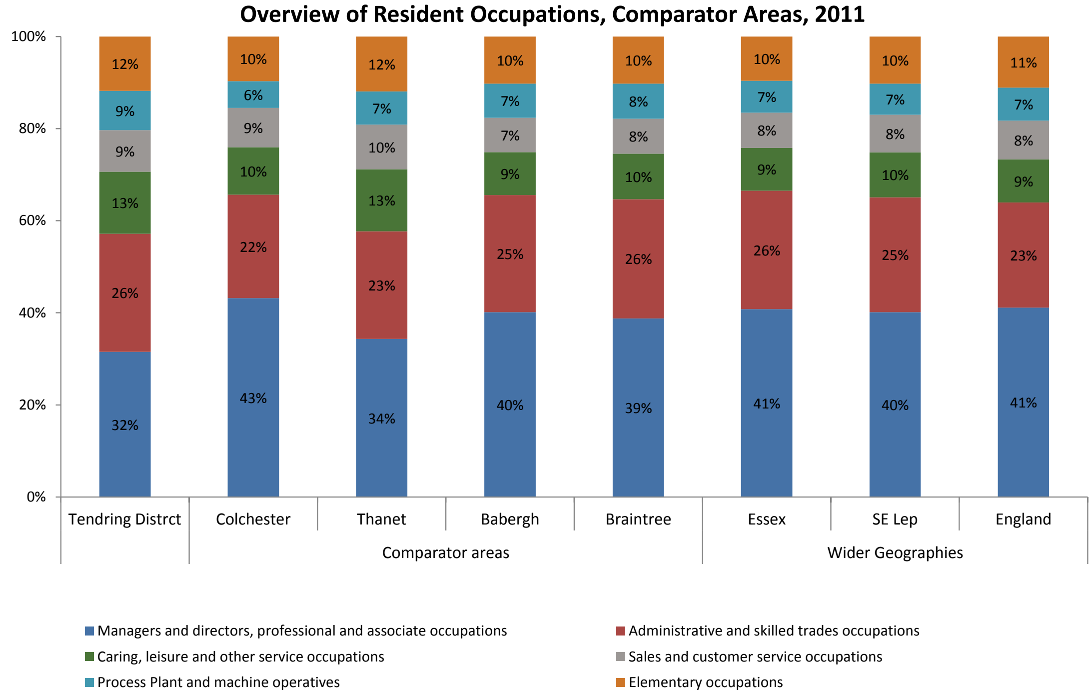
6.63 The profile of resident occupations provides a further indication of the skills levels of the local population and backs up much of the evidence described previously regarding Tendring's relatively weak skills base.

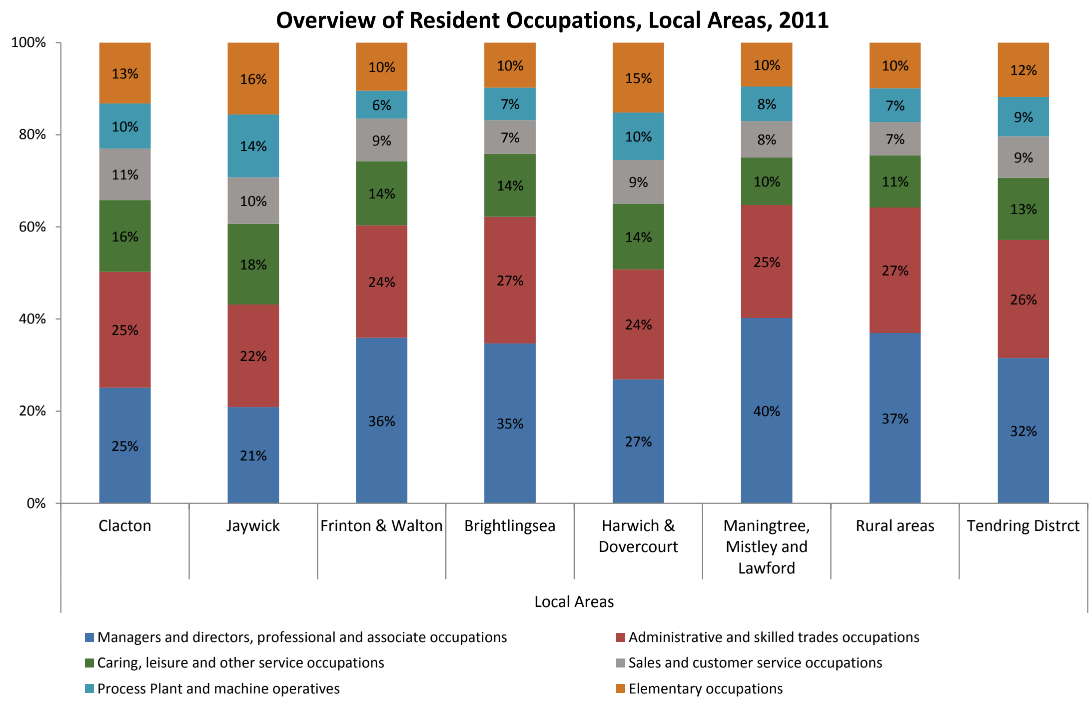
6.64 As there is a lower than average proportion of residents with higher qualifications in Tendring, it is unsurprising that there is also a smaller proportion of residents in manager, director, professional, and associate occupations (32%). This proportion is below Essex and England (41% each) as well as all comparator areas. Nevertheless, Tendring has a proportion of residents in caring, leisure, and other service related occupations (26%) which is above the national level (23%) and all comparator areas, with the exception of Braintree. This is likely to represent the high percentage of employment in the broad Retail and Health sectors, identified in previous chapters.

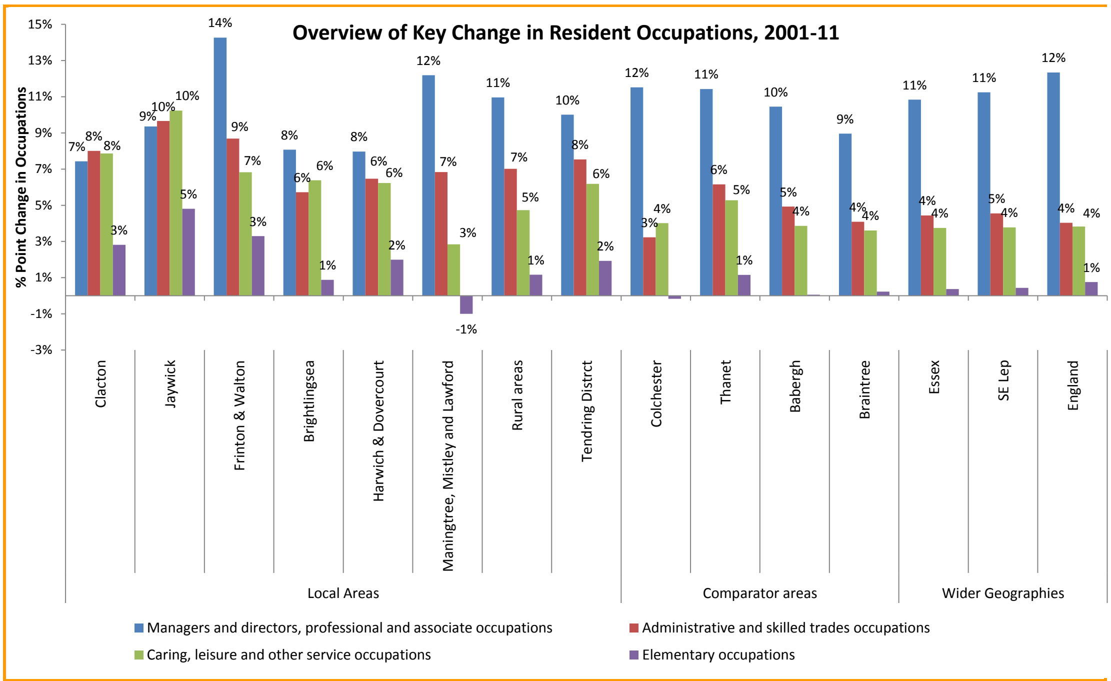
6.65 The occupational profile of residents at the local level in Tendring varies. Manningtree, Mistley, and Lawford has the largest proportion of residents in managerial and professional occupations (40%), while the lowest proportions are found in Jaywick (21%), Clacton (25%), and Harwich and Dovercourt (27%). There are also some local areas with a proportion of residents in the caring and leisure related occupations above the district level; these include Brightlingsea and the rural areas (27% each).

6.66 Since the time of the 2001 Census all areas of analysis have seen a significant increase in the proportion of residents in managerial and professional occupations. England saw a 12 percentage point increase, while Tendring experienced a 10 point increase over the same period. At the local level, Frinton and Walton saw the greatest point increase (14 points), while Clacton saw the least (7 point increase).

Figure 6-15 Resident Occupations- Comparator Areas 2011 (Top), Local Areas 2011 (Middle) and Point Change 2001-11 (Bottom)





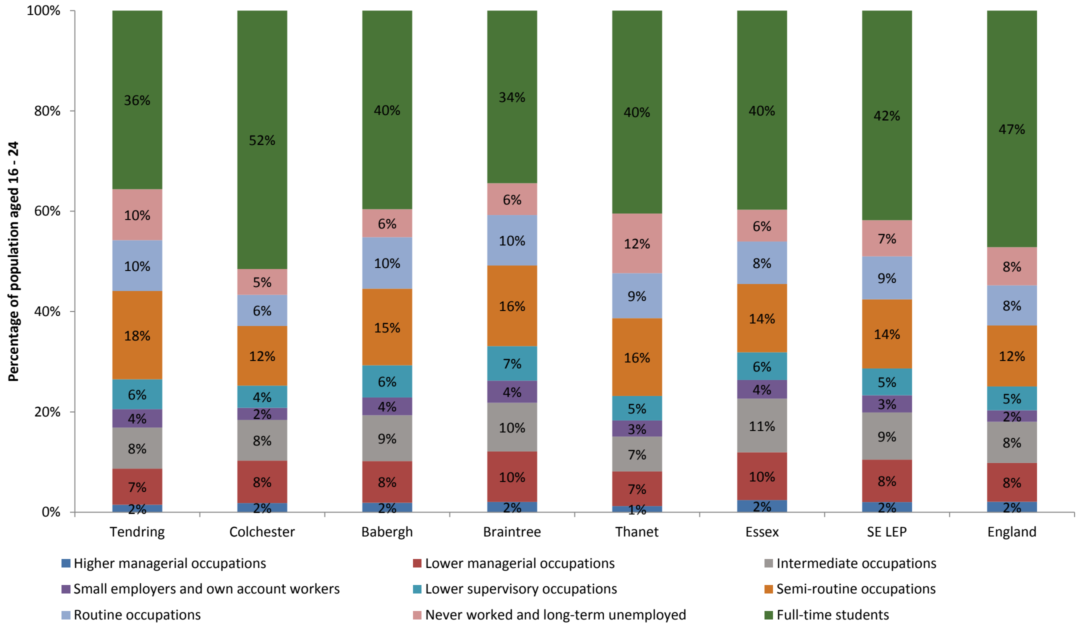


Source: Census 2001-11

6.67 While the above considered the occupational profile of the overall resident population, it is possible to apply this analysis to the specific age category of those residents aged 16 – 24. This sub-group is relevant to Tendring since only 9% of the population falls within the age bracket (less than the national average of 12%) and since these residents will likely contribute to the district's future labour supply.

6.68 Given the age of this particular demographic, it is not unusual that there are low proportions employed in professional and managerial occupations. However, a comparison across comparator areas of the percentage of full-time students reveals interesting findings. Only 36% of residents aged 16 – 24 in Tendring are enrolled as full-time students, compared to 47% nationally and 40% in Essex. All other comparator areas, with the exception of Braintree, also have a larger proportion of residents of this age in full-time employment. It is possible that this finding is connected to the lower than average proportion of highly qualified residents in Tendring, since a smaller proportion of young adults are pursuing higher education.

Figure 6-16 Occupation of population aged 16 – 24



Note: Apprenticeships are accounted for within employment / occupations

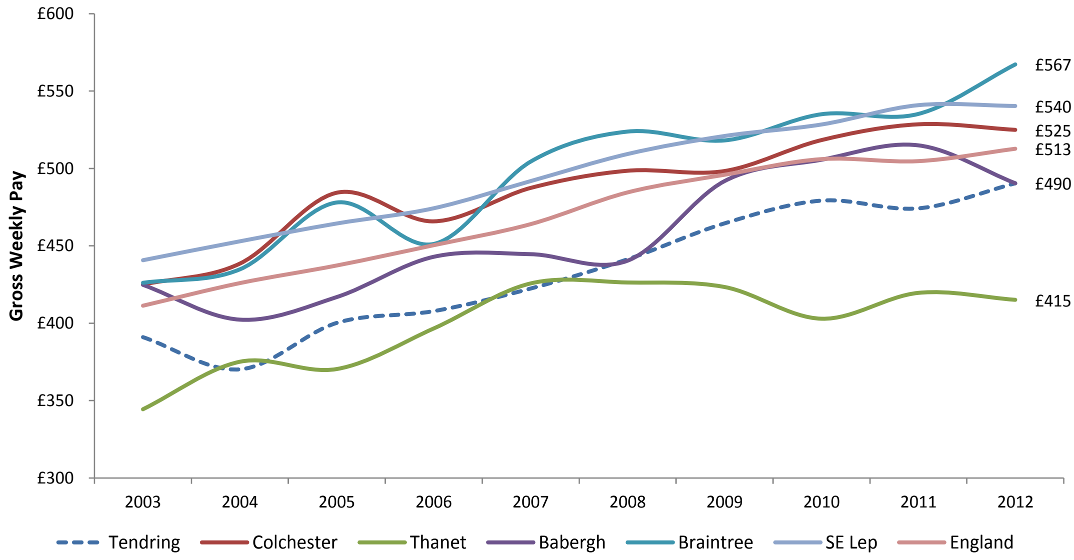
Source: Census, 2011

Earnings of Tendring Residents

6.69 Similar to the analysis on resident occupational profile, an analysis of resident earnings provides evidence on the skills profile of Tendring's residents.

6.70 Overall, people living in Tendring earn less than is average across all comparator areas, with the exception of Thanet. In 2012 the median gross weekly pay of a resident in Tendring was £490. Resident earnings in Tendring have risen steadily since 2003, as has been the case across the majority of comparator areas.

Figure 6-17 Median Gross Weekly Pay, Resident Analysis, 2003-12



Source: Annual Survey of Hours and Earnings, 2012

Skills Supply across Wider Functional Areas Exploring local variations in qualifications levels is helpful in drawing out the characteristics of the local population. However, as discussed earlier, in reality labour market dynamics are likely to play out over much larger areas.

6.71 Table 6-11 summarises the number of residents qualified to Level 4 or above within Tendring's local labour markets and wider functional geographies. The table highlights that, in theory, employers in Tendring have access to a large pool of highly qualified labour. However, the fact that qualification levels are higher in neighbouring areas than they are in Tendring means that a relatively large proportion of this pool of highly qualified labour lies outside of Tendring. This could represent a risk for Tendring going forward, in terms of the extent to which its residents are well placed to access emerging employment opportunities in the district which require higher qualifications levels.

Table 6-11 Residents qualified to Level 4+ in Tendring's FEAs, 2011

Business Location	Local Labour Market	Tendring Labour Market	FEA Labour Market
Clacton	11%	16%	23%
Harwich and Dovercourt	14%	16%	23%
Frinton and Walton	19%	16%	23%
Manningtree	26%	16%	25%
Brightlingsea	20%	16%	24%
Jaywick	7%	16%	23%
Tendring	16%	16%	24%

Source: Census 2011

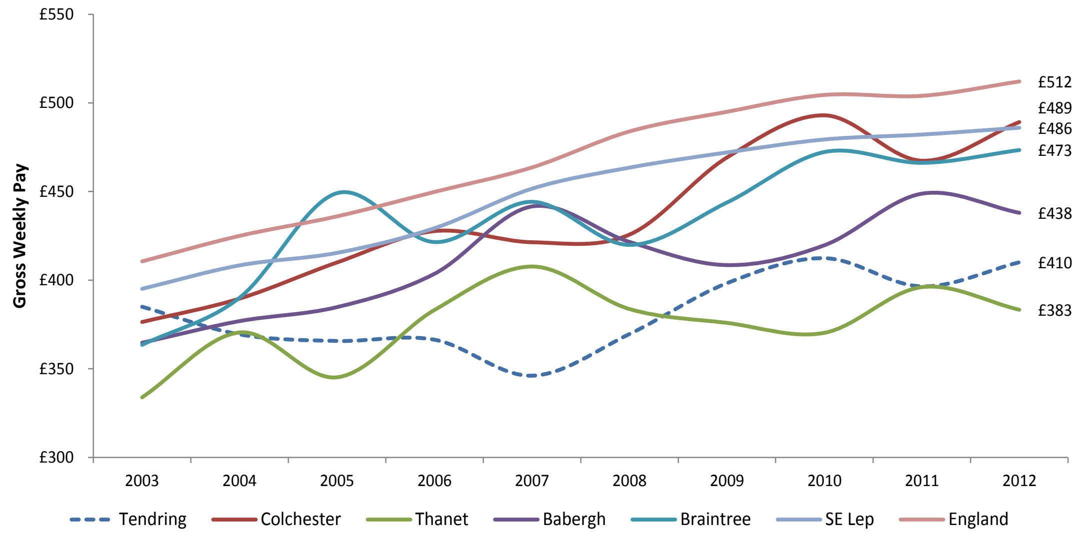
Skills Demand in Tendring

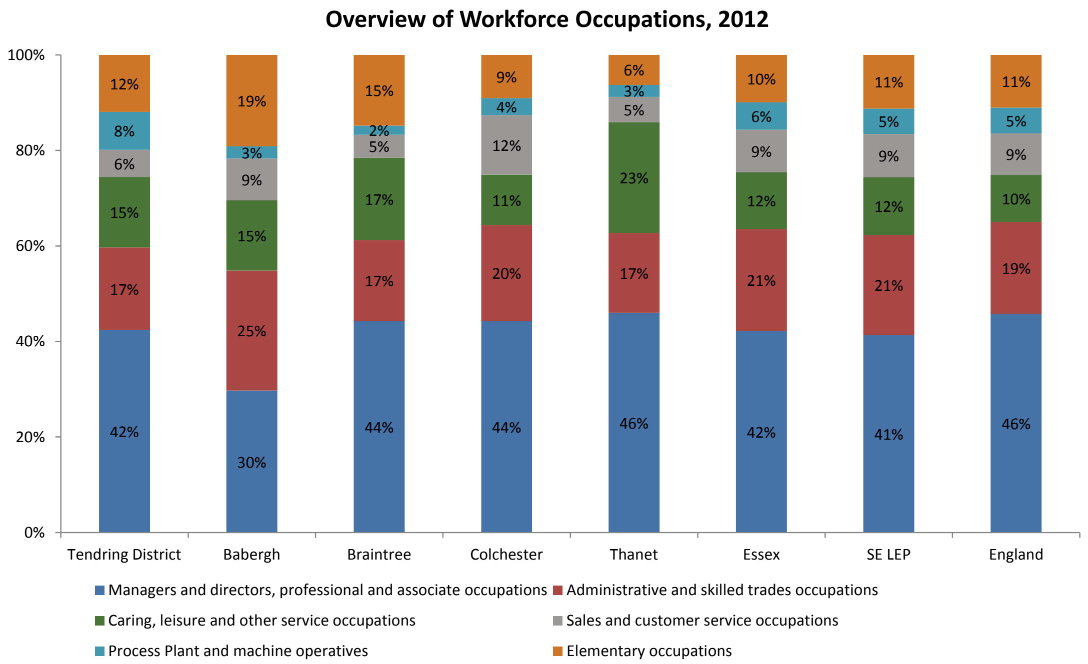
6.72 Previous chapters highlighted that the Tendring economy is characterised by concentrations of employment in public sector activities (especially health and education) and below average concentrations of employment in activities which would generally be seen as higher value added. As would be expected, this impacts upon the skills profile of the workforce population of Tendring.

6.73 Earnings (one broad indicator of skills levels) of those working in Tendring (on average £410 per week) are currently significantly lower than comparator areas (with the exception of Thanet). Over the last nine years, median gross workforce pay has also increased at a lower than average rate sub-regionally and nationally. The district also has a lower proportion of jobs which are seen as higher skilled jobs (managerial, professional and associate professional positions) compared to the national average. Despite this, performance is not dissimilar to many of the comparator areas and mirrors the average for Essex as a whole.

6.74 Overall, the workforce skills evidence reinforces previous findings regarding the concentration of lower value activities within the Tendring economy.

Figure 6-18 Workforce Occupations, 2012 (Top); Median Gross Weekly Pay, Workforce Analysis, 2003-12 (Bottom)





Source: Annual Population Survey, 2012; Annual Survey of Hours and Earnings, 2012

Balancing Skills Supply and Demand

6.75 In considering labour market dynamics, it is important to consider the relationship between the nature of skills supply in an area and the nature of demand for labour.

Workforce and Resident Employment

6.76 The previous evidence has suggested that skills levels are below average amongst both the Tendring resident population and the Tendring workforce. When the data is compared directly, it highlights some interesting disparities:

- On average, the occupational structure of jobs in Tendring has a greater proportion of higher skilled (managerial, professional and associate professional) occupations than the occupational structure of the resident population;

- Despite this, on average, average weekly earnings are significantly higher for Tendring residents than they are for people who work in Tendring.

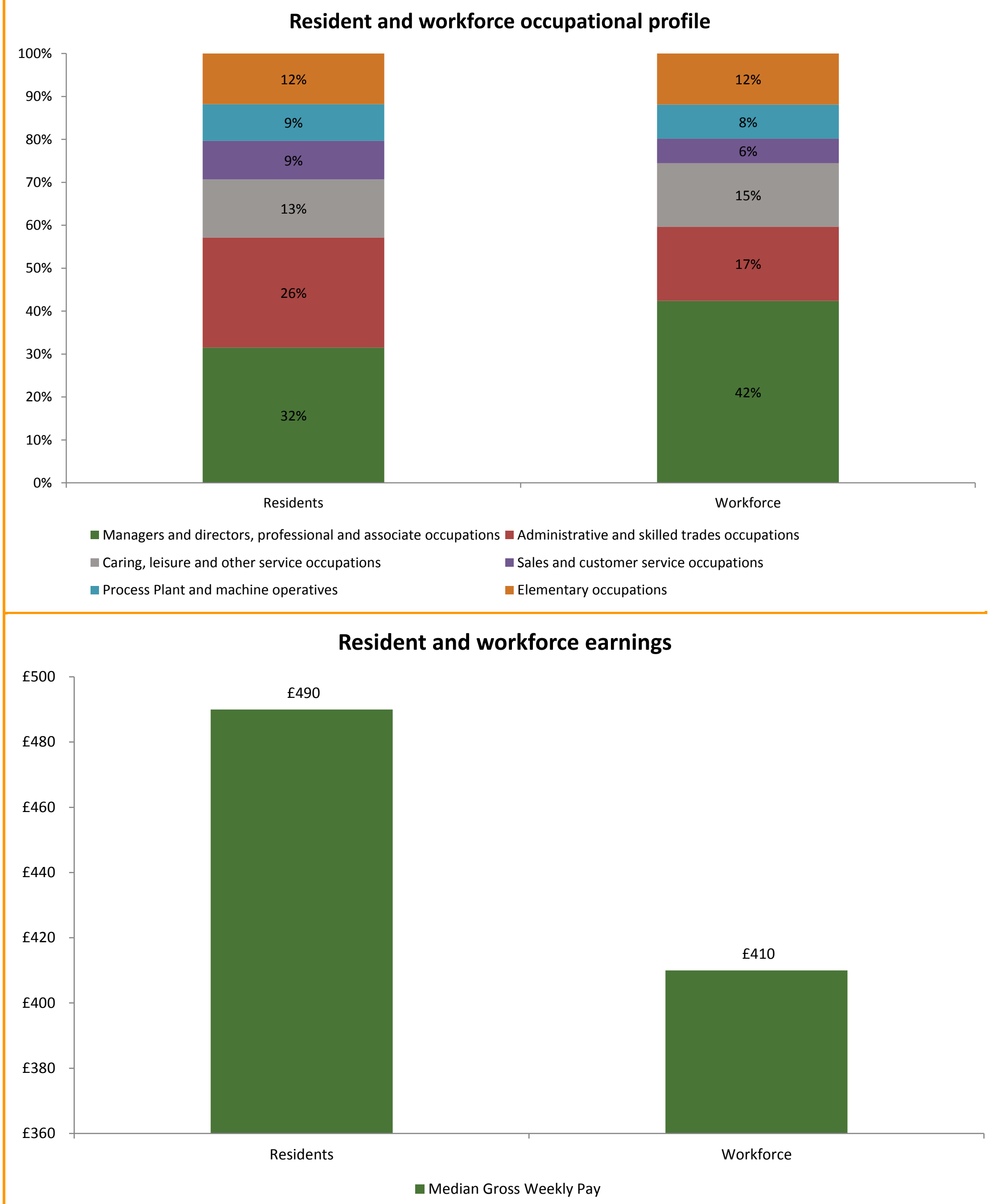
6.77 This seems to reinforce previous findings regarding the type of jobs on offer in Tendring – whilst there are opportunities for people to work in higher skilled occupations; jobs are concentrated in sectors which pay less well, such as health and care, and retail.

6.78 Despite this, the data suggests that there is currently a relatively large gap between the skills available in the Tendring population and the jobs available locally. This suggests two possible areas of future focus:

- Ensuring that local residents have the right skills to access local employment opportunities;

- Ensuring that local employment opportunities are attractive to local people – this might include attracting higher value adding activities which can help to reduce the earnings gap which currently exists between jobs in Tendring and other areas.

Figure 6-19 Demand for and Supply of Skills in Tendring, 2011



Source: Census 2011, Annual Survey of Hours and Earnings, 2012

Skills Gaps

6.79 Data compiled by the Centre for Economic and Social Inclusion highlights specific areas where skills gaps may exist in Tendring.

6.80 The data presented below shows the number of overall vacancies (skills demand) and the number of people trained for jobs within Tendring (skills supply). Calculating the ratio between these two variables allows for any skills mismatch to be identified:

- Analysis of the data for all sectors in Tendring reinforces the findings above that demand for skills is greater than supply. A ratio of total vacancies to skills achievement of 1.34 suggests that there are more vacancies than there are skilled workers;

- The mismatch is greatest for Land Based and Environmental Industries, where there are 20 vacancies for every skill achievement. The mismatch is also strong for Construction, and Hospitality, Leisure, Travel and Tourism;

- The mismatch is more severe when residents below the age of 19 are considered. For those under 19, there are almost nine vacancies for every one skilled worker. The Hospitality and Construction sectors are those with a particularly high mismatch when considering only residents under the age of 19.

Table 6-12 Tendring Skills Mismatch, 2010-11

	Notified JCP vacancies	Inclusion estimate of notified or advertised vacancies	All Ages		Under 19	
			Skills achievements	Vacancies per skills achievement	Skills achievements	Vacancies per skills achievement
Construction	267	267	100	2.67	50	5.34
Creative and Cultural	0	0	10	0.00	10	0.00
Hospitality, Leisure, Travel, and Tourism	33	63	40	1.57	10	6.29
Land based & Environmental Industries	24	204	10	20.40	0	0.00
Supporting Teaching & Learning in Schools	9	28	90	0.31	0	0.00
Total (all skills achievements including 'unknown' sector lead body)	6,229	6,229	4,660	1.34	700	8.90

Source: Centre for Economic and Social Inclusion, 2012

6.81 The results of the Tendring Business Survey found that a quarter (25%) of businesses have recruited new staff over the past 12 months. A fifth of these businesses (29 businesses) reported to have had experienced difficulties with recruitment. The type of jobs which have been the most difficult to fill have been the skilled ones.

6.82 Despite this, the Tendring business survey reported relatively high levels of satisfaction among local businesses regarding the local labour market. For all six of the skill sets rated (literacy, numeracy, IT, health & safety, customer service and technical/job-specific skills) all but a very small minority of businesses felt the skills set was satisfactory. This was an improvement from 2008.

6.83 Clearly, whilst there are some skills gaps within the local labour market, this does not affect all firms. When asked about the key advantages and disadvantages of being located in Tendring, 66% reported access to appropriately skilled labour as being an advantage, with access to labour a disadvantage for 34% of businesses.

Skills Provision in Tendring

6.84 There are a number of providers of education and training for residents over the age of 16 in Tendring. These are summarised below:

- Sixth Form – there are a number of 6th Form providers in Tendring for 16-18 year olds, including Clacton County High School, Clacton Coastal Academy, Colne Community College, Harwich and Dovercourt School, and Tendring Technology College. A number of Tendring residents also attend schools in Colchester – Colchester Sixth Form, Colchester Royal Grammar and Colchester County High School for Girls;

- Further Education – The main provider of further education in Tendring is Colchester Institute. However, consultation with Colchester Institute has suggested that demand for provision within Tendring is relatively weak, despite the relatively high proportion of young people who are classified as not in education, employment or training. The Colchester Institute has a number of delivery points within Tendring:

    - The Learning Centre at Clacton – provides classrooms, IT suites and salons for Hairdressing and Beauty Therapy, Business, Computing and Administration, general and continuing education. There is also a Construction Craft Centre providing specialist facilities for Plumbing and Electrical Installations;

    - The Learning Shop @ Dovercourt – online courses offered in Maths, English and IT, for older residents looking to return to education. Members of the public can also receive general information and advice on careers, courses and other academic issues;

    - Energy Skills Centre at Harwich – this opened in March 2013. Further education apprenticeship and training programmes in engineering and welding. Plan for up to 200-300 trainees per year, depending upon demand;

    - Outside Tendring – outside Tendring a full range of further education courses are provided at Colchester Institute's main campus in Colchester.

6.85 Higher Education – the University of Essex is located just to the west of Tendring. The university has an excellent reputation in both research and teaching. Perhaps of most relevance, regarding skills provision in Tendring is the focus that the University is places on engaging with relevant employers and encouraging students to take a year out in industry. This is a potentially powerful mechanism, with strong benefits for both the student and the business involved. Consultation with University of Essex has suggested that linkages with businesses in Tendring are currently relatively weak and that there is potential to build stronger linkages with relevant businesses in the future, if demand exists.

6.86 Training provided by employers is also an important mechanism to consider. The results of the Tendring Business Survey provide an overview of local trends in this respect:

- Only 68 businesses or 12% of the sample of businesses taking part in the survey employed apprentices and 101 businesses or 18% of the sample, offered work placements to local students or Job Centre Plus (JCP)/Work Programme (Ingeus/Seetec) clients. Among the businesses employing apprentices the average number currently employed is 1.32.

- Satisfaction is generally high among businesses which have employed apprentices with the placement process. Satisfaction was highest with 'Length of time' it took to agree placement/funding and 'Complexity of process' (with the implication that the process was not in fact very complicated in their experience).

- Among those businesses currently not employing apprentices, over half (56%) reported that they had no need to employ apprentices and thus nothing could be done to encourage them to employ apprentices. However, a fifth of businesses (22%) reported that they would like incentive payments for recruiting and training apprentices and a further fifth (21%) reported that a reduction in bureaucracy would encourage them to employ apprentices.

- The survey results indicate that more businesses would be willing to take on work placements if it was not for the bureaucracy involved. A third of businesses (33%) reported that 'Better guidance on regulatory requirements - bureaucracy is an issue' would encourage the hiring of work placements.

7. Living in Tendring

7.1 This section examines the living environment in Tendring, with particular focus on existing residential labour markets, possible scenarios for (and the implications of) residential housing market growth in the future and levels of quality of life in the district.

Key Messages – *evidence suggests that quality of life in Tendring is mixed. Whilst some areas are relatively prosperous, the district contains significant concentrations of relative multiple deprivation. There are challenges regarding the supply and affordability of housing locally. Different scenarios for future residential growth are likely to shape future levels of economic growth in the district:*

- **Relatively low earnings levels** – in 2012, median gross weekly pay for both residents and workers in Tendring was below regional and national comparator averages;
- **High levels of relative multiple deprivation** – overall, the highest levels of relative deprivation exist in and surrounding Jaywick (the most deprived locality nationally) and parts of Clacton, which are within the 10% most deprived in England;
- **Issues of Housing Affordability** – although house prices are generally low in Tendring, around 23% of all households in Tendring are theoretically unable to afford market accommodation of an appropriate size. It is estimated that 8% of households are living in unsuitable housing and there is a net need of 2,474 affordable dwellings per year;
- **Objectively assessed need for 686 residential units per annum to 2029** – based upon population and household projections the Tendring Strategic Housing Market Assessment (SHMA) suggests that there is an objectively assessed need for 685 homes per year in Tendring over the Local Plan period. This amounts to a total of around 10,300 units form 2014-2029. Levels of residential completions have been much lower than this in recent years (an average of 349 units per annum from 2006 and 2013), whilst the Draft Local Plan suggests a target of around 340 units per annum;
- **Importance of population growth to economic growth** – reflecting the characteristics of the local economy, future employment and economic growth in Tendring is likely to be linked to a large extent to population growth. We estimate that a lower housing target (340 dwelling per annum as suggested by the Draft Local Plan) would see 2,000 extra jobs created in Tendring to 2029, whereas a higher housing target (686 units per annum as suggested by the SHMA) would see 5,300 extra jobs created.

Quality of Life in Tendring

7.2 Quality of Life is closely linked to economic performance. Amongst other things, a high Quality of Life in a particular area has the potential to attract a highly skilled workforce and interest from investors. As a result, an area with a higher quality of life is likely to perform better economically than an area with a lower quality of life. Of course, quality of life is not just important economically – it is of fundamental importance to social wellbeing.

7.3 There is no set measure of Quality of Life. However, a picture of the Quality of Life in a specific location can be built up by examining a number of different indicators, including earnings, deprivation, housing and the physical environment. This section places focus on the former two of those indicators.

Earnings in Tendring

7.4 Earnings have been covered in the previous chapter. However, the key messages are summarised below. This highlights that for the earnings of people either working or living in

Tendring are lower than average:

- **People living in Tendring** earn on average £35 per week less than those living in Colchester, £70 per week less than those living across Essex, and £22 per week less than those living across England;

- **People working in Tendring** earn on average £79 per week less than those living in Colchester, £94 per week less than those living across Essex, and £102 per week less than those living across England.

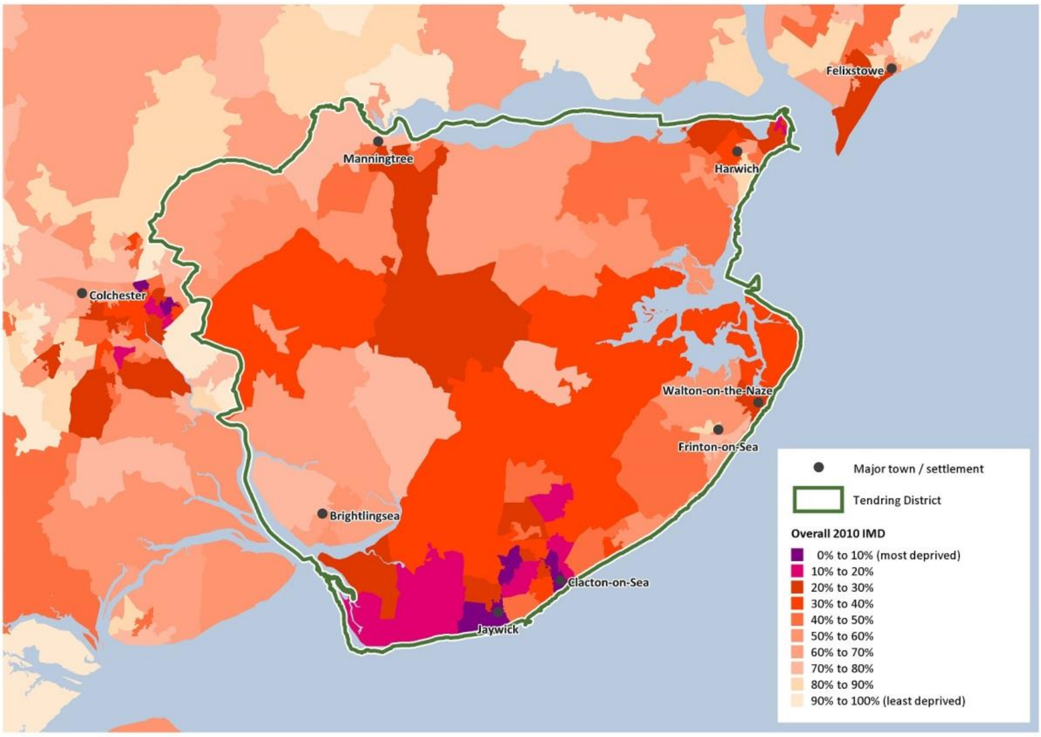
7.5 These relatively low earnings are likely to influence the lives of Tendring residents and workers in a number of ways, not least their position within the housing market and the disposable income that they are likely to have to spend in the local service sector (with implications for the local economy as a whole).

Deprivation in Tendring

7.6 The Index of Multiple Deprivation (IMD) is a composite indicator published by ONS, which benchmarks relative levels of deprivation at the local level across England. The 2010 index takes into account seven domains of deprivation: income deprivation; employment deprivation; health deprivation and disability; education deprivation; crime deprivation; barriers to housing and services deprivation; and living environment deprivation.

7.7 Figure 7-1 maps overall relative deprivation across Tendring, with the darker red shading representing a higher level of relative deprivation. This measure takes into account all seven deprivation domains. Pockets of severe relative multiple deprivation exist within Tendring. Overall, the highest levels of relative deprivation exist in and around Jaywick (the most deprived locality nationally) and parts of Clacton. There is also a higher level of relative deprivation in the centre of Tendring extending north towards Manningtree. Conversely, the lowest levels of relative deprivation are found in the west of the district, surrounding Brightlingsea and on the border with Colchester.

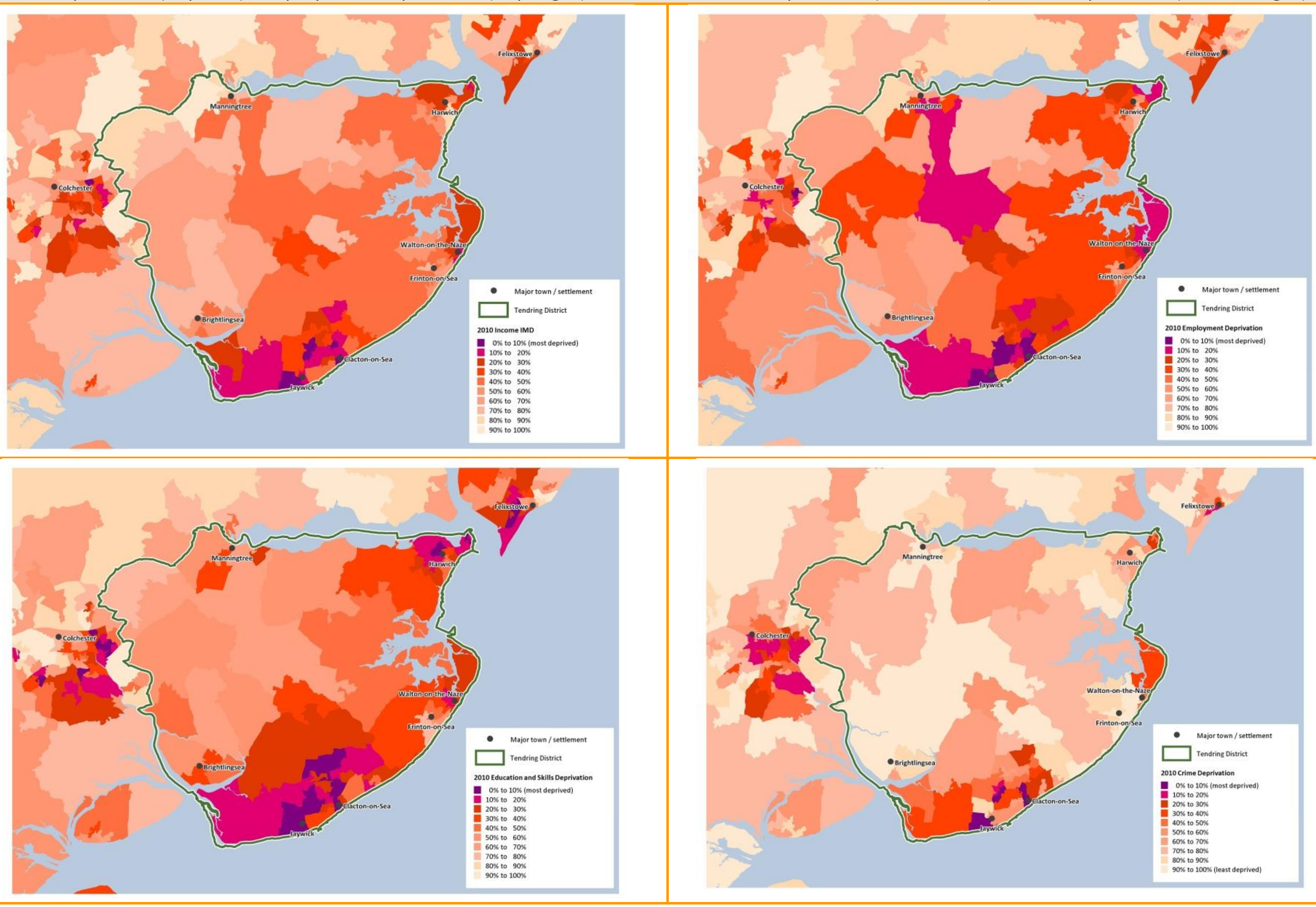
Figure 7-1 Overall Deprivation, 2010



Source: Regeneris Consulting using Department for Communities and Local Government (2010)

7.8 Levels of relative multiple deprivation for a number of the most important deprivation domains are mapped below. This highlights high levels of relative multiple deprivation in Jaywick and to a lesser extent Clacton in terms of income, employment, education and skills, and crime. Across all domains, relative multiple deprivation is generally highest along the Tendring coastal fringe. Whilst there is a concentration of employment deprivation in the centre of the district, this is not atypical for a rural area.

Income Deprivation (Top Left), Employment Deprivation (Top Right), Education & Skills Deprivation (Bottom Left), Crime Deprivation (Bottom Right)



Source: Regeneris Consulting using Department for Communities and Local Government (2010)

7.9 A higher than average incidence of child poverty is a challenge that Tendring faces. Data on the proportion of pupils who receive free school meals and their educational performance is one way to measure this. The most recent figures indicate that 11% of students in Tendring (181 pupils) receive free school meals. Whilst this is below the national average, it is higher than is average in neighbouring districts and across Essex. .

7.10 It is also useful to compare the performance of pupils who receive FSMs to average performance across all students. Within Tendring, about half of all students (51%) achieved five or more A* - C including English and Maths and Key Stage 4; for FSM recipients this figure was equal to just 26%. The performance of Tendring's students who receive FSMs is lower than the national level of 35% and below all comparator areas, with the exception of Babergh.

Table 7-1 Students receiving Free School Meals and Educational Performance, 2011

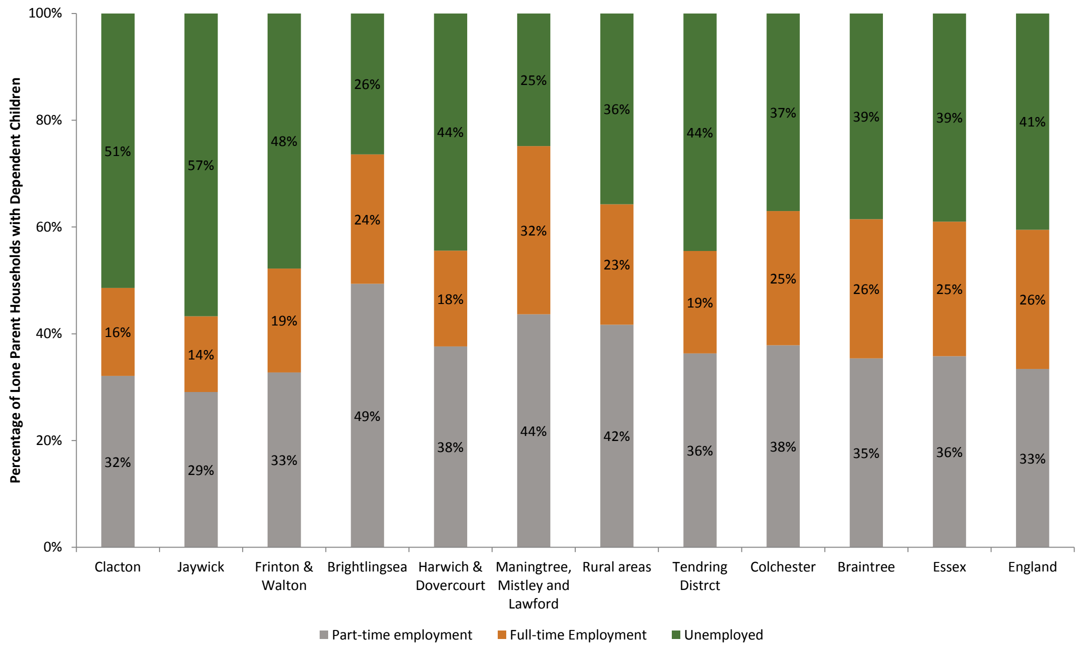
	Pupils receiving Free School Meals (FSMs)			Pupils at the End of KS4 Achieving 5+ A* - C Including English and Mathematics	
	Total	% of all pupils	Point change 07-11	% total pupils	% FSM recipients
Tendring District	181	11%	1%	51%	26%
Colchester	147	8%	2%	63%	34%
Thanet	217	14%	2%	52%	28%
Babergh	68	8%	2%	53%	18%
Braintree	117	7%	3%	56%	35%
England	79,153	14%	2%	58%	35%

Source: Neighbourhood Stats, Free School Meals, 2011

7.11 The Essex Local Economic Assessment acknowledges that child poverty is an issue in Tendring and indicates that the single most influential factor of childhood poverty is whether or not the parent(s) are economically active and in employment.

7.12 Data from the 2011 Census shows that in Tendring, 44% of lone parent households with dependent children are unemployed, compared to the national level of 41%. The local level analysis within Tendring reveals even greater disparities, particularly in the areas of Clacton, Jaywick, and Frinton and Walton where over half of all lone parent households with children are unemployed.

Figure 7-2 Economic Activity of Lone Parent Households with Dependent Children, 2011



Source: Census 2011

The Residential Housing Market

The Current Residential Market

7.13 The Draft Tendring Strategic Housing Market Assessment 2013[31] provides an overview of the local housing market, focusing on key constraints and areas of demand and need. **The following headlines are taken directly from the report**:

Existing Housing Market Characteristics

- **House Prices** – according to data from the Land Registry, the mean house price in Tendring in the third quarter of 2012 was £171,476. This is cheaper than Essex as a whole and England. Data shows that since the previous report prices have risen steadily and property sales have risen markedly.

- **Rental Prices** – an analysis of the gaps between each tenure shows that there is a very large income gap between the social rented sector and market rent. This indicates that intermediate housing priced within this gap could potentially be useful for a number of households in Tendring.

- **Housing Affordability** – some 22.6% of all households in Tendring are theoretically unable to afford market accommodation of an appropriate size at the present time. This compares to a figure of 21.5% in the 2009 report.

- **Housing Suitability** – a key element of housing need is an assessment of the suitability of a household's current housing. It is estimated that a total of 5,031 households are

[31] Draft Tendring Strategic Housing Market Assessment 2013, HDH Planning and Development

living in unsuitable housing. This represents 8.0% of all households in Tendring.

Affordable Housing Need

- The SHMA estimates a net need for 2,474 affordable dwellings per year in Tendring. A range of dwelling sizes are needed in the affordable sector. Very few households in need on the Register could afford Affordable Rent at 80% of the median market rent. The most practical level to set Affordable Rent to meet substantial need is at 65 or 70%.

Overall Housing Demand

- The NPPF requires each Council to assess the need for housing. Based upon population and household projections, the SHMA suggests that there is an objectively assessed need for 685 homes per year in Tendring over the Local Plan period. This amounts to a total of around 10,300 units form 2014-2029.

Scenarios for Future Housing Growth and Implications for Economic Growth

7.14 There are a number of scenarios for future housing development in Tendring. These include:

- **Continuation of past trends** – between 2006 and 2013 (the period for which Tendring DC evidence is available); around 2,440 units have been delivered. This represents an average of 349 units per annum. Over the 15 year plan period (2014-2029), continuation of this rate would see 5,228 units delivered;

- **Development in line with SHMA demand projections** – as discussed above, based upon a range of evidence, including latest population projections, the draft Tendring SHMA states an objectively assessed need of 686 units per annum for the period 2014-2029. This would see 10,294 units delivered;

  Furthermore, the most recent position taken by Tendring DC is set out in a Cabinet report This confirms an aspiration to deliver just over 5,600 homes over 15 years (approximately 375 per annum)."

- **Development in line with Draft Local Plan Targets** – the Draft Tendring Local Plan sets a draft target of 375 units per annum (as of October 2013). This target has been formulated using evidence from SHMA but also the Strategic Housing Land Availability Assessment (SHLAA), which explores how much housing can realistically be delivered within an allotted time period. This target would see around 5,600 units delivered between 2014 and 2029.

Table 7-2 Tendring Housing Development Scenarios, 2014-2029

	Units Per Annum	Total Units Delivered Over Plan Period
Continuation of Past Development Trends	349	5,228
Objectively Assessed Demand – SHMA	686	10,293
Draft Local Plan Target (based upon SHLAA)	375	5,600

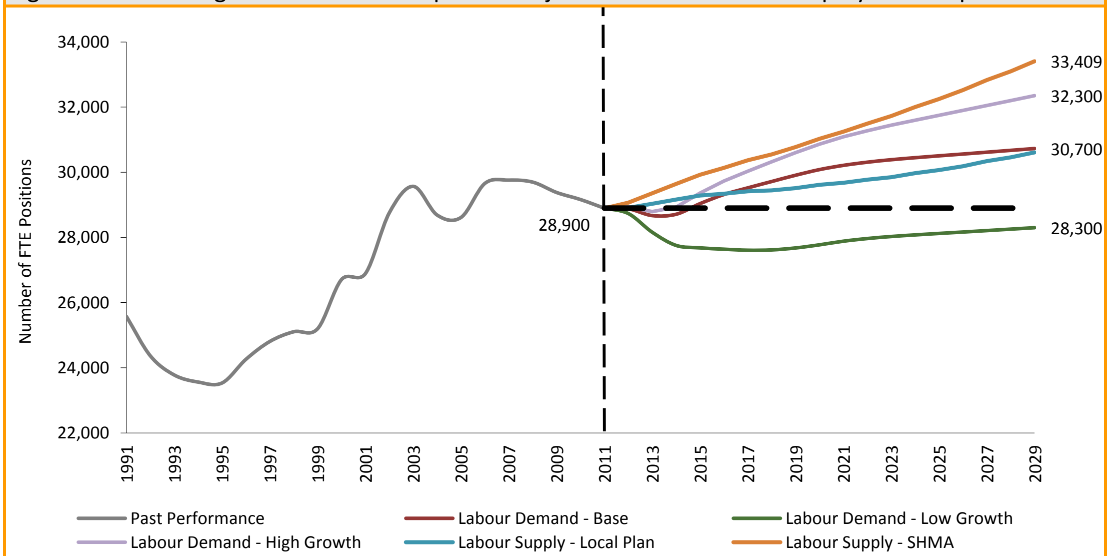
Source: Regeneris Consulting based upon Tendring DC Evidence Base

7.15 These different trajectories have the potential to have significant implications for future economic growth in the Tendring. After making evidence based assumptions regarding headship rates (i.e. the number of people living in each property), the size of the population aged 16+, local economic activity rates and levels of out commuting, we have estimated the number of additional jobs in Tendring that these growth trajectories could result in:

- The Local Plan Housing Target – this would see 5,100 units delivered in the period to 2029, which we estimate could support up to 2,000 extra jobs in Tendring;
- The SHMA Housing Target – this would see 10,300 units delivered in the period to 2029, which we estimate could support up to 5,300 extra jobs in Tendring.

7.16 As highlighted by Figure 7-3, the SHMA Housing Target would result in levels of economic growth comparable to the High Growth Scenario set out in the East of England Forecasting Model. Conversely, the Local Plan Housing Target would result in levels of economic growth comparable to the Base Scenario set out in the East of England Forecasting Model.

Figure 7-3: Tendring Residential Development Trajectories 2014-2029 – Employment Implications



Source: Regeneris Consulting, 2013

8. The Commercial Property Market

8.1 This section reviews the commercial property market in Tendring, with a focus on B Class Uses (Business, General Industrial, Storage and Distribution). The analysis has been undertaken by Montagu Evans as part of the Tendring Employment Land Review process.

8.2 It explores the dynamics of the district's employment space property market, and particularly where there is likely to be demand for those uses, or potential gaps in supply. It focuses on the key employment sectors: offices (B1) and industrial (B2) and storage and distribution (B8) market sectors.

8.3 The property market review relies on existing evidence supplied by the Council, supplemented by additional research and information drawn from a range of property data resources such as CoStar Focus, EGi and Promis. The analysis is also strengthened through discussions with local agents. Even allowing for extensive research, it recognised that there is limited available market data for Tendring for these specific uses, and this is normally associated with a low level of market activity.

8.4 The key points from this analysis are summarised below:

Key Messages – *overall, the commercial property market in Tendring has performed relatively weakly in recent years, with low levels of completions largely reflecting low levels of demand:*

- **Low levels of demand for employment floorspace across the UK in recent years** – the recent malaise in the UK economy has impacted on the general demand for employment floorspace. There are however some signs that increased activity may return during 2013 and thereafter;
- **Geography limits appeal of Tendring to employers** –Tendring District is a somewhat peripheral location. Whilst there are reasonable road and rail communications, this limits its appeal to certain employers;
- **Clacton and Harwich are at the heart of the district's commercial property markets** – Clacton and Harwich are the district's key urban areas, and have the most office and industrial property market activity;
- **Harwich Port is a very important economic driver for the district –** if the development of the proposed Bathside Bay container port proceeds, this would be expected to increase the town and district's economic importance and performance considerably;
- **Industrial and distribution activities are considered to be a stronger driver for the district's economy than offices** – according to 2009 figures there was a total of 555,000 sq. ft. (51,561 sq. m) of office, industrial and warehouse floorspace in Tendring. This is a fairly modest figure. In particular, the total office stock is very low (albeit the district did see a 15% increase in office floorspace between 1998 – 2008);
- **There are commercial property quality issues** – much of Tendring's employment stock is second hand and poor quality. This is particularly the case for offices;
- **Levels of take up for office space are low** – with limited demand, take-up for office accommodation in Tendring is low. Deals are normally from existing indigenous, small companies looking for alternative premises. Demand for office space is typically for small units of c.0 sq. ft. – 1,500 sq. ft. (0 sq. m – 139.35 sq. m);
- **Industrial accommodation take up levels are higher –** demand for industrial accommodation is normally for requirements of 1,000 sq. ft. – 4,500 sq. ft. Occupiers are generally small companies looking for premises or larger companies looking to downsize in Clacton and Harwich.

UK Commercial Property Market Overview

8.5 The UK real estate market has fared poorly in recent years due to the effects of the recession, which significantly affected the UK's economy. Forecasts now point toward the UK economy having a fragile and weak recovery, with 2013 anticipated to show stronger prospects. There are however risks which might suppress this recovery, such as higher interest rates or the lack of expansion amongst private sector UK businesses - thus muting tenant demand and rental growth.

Regional Trends

Office

8.6 As a general rule office locations outside London have fared poorly in recent years. Investors presently consider such locations as much riskier propositions and have shied away from funding developments. In Tendring, there is no notable office development activity. Indeed, even with a stronger regional economy, Tendring would still be likely to be considered as a tertiary office location. For more peripheral locations like Tendring, low office development activity is largely linked to reasons of low demand and therefore viability. Across many parts of the UK, office values generally sit below build costs. Thus, there is little or no incentive for commercially driven office development to take place in Tendring, save perhaps for location specific reasons.

8.7 Tendring is part of Essex, a county which borders London and offers access to the main motorway network. Generally, the areas around the periphery of Greater London have seen office take-up fall in recent years. Take-up in Essex is estimated at 310,000 sq. ft. in 2012 (Source: Agents, 2013), a fall of around 10% on the preceding year. Office take up in Essex is mostly linked to several larger towns and cities in the County; Colchester, Chelmsford and Basildon. In the second half of 2012, office lettings were mainly for premises below 10,000 sq. ft. (929 sq. m). While office availability has remained fairly steady in the county over the last five years or so, there is a much higher level of poorer, secondary space now on the market at around 15% of total available stock (Glenny 2013).

8.8 To provide some context to the Essex office market, prime office rents are outlined below. While the headline office rents are reasonably strong for Essex, this represents prime rents in Chelmsford. In Tendring office rental levels are far lower (see later discussion).

Figure 8-1 Grade A Prime Office Rents psf (Q1 2013)

Source: Various Agents, 2013

Industrial and Distribution

8.9 At a UK wide level, take-up for UK industrial and logistics floorspace totalled 75.3 million sq. ft. in 2012, representing a fall of 22% compared to 2011 figures. This fall has principally been put down to a shortage in good quality accommodation available, together with tough economic conditions. Demand for industrial and logistics space is expected in increase in 2013 in line with the economy gradually strengthening.

8.10 The South East recorded total take-up of industrial and logistics space at around 13.0 million sq. ft. in 2012, down 31% on 2011 figures. Despite this, the Essex industrial market showed prominent signs of activity, with take-up being 11% above the long run average (Glenny, 2013). Much of the take-up is focussed on older stock, with a constrained supply of new, modern premises. There is also a growing trend of more, poorer second hand stock being available on the market.

8.11 In the South East market generally, take-up for units between 1,000 sq. ft. (93 sq. m) to 99,999 sq. ft. (9,290 sq. m) has increased on 2011 figures by 24%. The demand for very large units has decreased. Total availability of industrial and logistics stock is falling too. In part, this reflects the fact that there is little speculative development being rolled out nationally. By way of example, in February 2013 there was a mere 744,000 sq. ft. (69,120 sq. m) of speculative industrial accommodation under construction in the UK. To reduce risk, developers are bringing new stock to the market on a pre-let basis. This current trend of securing pre-lets currently affects almost all locations, including Tendring.

8.12 The South East and London attract most of the investor demand for multi-let estates. At the beginning of March 2013 prime yields for multi-let estates stood at 7.25% in some major regional markets. For Tendring however, yields will typically be much weaker as the stock is secondary in nature, and is not in a prime logistics location, such as Lakeside / Dartford, Heathrow and Central Midlands.

8.13 As regional context the headline industrial rental levels for key areas in the south east are illustrated. There has been evidence of an increase in rents, including for Essex which showed prime rents at £8.25psf (£88.80 psm). As with the Office sector, these rates are headline, prime rents - and are achieved in those areas which offer very good and direct access to the motorway network, particularly the M25 (in the case of Essex, then Lakeside / Dartford). Tendring's more peripheral location means the district does not offer these key accessibility characteristics. Consequently, rents for industrial and logistics space in Tendring will be lower.

Figure 8-2 Prime Industrial Rents psf (Q1 2013)

Source: Various Agents, 2013

Tendring District

8.14 The geographic characteristics of the area, particularly its peripheral location means that Tendring does not lie in a particularly strategic location for employment purposes. There is perhaps one exception to this – Harwich Port, one of the UK's leading passenger and freight terminals. The proposed Bathside Bay development in Harwich is a multi-million pound port project which could see the town's marine related activity substantially increase. The major towns of Clacton and Harwich have a strong bearing on employment needs in Tendring.

8.15 Clacton is the biggest urban area and largest town in Tendring. Clacton benefits from reasonable road communications, situated at the southern end of the A133. Its town centre and adjoining seafront combined are acknowledged to provide the largest cluster of economic activity within the district (Tendring District Local Plan, Proposed Submission Draft, November 2012). Clacton has - and continues to be - faced by economic challenges over a number of decades: lower than average incomes, higher than average unemployment and concentration of deprived areas. B class employment sites are mostly either located at the town's northern fringe or in a central, town centre location.

8.16 Harwich (including Dovercourt), is Tendring's second largest urban area. The centre benefits from good road infrastructure, being located at the eastern end of the A120. Harwich is considered to form an important 'Gateway to Europe', albeit the area is faced by environmental challenges, such as flood risk. Port related employment activities are strung out along the northern edge of the town.

8.17 The settlements of Frinton, Walton and Kirby Cross are smaller settlements largely hugging Tendring's southern coastline. These settlements have a limited number of established employment sites partly reflecting their lessor role in Tendring's economy. For example, in 2011, manufacturing within these areas represented only 5% of all jobs (Tendring District Local Plan, Proposed Submission Draft, November 2012).

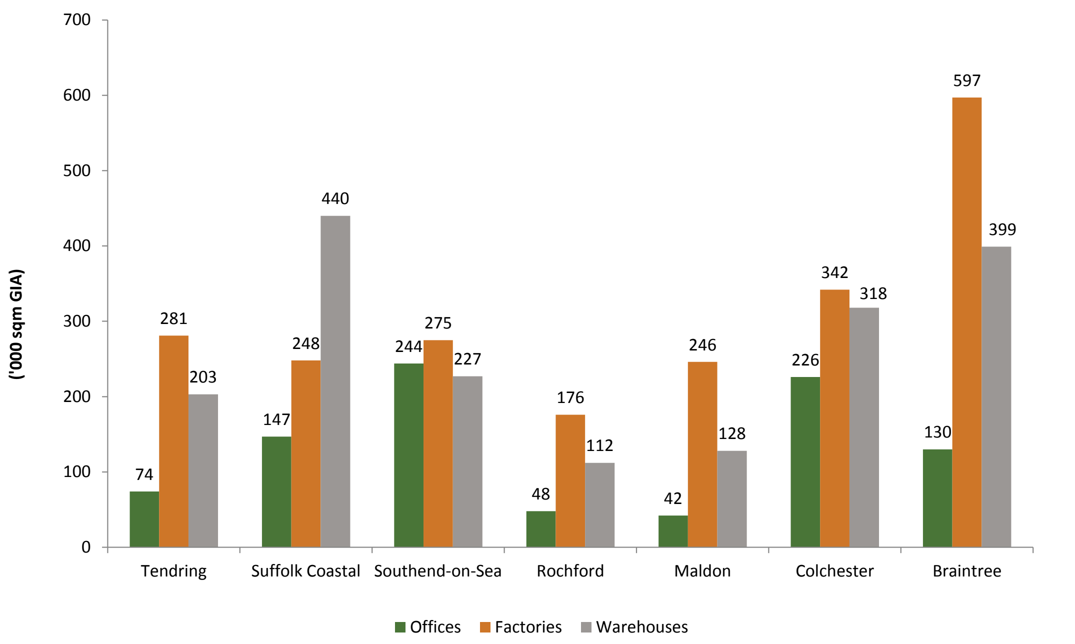
8.18 Manningtree, Lawford and Mistley are located in the north of the district. Historically, Manningtree and Mistley were developed as ports. The small coastal town of Brightlingsea lies in the west of the district. It suffers from poor road and public transport connections, with no railway links. Other key rural centres in the district include Almstead, Alresford, Little Clacton, Great Bentley, St. Osyth/Point Clear, Weeley/Weeley Heath and Thorpe-le-Soken.

Employment Property Stock

8.19 Overall, there is a modest amount of commercial employment floorspace in Tendring District, with a total supply of 555,000 sq. m (5,97m sq. ft.) of office, industrial and warehouse accommodation as at 2008. Figure 8-3 breaks down the proportion of B-class employment floorspace in Tendring and compares this to a number of surrounding districts. This shows that there is 74,000 sq. m office stock, 281,000 sq. m of factories and 203,000 sq. m warehouse stock.

8.20 Tendring's total supply is modest in comparison to neighbouring authorities such as Babergh (718,000 sq. m / 7.7m sq. ft.) and the Suffolk Coastal District (1,040,000 sq. m / 11.1m sq. ft. [NB while these 2008 figures are a little out of date now, they are likely to be largely consistent with the figures today, given that there has probably been muted development activity since then]. The table also shows Tendring to have low levels of office space compared to other nearby authorities, with a stronger representation in factories and warehousing.

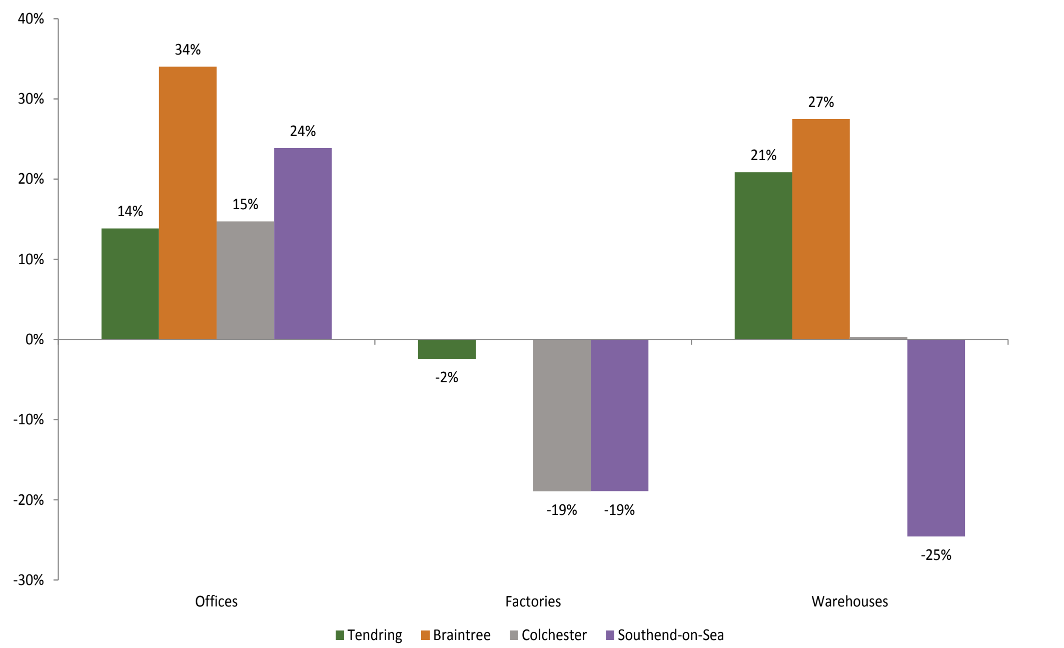
Figure 8-3 Composition of Commercial Floorspace in Tendring



Source VOA: 2008 data.

8.21 An analysis of changes in employment floorspace over 1998-2008 is also considered for a number of key localities. Tendring saw an overall 15.63% increase in office floorspace in this period, albeit from a very modest base. Generally, the district saw growth in the Office and Warehousing sector, with a small decline in the Manufacturing sector – a familiar trend across the UK.

Figure 8-4 Net Changes in Employment Floorspace (1998-2008)



Source VOA: 1998 - 2008

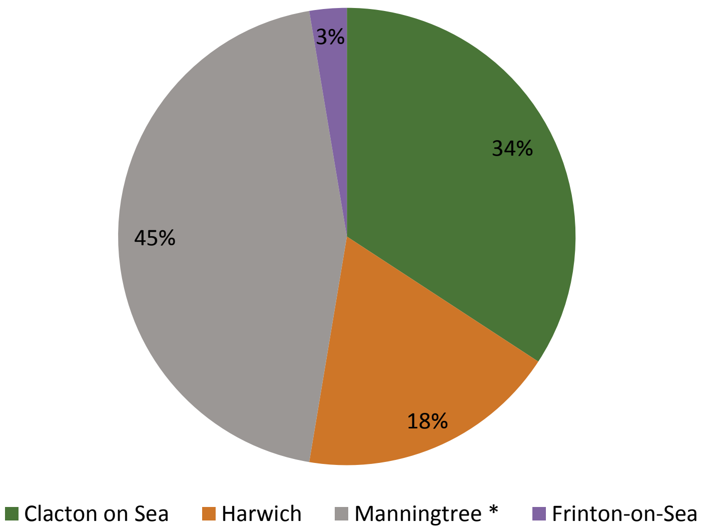
Office Market

8.22 Take-up for office accommodation in Tendring is low, with few deals being recorded annually. Transactions are normally as a result of small local companies looking for alternative premises. The nature of demand is consistent with the business profile; 75% of all companies within the district employ fewer than five staff.

8.23 Our discussions with local property agents reaffirm the general view that the office market in Tendring is very limited in scope and demand. Many office properties lie vacant for a considerable period. We assume that deals are almost entirely for second hand stock, given that there is very little new office stock in the district. This view is echoed in the previous Employment Land Review (2009), which stated that the stock was generally low quality, poorly configured accommodation.

8.24 The number of deals for office space in Tendring in the past 5 years is summarised in Figure 8-5. Deals have been collated from CoStar Focus and EGi commercial databases. Recorded deals vary in type and include transactions such as lettings, sales, and auctions. Clearly, a cautionary note must be placed with this high level review as these databases may not record all transactions.

Figure 8-5 Office Deals 2008-2013



Source: CoStart Focus and EGi
Base: 38

8.25 Perhaps unsurprisingly, office deal activity is higher in Clacton, Manningtree and Harwich: the district's largest centres. There is almost no recorded office activity outside these core areas. Figure 8-6 breaks down the number of office deals over the last 5 years for key centres in Tendring.

Figure 8-6 Office deals in Tendring						
Area	No. of Office Deals					
	2008	2009	2010	2011	2012	Jan 2013 – June 2013
Clacton	1	0	2	2	3	5
Harwich	1	2	-	1	3	-
Manningtree (including Lawford and Brantham entries)	2	4	6	3	1	1
Brightlingsea	-	-	-	-	-	-
Frinton	-	-	-	1	-	-
Walton	-	-	-	-	-	-
Source: EGi and CoStar Focus 2013						

8.26 Key office deals (in terms of size / value) within the past five years in Tendring include:

- Letting at 466 Main Road, Harwich. 450 sq. ft. (42 sq. m) of B1 office/business accommodation was let in July 2012 at an achieved rent of £8,001pa (£17.78psf / £191.38 psm).
- Letting of Unit 3 at Court Farm, Stutton Road, Brantham, Manningtree. 25 net sq. m (270 sq. ft.) of B1a office accommodation was let at £2,750 pa / £109.69 psm (£10.19 psf).
- Letting at 18-20 Riverside Avenue West, Lawford, Manningtree. 8,824 sq. ft. (820 sq. m) of business (B1c) light industrial / business accommodation was let in January 2009 at an undisclosed rent.

8.27 As a broad rule, where there is office activity, rents generated are typically no more than £5.00 - £11.00 psf (£53.80 - £118.40 psm). In our opinion, were good quality stock to come forward in the district, then perhaps a prime rent of £12 per sq. ft. could be secured. This is a lower rent range than in other key office centres, such as Colchester (£13.50 per sq. ft.) and Ipswich (£13 per sq. ft.) (Promis 2013). As a very broad rule, office development is only likely to be viable when rents are in excess of £15 per sq. ft. for low grade accommodation. For Tendring, this makes delivering new office space financially challenging (though owner occupiers may still bring forward space to meet their needs).

8.28 In terms of size requirements, and again although there is limited transactional evidence, they are generally for properties of 0 sq. ft. – 1,500 sq. ft. (0 sq. m – 139.35 sq. m) range. These are small office suites, suggesting that the highest office activity is coming from the small employers sector.

Office Take Up

8.29 We have sought to analyse the amount of space that has been taken up in Tendring between 2008 – 2013. This is based on information drawn from EGi and Focus. The data is challenging to interpret; given in many cases it is incomplete, or not readily disseminated for ease of comparison. Despite these caveats, we provide the following headline facts:

- That between 2008 – 2013 (June), 28,946 sq. ft. of office space has been recorded as let. This equates to roughly 5,250 sq. ft. per annum.

- Several other office freehold deals are also recorded in 2008 – 2013. This equates to around 40,000 sq. ft. (albeit that for three recorded deals the property sizes are not disclosed. Including these would increase the overall figure).
- Only one office deal above 10,000 sq. ft. is recorded.
- Clacton has the greatest quantum of office deals overall.

Office Supply

8.30 Figure 8-7 outlines office availability in the Tendring District set against key urban settlements. This suggests that the vacancy rate in Tendring for offices is 11.8%, which reflects the small office stock locally.

Figure 8-7 Office Supply in Tendring

Location	Number of Listings	Total Amount Available
Clacton*	18	49,353 sq. ft. (4,585 sq. m)
Harwich	2	8,115 sq. ft. (754 sq. m)
Manningtree	3	30,767 sq. ft. (2,858 sq. m)
Lawford	-	-
Brightlingsea	-	-
Frinton	3	6,004 sq. ft. (558 sq. m)
Walton	-	-

Source: EGi and Focus 2013. *Clacton figure includes an entry for Wix. Excludes properties under offer.

8.31 The data indicates that supply is largely concentrated in Clacton and Manningtree, with the latter offering a number of large units. Notable available office accommodation available (in terms of space) includes:

- Harlech House, Carnarvon Road, Clacton. Total of 18,395 sq. ft. (1,709 sq. m) of accommodation arranged over a number of suites are available leasehold and freehold
- Brantham Works, Office Suites, Cattawade Street, Manningtree CO11 1NJ. 15,250 sq. ft. (1,417 sq. m) available at £4.00 sq. ft. (£43.04 sq. m). Including 20 car parking spaces.
- Chalkwalk House, Factory Lane, Manningtree, CO11 1NH. Total available space 15,029 sq. ft. (1,396 sq. m) of B1a office space split over floors.

8.32 Available office stock also tends to be marketed flexibly, with the prospect of accepting letting or freehold sales for buildings. This is responsive to meeting the general needs of the occupier market in the area, and is also an approach common in lower activity areas where there are far less occupiers and investors.

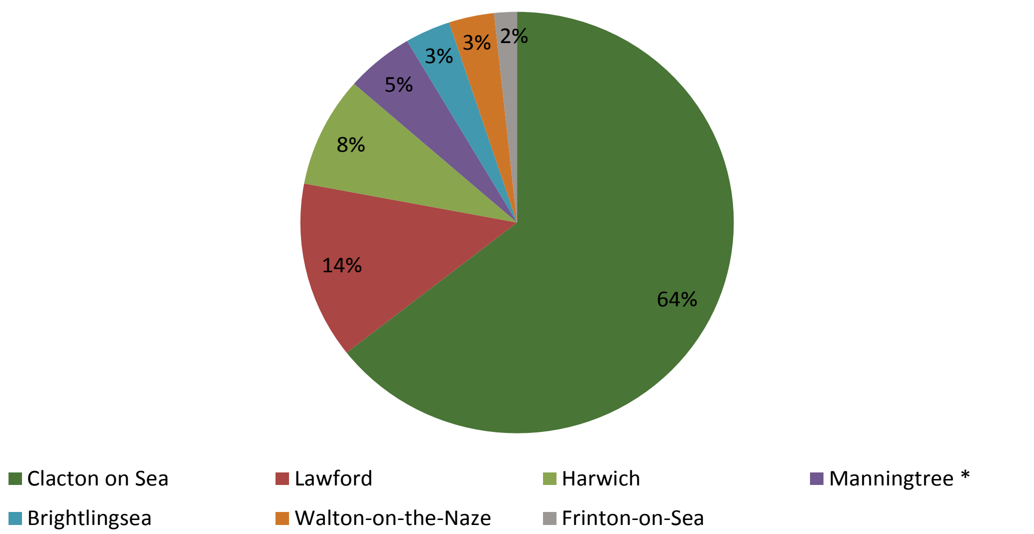
8.33 Overall, the available information highlights that Clacton, Harwich and Manningtree are Tendring's more active office markets. It is also notable that in the first six months of 2013, there has been an increase in office deals in Clacton.

Industrial Market

8.34 Tendring's industrial property sector is more active than its office counterpart. Agents within the Tendring area also agree that the industrial market is more active, albeit still limited, when compared to its office market. Demand requirements are normally for two key reasons: either from small companies looking for small premises or larger companies looking to downsize on their existing accommodation. Most of the demand is generated in Clacton, Harwich and Manningtree. Industrial demand in Harwich is more specifically related to requirements for storage, a reflection of the port activities.

8.35 The graph below summarises locational demand (in terms of the number of deals) for industrial space in Tendring in the past 5 years, as drawn from Egi and Focus. Again, a cautionary note must be placed with this high level review as these deal databases may not record all activity.

Figure 8-8 Industrial Deals 2008-2013



Source: CoStar Focus and EGi
Base: 59

8.36 Activity is highest in Clacton, although there is some notable activity in Harwich and Lawford. A finer grained analysis is set out in Figure 8-9.

Figure 8-9 Industrial deals in Tendring

Area	No. of Industrial Deals					
	2008	2009	2010	2011	2012	Jan 2013 – June 2013
Clacton	2	6	8	9	12	1
Harwich	1	1	-	1	2	-
Manningtree	1	1	-	1	-	-
Lawford	3	1	2	1	1	-
Brightlingsea	2	-	-	-	-	-
Frinton	-	-	-	-	-	1
Walton	1	-	-	1	-	-

Source: EGi and CoStar Focus 2013

8.37 Key industrial deals (in terms of size / value) within the past five years in Tendring include:

- Sale of 101 Oxford Road, Clacton in April 2012. The site area of 0.2913682 ha / 31,363 sq. ft. (2,914 sq. m) sold for an undisclosed price.

- Freehold investment sale of 8-10 Brunel Business Centre, Gorse Land, Clacton. The 32,500 sq. ft. (3,019 sq. m) of warehouse accommodation sold in December 2011 to an undisclosed purchaser at a quoted price of £132,500.

- Freehold sale of Brunel Business Centre, Units 15-20 Gorse Industrial Estate, Brunel Road, Clacton. The 1,880 sq. ft. (175 sq. m) industrial/warehouse space sold in July 2011. The quoted price was £201,500.

- Sale of units 10-11 Gorse Lane Industrial Estate, Brunel Business Centre, Clacton. The 5,300 sq. ft. (492 sq. m) of B2 industrial space sold for £0.4million in November 2010.

- Rosier, Crown Lane, Tendring, Clacton. 7,700 sq. ft. (715 sq. m) of B2 industrial space was sold for £5.8million in April 2009.

- Letting at Haulage Road, Clacton Road, Horsley Cross, Manningtree. 0.6070171 hectares (65,339 sq. ft. / 6,070 sq. m) of Industrial B2 space was let in February 2009 at rental income of £18,000pa.

- Sale at Foxash Growers Site, Harwich Road, Lawford. 45,839 sq. ft. (4,259 sq. m) in July 2011 for £700,000.

- Letting at 18-20 Dale Hall Estate, Riverside Avenue, West Lawford. Letting of 6,600 sq. ft. (613 sq. m) of light industrial accommodation in November 2008. The quoted rent of this deal was £33,000 at £5.00 psf (53.82 psm).

8.38 As for offices in the district, the approach to marketing industrial stock is flexible too, with deals offered both on a leasehold and freehold basis. General property size requirements are largely between 1,000 sq. ft. (930 sq. m) – 5,000 sq. ft. (465 sq. m), this spread of sizes is reflective of our discussions with local commercial property agents, who point toward greatest activity for smaller units. We note from the earlier Employment Land Study that a large proportion of take-up generated in the district is due to existence of the Port of Harwich. From our review of industrial deals recorded for Harwich, they have all recently been on a freehold basis.

Industrial Take-Up

8.39 As per the office sector, we have sought to analyse the amount of industrial space that has been taken up in Tendring between 2008 – 2013. This is based on information drawn from EGi and Focus. Again, the data is challenging to interpret, given in many cases it is incomplete or not readily disseminated for ease of comparison. Despite these caveats, we provide the following headline facts:

- That between 2008 – 2013, 165,500 sq. ft. of industrial space has been recorded as let. This equates to roughly 33,000 sq. ft. per annum.

- Several industrial freehold deals are also recorded in 2008 – 2013. This equates to around 272,000 sq. ft. (recognising that a considerable number of the recorded deals do not disclose the property size, and some may relate to land rather than premises. Including these would increase the overall figure.

- Clacton and Harwich has the greatest quantum of industrial deals overall.

Industrial Supply

8.40 Figure 8-10 summaries industrial availability in the Tendring District within key locations. With 15,721 sq. m industrial supply, this suggests that there is a low vacancy rate of 3%.

Figure 8-10 Industrial Availability in Tendring

Location	Number of Listings	Total Amount Available
Clacton	18	48,768 (4,531 sq. m)
Harwich	1	3,065 sq. ft. (285 sq. m)
Manningtree	17	115,258 sq. ft. (10,708 sq. m)
Lawford	-	-
Brightlingsea	-	-
Frinton	1	2,123 sq. ft. (197 sq. m)
Walton	-	-

Source: Focus and EGi 2013. Amount of available floorspace excludes properties under offer

8.41 The above therefore suggests available supply is largely concentrated within Clacton and Manningtree. A high proportion of available industrial floorspace in Clacton is clustered at Gorse Lane Industrial Estate, at the northern edge of the town. Available accommodation in Manningtree was focused in the Brantham Works Warehouses / Workshops.

8.42 Asking rents in Clacton generally range from c. £5.00 psf (£53.00 psm) - £6.25 psf (£67.25 psm), although workshop space in Manningtree is quoted much lower at £2.00 psf (£21.53 psm). Low rental values are therefore assumed to reflect the low quality of stock available, together with fairly limited demand. Industrial rents are broadly comparable to other nearby centres, such as Maldon, Ipswich (typically £4.50 per sq. ft.) and Colchester (typically £5.50 per sq. ft.).

8.43 There are few available industrial premises being marketed for the Harwich area. This suggests from a property perspective unit supply may be somewhat constrained. We note though that at least one large site is marketed as available for industrial development purposes, although there are few unit vacancies generally.

Typical Business Space Occupier Requirements

8.44 In considering future need for employment space in the district, we conclude by providing views on the key property characteristics that occupiers typically seek. These are described under the sectors of offices and Industrial / Warehousing sectors.

Figure 8-11 Typical Occupier Requirements

Offices	Industrial / Warehousing
• Good parking ratio • Public transport links • Good quality accommodation – fit for purpose • Reliable M&E systems • Good quality external environment • Access to broadband • Tried and tested locations – clustering • Amenities – basic shopping / lunchtime needs to be met. • Flexible lease arrangements.	• Proximity to motorway / trunk roads • Ease of access – (to major roads / into site) • Mix of tenures being available • Acceptable plot ratios: designated parking & yards • Security • Amenities – basic shopping / lunchtime needs to be met. • Logistics: high bays / eaves, sufficient loading bays.

9. Infrastructure Assessment

9.1 The following chapter is a desk-based review of existing literature (including the **Local Plan**, the Essex **Integrated County Strategy**, and other sub-regional and local policy documents) to assess the infrastructure strengths and weaknesses within Tendring District. Its focus is to establish any areas where infrastructure weaknesses may be a threat to future economic performance and if so, possible areas for mitigation.

Key Points – *reflecting Tendring's geographical context, infrastructure, particularly relating to* movement (of people and goods) is a key concern for the *local area. Whilst existing infrastructure largely meets current needs, future development is likely to need to be supported by* infrastructure enhancements:

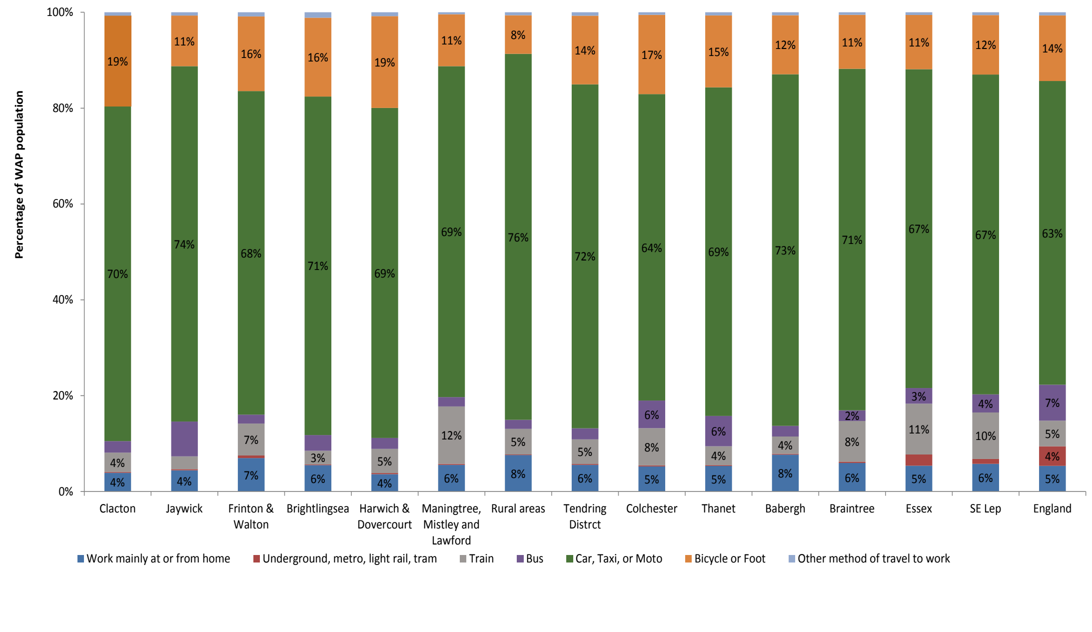
- **The road network is currently operating within capacity but upgrades deemed necessary to support future developments** – the A120 and A33 are the principal strategic roads in Tendring District. The majority of the highway network is currently operating within capacity, but additional development is likely to result in more pressure, especially on the network's pinch-points. The proposed Bathside Bay development is likely to require upgrades work to the A120.
- **No current capacity issues for passenger rail services** – passenger rail services are currently operating within capacity and experience a maximum utilisation rate of between 20% and 70%. Additional demand may require the upgrade of lines and /or more frequency. The attractiveness of public transport will not improve unless there are significant improvements in journey times.
- **No current infrastructure needs for Harwich Port, but road upgrades likely to be necessary to support future growth** – Harwich International Port is a major regional hub for passenger and freight traffic, and is committed to supporting the Offshore Renewables sector. Proposals at Bathside Bay are likely to increase the sector's importance, but recent developments have put this future in doubt.
- **Planning underway to deliver fast broadband to the majority** – the Local Broadband Plan aims to make superfast broadband (24Mbps) available to 90% of Tendring residents and 2Mbps available to everyone. However, the 90% target means that it is possible that some Tendring businesses and residents will continue to not have access to superfast broadband until 2018 or beyond. There are also concerns that future residential development may not be benefit from suitable broadband infrastructure.
- **There are currently no major capacity issues in terms of electricity and gas production –** the Clacton sub-station is nearing its capacity and will require reinforcement to accommodate growth in the district. New development in North-West Tendring will require a new sub-station, whereas local 11 kV cabling will be needed to serve new developments locally. Current capacity of the national gas grid is currently more than adequate. However new developments may require the reinforcement of the existing network.

Transport Infrastructure

9.2 The **Local Plan** for Tendring District argues that an efficient and strategic transport network is critical for achieving economic growth, supporting trade and attracting inward investment in the district. This is supported in the Government's **National Infrastructure Plan** which states that ensuring infrastructure networks receive the investment they need is essential for future growth and productivity within the economy.

9.3 Reflecting the nature of Tendring's physical geography, road transport is the primary form of transport within Tendring. This is highlighted by analysis of Census travel to work patterns, which suggests that 72% of the Tendring population travel to work by car. Nevertheless, analysis at the local level does reveal notable trends. Levels of those who travel to work by train are highest in Manningtree, Mistley, and Lawford. This reflects strong rail links between this local area and larger urban areas, such as Colchester and London.

Figure 9-1: Method of Travel to Work, 2011



Source: Census 2011

9.4 Different types of transport infrastructure are considered in detail below.

Road

9.5 The A120 and A133 are the principal strategic roads within Tendring, with the former (A120) running from Colchester to Harwich being the only trunk road (managed by the Highway Agency) to go through the district. With up to 30,000 vehicle movements per day, the A120 serves as the main link for the movement of freight and people between the port of Harwich and the rest of the national road network. Aside from the A120, the A133 and A137 (running from Colchester to Manningtree), all other roads within Tendring District are classified as rural B-roads. For a district that depends greatly on the Logistics and Visitor Economy sectors, any part of the highway network that is considered to be unsafe, slow or inconvenient can seriously impact on image.

9.6 A review of the literature available has indicated that, at the moment, the majority of the strategic highway network in Tendring is operating within capacity. Pinch points are however identified on the A133 between the Crabtree and Green Lane roundabouts. Meanwhile, the other main link in the district, the A120 is operating within capacity.

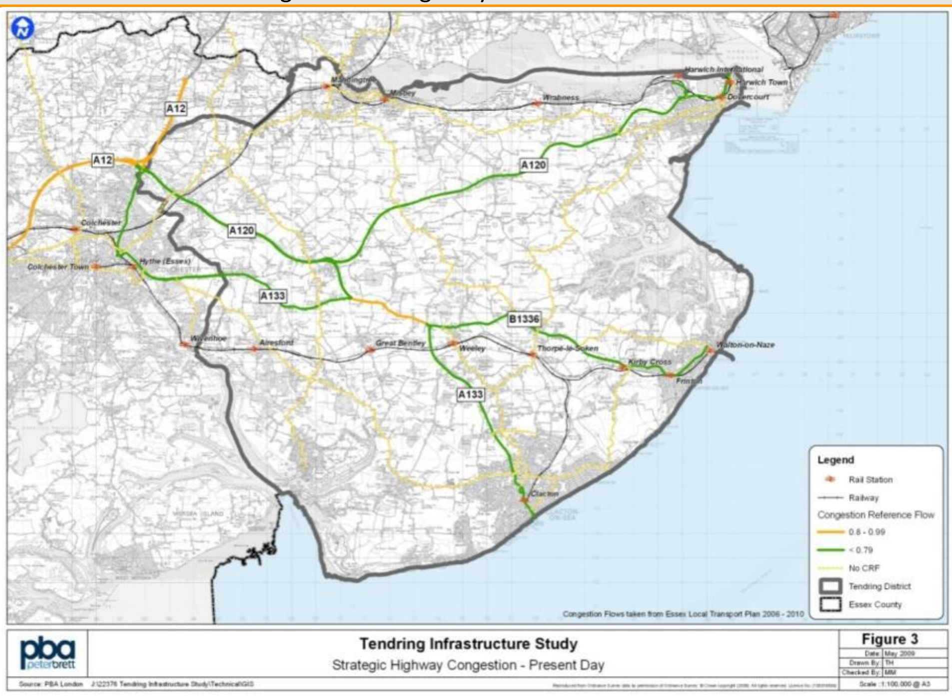
9.7 The Draft Tendring Infrastructure Delivery Plan (2013) notes that upgrades to the A120 trunk road should be sought in conjunction with the proposed Bathside Bay development. However, the delivery of Bathside Bay has been delayed and is unlikely to take place within the current plan period. Despite this, the emerging Local Plan recognises that A120 improvements may be needed towards the end of the plan period and that the district Council will work with the Highways Agency and other partners to ascertain the exact requirements best delivery approach.

9.8 The other main route in the district - the A133 - can get congested between Frating and Weeley at peak summer weekends. At present, the Local Highways Panel is considering a scheme to improve capacity at the A133 Frating roundabout.

9.9 Anecdotal evidence from discussions with Essex County Council (quoted from the **Tendring Infrastructure Study**) indicates that some access roads leading to the coast can get congested on sunny days. In particular, the B1029 approach to Brightlingsea experiences queuing on warm and sunny days, as it is the sole access into the town.

9.10 The **Tendring Infrastructure Study** indicates that overall there are no major capacity issues during the **Local Plan's** period (until 2021). Nevertheless, it argues that even if the Council adopted a 'do nothing' approach towards house-building, new development will put further pressure on current pinch points on the A133, resulting in increased congestion during both peak and off-peak periods.

Figure 9-2: Current level of congestion on highway network



Source: Tendring Infrastructure Study – Part One, 2009

9.11 The District Council's strategic priorities for the highway network for the 2011-2021 **Local Plan** period are to:

- Upgrade the A133 to make Clacton, Frinton and Walton more viable for inward investment, accommodate additional traffic arising from population and economic growth; and
- Upgrade the A120 between Hare Green and Ramsey to accommodate additional freight movements resulting from expansion proposals at Bathside Bay.

Rail

Passenger Services

9.12 Tendring has 14 railway stations along two branch lines. Six of these stations are along the Manningtree to Harwich branch, and the rest (eight) along the Colchester to Clacton and Walton lines.

9.13 The Great Eastern Line (the mainline from London to East Anglia) passes largely to the west of Tendring, with just one station, Manningtree, located within Tendring. It is estimated that the Great Eastern Mainline carries around 60,000 passengers a day into London during the morning peak. Station usage figures are set out below and highlight the busiest station by some margin is Manningtree. This reflects the stations fast and direct links to major locations such as Colchester and London. Over half of entries to the station are via season ticket, which are likely to be regular commuters.

Table 9-1:Annual Station Usage in Tendring, 2010/11

Station Name	Entries Season Ticket	Entries Total	Total Entries & Exits
Alresford	18,946	29,366	58,732
Clacton	151,163	376,324	752,648
Dovercourt	29,383	68,596	137,192
Frinton	34,148	87,943	175,886
Great Bentley	17,603	32,714	65,428
Harwich International	7,580	46,504	93,008
Harwich Town	51,698	88,423	176,846
Kirby Cross	11,218	21,133	42,266
Manningtree	255,983	491,530	983,060
Mistley	22,447	31,657	63,314
Thorpe-le-Soken	33,764	62,185	124,370
Walton-On-Naze	20,197	61,679	123,358
Weeley	3,269	10,609	21,218
Wrabness	5,711	10,058	20,116

Source: Office for Rail Regulation

9.14 At the moment, there are no significant capacity issues on any of the lines within Tendring. The maximum capacity utilisation seen within the district is up to 30-70% on the Colchester to Manningtree and Colchester to Clacton and Walton lines. Once services arrive into Colchester, utilisation increases greatly due to a large number of people travelling to London.

9.15 Given the low utilisation levels discussed above, population growth within the district is not envisaged to result in any significant problems on train capacity either. Currently, the main constrains on rail travel to and from the district are the low service frequency (once every hour) and journey times (around 1 hour 30 minutes) to key destinations, such as London (Liverpool Street Station) and beyond.

9.16 In the future, demand for rail services may increase considerably if the main coastal towns grow resulting in the need to upgrade lines and/or frequency of services. Nevertheless, without a major change in journey times, the increased attractiveness of public transport journeys over private trips will be very marginal.

Freight

9.17 Although freight movements within Tendring District are still dependant on HGV (around 10% of all traffic on the A120), the **Local Plan** argues that if Tendring is to develop as a dynamic economy, it is important that there is a provision for the efficient movement of goods by both road and rail. Should proposals for Bathside Bay go ahead, the **Local Plan** argues in favour of considering the potential to maximise the movement of freight and goods by train.

Port

Harwich International Port

9.18 Harwich International Port is a leading multi-purpose freight, passenger and cruise port. In addition, it is also heavily committed to supporting the offshore renewables industry, having acted as an installation base for Gunfleet Sands in 2009 and now Greater Gabbard (currently the world's largest offshore wind farm) and provides support facilities to the Thanet development and other power-related projects along the East Anglia coast.

9.19 The **Local Plan** acknowledges this, and states that in light of the important role the Renewable Energy sector could play in Tendring's local economy, the Council is willing to work with both the port company (Hutchinson Ports (UK) Ltd.) and the Renewable Energy sector to investigate any opportunities of supporting further activity in this sector and creating skilled jobs in the Harwich Area.

Bathside Bay

9.20 Harwich has considerable potential for additional port-related activity at Bathside Bay. Building on its experience in the Offshore Renewable sector, Hutchinson Ports (UK) Ltd. is considering redeveloping Bathside Bay as a multi-functional manufacturing and assembly site capable of supporting multiple large-scale facilities as well as providing a prime installation base for offshore wind-farms.

9.21 The Tendring District **Local Plan** backs this proposal in full, but acknowledges that due to a number of economic factors, it does not realistically expect the development to commence until at least the end of the current **Local Plan** period in 2021. In the meantime, the Council will work closely with Hutchinson Ports (UK) Ltd., the Highway Agency and other relevant partners to investigate possible ways of facilitating the development as early as possible for the benefit of the Tendring economy.

9.22 Recent developments[32] have however, resulted in the Hutchinson Ports (UK) Ltd. withdrawing their application amid concerns of long delays and the costs associated with a prolonged public inquiry.

9.23 As noted above, road improvements to the A120 are likely to be required as part of the Bathside Bay development.

Telecommunications

9.24 This section considers telecommunications infrastructure in Tendring.

[32] http://www.bbc.co.uk/news/uk-england-essex-20505278

Capacity of existing infrastructure

9.25 Tendring DC notes that there are current broadband capacity issues in Tendring. ADSL Max (up to 8Mbps) enabled broadband presence in Essex is 99.2%, although it is 100% in many other areas of the country.

9.26 The services available in exchanges in Tendring are shown in the table below. However, not all properties in these exchanges can achieve these speeds, so the definitions must be treated with caution.

Table 9-2 Current Boradband Services in Tendring

Ofcom Classification	Exchange Name	Total Premises	Provision
Market 1	Ardleigh	1158	ADSL2+ due 30/11/13
	Gt Bentley	1998	ADSL 2+
	Lt Clacton	2397	ADSL 2+
	Ramsey	1364	ADSL 2+
	St Osyth	2307	ADSL 2+
	Wix	819	ADSL Max
	Weeley	1148	ADSL Max
Market 2	Brightlingsea	3981	ADSL 2+
	Holland on Sea	3691	Superfast
	Manningtree	5233	Superfast
	Wivenhoe	1635	Superfast
Market 3	Clacton	24150	Superfast
	Frinton	10497	Superfast
	Harwich	8937	Superfast

Note:

- ADSL Max – up to 8mbps
- ADSL 2+ - up to 24mbps
- Superfast – over 24mbps (currently up to 80mbps) – delivered by Fibre to the Cabinet (FTTC)
- Ultrafast – Over 80mbps (can be up to 220mbps) – delivered by Fibre to the Premise (FTTP)

Source: Tendring District Council

Needs

9.27 Landline and broadband provision is dealt with primarily between developers and providers.

9.28 However, central government has recognised that there is a significant gap in availability of basic and superfast broadband, particularly in rural areas where BT and other national providers have not invested in upgrades to the network. In this context, government has allocated £530m through the BDUK programme to deliver superfast broadband to 90% of premises by 2015 and has recently allocated an additional £250m to increase coverage to 95% of premises by 2017 and 99% by 2018.

9.29 Essex has been allocated £6.46m to ensure basic broadband (2mbps) is available to 100% of premises and that superfast broadband is available to 90% of premises by 2015. Essex County Council has matched this with an additional £6.46m totalling £12.92m public subsidy.

9.30 This programme will be targeted at areas that have not already been upgraded and so will not contravene European State Aid regulations.

9.31 In Tendring it is expected that all properties in Market 1 exchanges and Brightlingsea will be eligible for inclusion in this scheme as well as areas within the upgraded exchanges that are either too far away from a street cabinet to receive any improvement to their service or where the street cabinet was unviable for BT to upgrade.

9.32 However, as the commitment is for upgrades for 90% of premises, not all properties in Tendring will receive this by 2015 and may have to wait until 2018 or beyond before they receive access to superfast broadband without additional Local Authority intervention.

9.33 BT have, to date, upgraded six exchanges in Tendring to superfast broadband (over 24mbps), and this equates to over 60% of total premises in the District.

9.34 However, all new build properties including sites allocated for development in the Local Plan will not be included in either BT upgrades or the BDUK programme. Whilst BT has an obligation to provide a landline to every household in the UK, and developers are expected to want to facilitate this, there have been instances where developers have not contacted BT early enough in the process for fibre and ducting to be laid, or they have a national agreement with a cable provider that is not active in the area, leaving new housing developments with little or no connections.

9.35 Reflecting this, a new policy has been included in the draft Local Plan – *Improving the Telecommunications Network.* This aims to ensure that all new housing, community and commercial development in the District is connected to superfast broadband. If this is not possible, the developer will be expected to make a contribution via CIL/S106 towards off-site works that would enable those properties access to superfast broadband, either via fibre-optic cable or wireless technology in the future.

9.36 Business users can purchase additional bandwidth to speed up their internet access if they wish to, or can afford to. Those requiring speeds higher than ADSL (up to 8 mbps) can obtain increased bandwidth through the market. However, as most businesses in Tendring are micro or small enterprises, it is recognised that the cost implications of commercial grade broadband can be unattainable; leaving a large proportion with a service that can restrict their ability to do business.

9.37 Mobile phone provision has also historically been a matter for private sector provision; however the Government has recently intervened and contracted Arquiva to deliver its £150m Mobile Infrastructure Project which is designed to ensure basic mobile coverage (2G) is universally available by 2015. The main requirement is for sites for masts. This is dealt with through the development system and by a more flexible planning approach in the new Telecoms policy.

Energy

Electricity

9.38 Generally, across Tendring District there are no existing capacity issues with the provision of electricity.

9.39 Possible requirements identified over the medium to long-term include:

- Reinforcement of the Clacton 132/33kV sub-station to accommodate growth in the district (excluding proposed growth at North West Clacton);
- A new 33/11kV sub-station to accompany growth at North West Clacton; and
- Local 11kV cabling to directly serve any new developments throughout the rest of Tendring District.

9.40 In total, all the requirements identified above would have a total cost of between £6.5 million and £10.75 million. A large proportion of this sum would be for the development of a new sub-station on one of the North West Clacton sites (Rouses Farm, St. John's Road, North Clacton), located somewhere away from any of the immediate residential developments.

Gas

9.41 Current capacity of the national grid in Tendring District is more than adequate. Nevertheless, for new developments at Brightlingsea, and the Walton and Frinton areas, reinforcement of the existing network would be required. The cost of such reinforcement is however, comparatively small totalling between £0.3 and £0.8 million.

Coastal and Flood Defences

9.42 The Draft Tendring Infrastructure Delivery Plan (2013) notes that the Environment Agency and Tendring District Council are jointly responsible for the provision of coastal and flood defences in the district. The study notes that "unlike many other infrastructure items, the need for new or improved defences against water intrusion, particularly coastal flooding, is not necessarily directly related to development. The development strategy in Tendring deliberately seeks to avoid development in areas which are prone to flooding or are close to the shoreline. Equally however, additional activity related to tourism brings more people and activity to these areas, which therefore increases the need to ensure that defences are adequate".

9.43 All flood risk infrastructure has an operational lifetime and so improvements to this infrastructure will be needed in the future. This is particularly the case around Clacton, Jaywick and Walton:

- In Jaywick, the policy is to move from the policy of "Hold the Line of defence" in the 2nd epoch (20-50 years) to "Hold the Line/Managed realignment" in the 3rd epoch (50 years);
- In Walton, the policy is "Hold the Line" for epochs 1 and 2 of the SMP period (to 2055) with a stated aspiration to maintain or upgrade the current standard of protection where this is possible. Some defence realignment is scheduled for epoch 3 (from 2055 onwards).

9.44 A major coastal defence scheme is currently proposed for the stretch of coastline between Clacton and Holland on Sea. This £30 million scheme will provide improved defences and has the potential to include 5km of beach creation and associated seafront improvements.

Appendix A Statistical Definitions of Tendring Geographies

1. For the purposes of statistical analysis, Tendring's local geographies have largely been defined based upon Lower Level Super Output Areas (LSOAs) – the most local level for which data is available. These definitions were agreed with Tendring DC at study inception and are outlined below.

Name	LSOA Name
Brightlingsea	Tendring 009B, Tendring 011A, Tendring 011B, Tendring 011C, Tendring 011D
Clacton	Tendring 010A, Tendring 010B, Tendring 010C, Tendring 010D, Tendring 012A, Tendring 012B, Tendring 012C, Tendring 012D, Tendring 013D, Tendring 013E, Tendring 014A, Tendring 014B, Tendring 014C, Tendring 014D, Tendring 014E, Tendring 015A, Tendring 015B, Tendring 015C, Tendring 015D, Tendring 015E, Tendring 016A, Tendring 016B, Tendring 016C, Tendring 016D, Tendring 017A, Tendring 017B, Tendring 017C, Tendring 017D, Tendring 017E
Frinton & Walton	Tendring 006A, Tendring 006B, Tendring 006C, Tendring 006D, Tendring 006E, Tendring 008A, Tendring 008B, Tendring 008C, Tendring 008D, Tendring 008H
Harwich & Dovercourt	Tendring 001A, Tendring 001B, Tendring 001C, Tendring 001D, Tendring 002A, Tendring 002C, Tendring 002D, Tendring 002F, Tendring 004C, Tendring 004D, Tendring 004E
Jaywick	Tendring 018A, Tendring 018B, Tendring 018C
Manningtree, Mistley & Lawford	Tendring 003C, Tendring 003D, Tendring 003F, Tendring 003G
Rural Areas	Tendring 003A, Tendring 003B, Tendring 003E, Tendring 004A, Tendring 004B, Tendring 004F, Tendring 005A, Tendring 005B, Tendring 005C, Tendring 005D, Tendring 007A, Tendring 007B, Tendring 007C, Tendring 007D, Tendring 007E, Tendring 008E, Tendring 008F, Tendring 008G, Tendring 009A, Tendring 009C, Tendring 009D, Tendring 011E, Tendring 013A, Tendring 013B, Tendring 013C, Tendring 018D, Tendring 018E

2. Our analysis also defines the Functional Economic Areas (FEAs) of Tendring's local areas. These have been broadly defined as the 45 minute drive time area for each locality.

3. The 45 minute drive times maps for each of the towns within Tendring are included in the following pages.

Clacton 45 Minute Drive Time Area

Source: Contains Ordnance Survey data © Crown copyright and database right 2013

Jaywick 45 Minute Drive Time Area

Source: Contains Ordnance Survey data © Crown copyright and database right 2013

Harwich 45 Minute Drive Time Area

Source: Contains Ordnance Survey data © Crown copyright and database right 2013

Brightlingsea 45 Minute Drive Time Area

Source: Contains Ordnance Survey data © Crown copyright and database right 2013

Walton and Frinton 45 Minute Drive Time Area

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Manningtree 45 Minute Drive Time Area

Source: Contains Ordnance Survey data © Crown copyright and database right 2013

Appendix B Key Sector Definitions

4. The SIC Definitions of the key sectors defined within this report are outlined below.

Sector	SIC
Agriculture	1110 : Growing of cereals (except rice), leguminous crops and oil seeds, 1120 : Growing of rice, 1130 : Growing of vegetables and melons, roots and tubers, 1140 : Growing of sugar cane, 1150 : Growing of tobacco, 1160 : Growing of fibre crops, 1190 : Growing of other non-perennial crops, 1210 : Growing of grapes, 1220 : Growing of tropical and subtropical fruits, 1230 : Growing of citrus fruits, 1240 : Growing of pome fruits and stone fruits, 1250 : Growing of other tree and bush fruit and nuts, 1260 : Growing of oleaginous fruits, 1270 : Growing of beverage crops, 1280 : Growing of spices, aromatic, drug and pharmaceutical crops, 1290 : Growing of other perennial crops, 1300 : Plant propagation, 1410 : Raising of dairy cattle, 1420 : Raising of other cattle and buffaloes, 1430 : Raising of horses and other equines, 1440 : Raising of camels and camelids, 1450 : Raising of sheep and goats, 1460 : Raising of swine/pigs, 1470 : Raising of poultry, 1490 : Raising of other animals, 1500 : Mixed farming, 1610 : Support activities for crop production, 1621 : Farm animal boarding and care, 1629 : Other support activities for animal production, 1630 : Post-harvest crop activities, 1640 : Seed processing for propagation, 1700 : Hunting, trapping and related service activities
	62011 : Ready-made interactive leisure and entertainment software development, 62012 : Business and domestic software development, 62020 : Computer consultancy activities, 62030 : Computer facilities management activities, 62090 : Other information technology and computer service activities, 63110 : Data processing, hosting and related activities, 63120 : Web portals, 63910 : News agency activities, 63990 : Other information service activities n.e.c., 64110 : Central banking, 64191 : Banks, 64192 : Building societies, 64201 : Activities of agricultural holding companies, 64202 : Activities of production holding companies, 64203 : Activities of construction holding companies, 64204 : Activities of distribution holding companies, 64205 : Activities of financial services holding companies, 64209 : Activities of other holding companies n.e.c., 64301 : Activities of investment trusts, 64302 : Activities of unit trusts, 64303 : Activities of venture and development capital companies, 64304 : Activities of open-ended investment companies, 64305 : Activities of property unit trusts, 64306 : Activities of real estate investment trusts, 64910 : Financial leasing, 64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors, 64922 : Activities of mortgage finance companies, 64929 : Other credit granting n.e.c., 64991 : Security dealing on own account, 64992 : Factoring, 64999 : Financial intermediation not elsewhere classified, 65110 : Life insurance, 65120 : Non-life insurance, 65201 : Life reinsurance, 65202 : Non-life reinsurance, 65300 : Pension funding, 66110 : Administration of financial markets, 66120 : Security and commodity contracts dealing activities, 66190 : Activities auxiliary to financial intermediation n.e.c., 66210 : Risk and damage evaluation, 66220 : Activities of insurance agents and brokers, 66290 : Other activities auxiliary to insurance and pension funding, 66300 : Fund management activities, 68100 : Buying and selling of own real estate, 68201 : Renting and operating of Housing Association real estate, 68202 : Letting and operating of conference and exhibition centres, 68209 : Other letting and operating of own or leased real estate, 68310 : Real estate agencies, 68320 : Management of real estate on a fee or contract basis, 69101 : Barristers at law, 69102 : Solicitors, 69109 : Activities of patent and copyright agents; other legal activities n.e.c., 69201 : Accounting and auditing activities, 69202 : Bookkeeping activities, 69203 : Tax consultancy, 70100 : Activities of head offices, 70210 : Public relations and communications activities, 70221 : Financial management, 70229 : Other management consultancy activities, 71111 : Architectural activities, 71112 : Urban planning and landscape architectural activities, 71121 : Engineering design activities for industrial process and production, 71122 : Engineering related scientific and technical consulting activities, 71129 : Other engineering activities, 71200 : Technical testing and analysis, 72110 : Research and experimental development on biotechnology, 72190 : Other research and experimental development on natural sciences and engineering, 72200 : Research and experimental development on social sciences and humanities, 73110 : Advertising agencies, 73120 : Media representation services, 73200 : Market research and public opinion polling, 74100 : specialised design activities, 74201 : Portrait photographic activities, 74202 : Other specialist photography (not including portrait photography), 74203 : Film processing, 74209 : Photographic activities not elsewhere classified,

Business Services	74300 : Translation and interpretation activities, 74901 : Environmental consulting activities, 74902 : Quantity surveying activities, 74909 : Other professional, scientific and technical activities n.e.c., 75000 : Veterinary activities, 77110 : Renting and leasing of cars and light motor vehicles, 77120 : Renting and leasing of trucks, 77210 : Renting and leasing of recreational and sports goods, 77220 : Renting of video tapes and disks, 77291 : Renting and leasing of media entertainment equipment, 77299 : Renting and leasing of other personal and household goods, 77310 : Renting and leasing of agricultural machinery and equipment, 77320 : Renting and leasing of construction and civil engineering machinery and equipment, 77330 : Renting and leasing of office machinery and equipment (including computers), 77341 : Renting and leasing of passenger water transport equipment, 77342 : Renting and leasing of freight water transport equipment, 77351 : Renting and leasing of passenger air transport equipment, 77352 : Renting and leasing of freight air transport equipment, 77390 : Renting and leasing of other machinery, equipment and tangible goods n.e.c, 77400 : Leasing of intellectual property and similar products, except copyrighted works, 79110 : Travel agency activities, 79120 : Tour operator activities, 79901 : Activities of tourist guides, 79909 : Other reservation service activities n.e.c., 80100 : Private security activities, 80200 : Security systems service activities, 80300 : Investigation activities, 81300 : Landscape service activities, 82110 : Combined office administrative service activities, 82190 : Photocopying, document preparation and other specialised office support activities, 82200 : Activities of call centres, 82301 : Activities of exhibition and fair organisers, 82302 : Activities of conference organisers, 82911 : Activities of collection agencies , 82912 : Activities of credit bureaus, 82920 : Packaging activities, 82990 : Other business support service activities n.e.c.
Construction	41100 : Development of building projects, 41201 : Construction of commercial buildings, 41202 : Construction of domestic buildings, 42110 : Construction of roads and motorways, 42120 : Construction of railways and underground railways, 42130 : Construction of bridges and tunnels, 42210 : Construction of utility projects for fluids, 42220 : Construction of utility projects for electricity and telecommunications, 42910 : Construction of water projects, 42990 : Construction of other civil engineering projects n.e.c., 43110 : Demolition, 43120 : Site preparation, 43130 : Test drilling and boring, 43210 : Electrical installation, 43220 : Plumbing, heat and air-conditioning installation, 43290 : Other construction installation, 43310 : Plastering, 43320 : Joinery installation, 43330 : Floor and wall covering, 43341 : Painting, 43342 : Glazing, 43390 : Other building completion and finishing, 43910 : Roofing activities, 43991 : Scaffold erection, 43999 : Other specialised construction activities n.e.c.
Creative Industries	13100 : Preparation and spinning of textile fibres, 13200 : Weaving of textiles, 13300 : Finishing of textiles, 13910 : Manufacture of knitted and crocheted fabrics, 13921 : Manufacture of soft furnishings, 13922 : manufacture of canvas goods, sacks, etc., 13923 : manufacture of household textiles, 13931 : Manufacture of woven or tufted carpets and rugs, 13939 : Manufacture of other carpets and rugs, 13940 : Manufacture of cordage, rope, twine and netting, 13950 : Manufacture of non-wovens and articles made from non-wovens, except apparel, 13960 : Manufacture of other technical and industrial textiles, 13990 : Manufacture of other textiles n.e.c., 14110 : Manufacture of leather clothes, 14120 : Manufacture of workwear, 14131 : Manufacture of other men's outerwear, 14132 : Manufacture of other women's outerwear, 14141 : Manufacture of men's underwear, 14142 : Manufacture of women's underwear, 14190 : Manufacture of other wearing apparel and accessories n.e.c., 14310 : Manufacture of knitted and crocheted hosiery, 14390 : Manufacture of other knitted and crocheted apparel, 15110 : Tanning and dressing of leather; dressing and dyeing of fur, 15120 : Manufacture of luggage, handbags and the like, saddlery and harness, 15200 : Manufacture of footwear, 16290 : Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials, 18110 : Printing of newspapers, 18121 : Manufacture of printed labels, 18129 : Printing n.e.c., 18130 : Pre-press and pre-media services, 18140 : Binding and related services, 18201 : Reproduction of sound recording, 18202 : Reproduction of video recording, 18203 : Reproduction of computer media, 23410 : Manufacture of ceramic household and ornamental articles, 32110 : Striking of coins, 32120 : Manufacture of jewellery and related articles, 32130 : Manufacture of imitation jewellery and related articles, 32200 : Manufacture of musical instruments, 58110 : Book publishing, 58120 : Publishing of directories and mailing lists, 58130 : Publishing of newspapers, 58141 : Publishing of learned journals, 58142 : Publishing of consumer and business journals and periodicals, 58190 : Other publishing activities, 58210 : Publishing of computer games, 58290 : Other software publishing, 59111 : Motion picture production activities, 59112 : Video production activities,

Creative Industries	59113 : Television programme production activities, 59120 : Motion picture, video and television programme post-production activities, 59131 : Motion picture distribution activities, 59132 : Video distribution activities, 59133 : Television programme distribution activities, 59140 : Motion picture projection activities, 59200 : Sound recording and music publishing activities, 60100 : Radio broadcasting, 60200 : Television programming and broadcasting activities, 62011 : Ready-made interactive leisure and entertainment software development, 62012 : Business and domestic software development, 63910 : News agency activities, 71111 : Architectural activities, 71112 : Urban planning and landscape architectural activities, 71121 : Engineering design activities for industrial process and production, 71122 : Engineering related scientific and technical consulting activities, 71129 : Other engineering activities, 73110 : Advertising agencies, 73120 : Media representation services, 74100 : specialised design activities, 74201 : Portrait photographic activities, 74202 : Other specialist photography (not including portrait photography), 74203 : Film processing, 74209 : Photographic activities not elsewhere classified, 90010 : Performing arts, 90020 : Support activities to performing arts, 90030 : Artistic creation, 90040 : Operation of arts facilities
Cultural, Visitor & Tourism	18110 : Printing of newspapers, 55100 : Hotels and similar accommodation, 55201 : Holiday centres and villages, 55202 : Youth hostels, 55209 : Other holiday and other collective accommodation, 55300 : Recreational vehicle parks, trailer parks and camping grounds, 55900 : Other accommodation, 56101 : Licensed restaurants, 56102 : Unlicensed restaurants and cafes, 56103 : Take-away food shops and mobile food stands, 56210 : Event catering activities, 56290 : Other food services , 56301 : Licensed clubs, 56302 : Public houses and bars, 79110 : Travel agency activities, 79120 : Tour operator activities, 79901 : Activities of tourist guides, 79909 : Other reservation service activities n.e.c., 90010 : Performing arts, 90020 : Support activities to performing arts, 90030 : Artistic creation, 90040 : Operation of arts facilities, 91011 : Library activities, 91012 : Archives activities, 91020 : Museums activities, 91030 : Operation of historical sites and buildings and similar visitor attractions, 91040 : Botanical and zoological gardens and nature reserves activities, 93120 : Activities of sport clubs, 93191 : Activities of racehorse owners, 93199 : Other sports activities, 93210 : Activities of amusement parks and theme parks, 93290 : Other amusement and recreation activities n.e.c.
Health	86101 : Hospital activities, 86102 : Medical nursing home activities, 86210 : General medical practice activities, 86220 : Specialists medical practice activities, 86230 : Dental practice activities, 86900 : Other human health activities, 87100 : Residential nursing care facilities, 87200 : Residential care activities for learning difficulties, mental health and substance abuse, 87300 : Residential care activities for the elderly and disabled, 87900 : Other residential care activities n.e.c., 88100 : Social work activities without accommodation for the elderly and disabled, 88910 : Child day-care activities, 88990 : Other social work activities without accommodation n.e.c.,
Logistics and Distribution	49200 : Freight rail transport, 49410 : Freight transport by road, 49420 : Removal services, 49500 : Transport via pipeline, 50200 : Sea and coastal freight water transport, 50400 : Inland freight water transport, 51210 : Freight air transport, 52101 : Operation of warehousing and storage facilities for water transport activities of division 50, 52102 : Operation of warehousing and storage facilities for air transport activities of division 51, 52103 : Operation of warehousing and storage facilities for land transport activities of division 49, 52211 : Operation of rail freight terminals, 52219 : Other service activities incidental to land transportation, 52220 : Service activities incidental to water transportation, 52230 : Service activities incidental to air transportation, 52241 : Cargo handling for water transport activities of division 50, 52242 : Cargo handling for air transport activities of division 51, 52243 : Cargo handling for land transport activities of division 49, 52290 : Other transportation support activities , 53100 : Postal activities under universal service obligation, 53201 : Other postal and courier activities: Licensed carriers, 53202 : Other postal and courier activities: Unlicensed carriers.
Manufacturing	10110 : Processing and preserving of meat, 10120 : Processing and preserving of poultry meat, 10130 : Production of meat and poultry meat products, 10200 : Processing and preserving of fish, crustaceans and molluscs, 10310 : Processing and preserving of potatoes, 10320 : Manufacture of fruit and vegetable juice, 10390 : Other processing and preserving of fruit and vegetables, 10410 : Manufacture of oils and fats, 10420 : Manufacture of margarine and similar edible fats, 10511 : Liquid milk and cream production, 10512 : Butter and cheese production, 10519 : Manufacture of other milk products, 10520 : Manufacture of ice cream, 10611 : Grain milling, 10612 : Manufacture of breakfast cereals and cereals-based food, 10620 : Manufacture of starches and starch products, 10710 : Manufacture of bread; manufacture of fresh pastry goods and cakes,

Manufacturing	10720 : Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes, 10730 : Manufacture of macaroni, noodles, couscous and similar farinaceous products, 10810 : Manufacture of sugar, 10821 : Manufacture of cocoa and chocolate confectionery, 10822 : Manufacture of sugar confectionery, 10831 : Tea processing, 10832 : Production of coffee and coffee substitutes, 10840 : Manufacture of condiments and seasonings, 10850 : Manufacture of prepared meals and dishes, 10860 : Manufacture of homogenized food preparations and dietetic food, 10890 : Manufacture of other food products n.e.c., 10910 : Manufacture of prepared feeds for farm animals, 10920 : Manufacture of prepared pet foods, 11010 : Distilling, rectifying and blending of spirits, 11020 : Manufacture of wine from grape, 11030 : Manufacture of cider and other fruit wines, 11040 : Manufacture of other non-distilled fermented beverages, 11050 : Manufacture of beer, 11060 : Manufacture of malt, 11070 : Manufacture of soft drinks; production of mineral waters and other bottled waters, 12000 : Manufacture of tobacco products, 13100 : Preparation and spinning of textile fibres, 13200 : Weaving of textiles, 13300 : Finishing of textiles, 13910 : Manufacture of knitted and crocheted fabrics, 13921 : Manufacture of soft furnishings, 13922 : manufacture of canvas goods, sacks, etc., 13923 : manufacture of household textiles, 13931 : Manufacture of woven or tufted carpets and rugs, 13939 : Manufacture of other carpets and rugs, 13940 : Manufacture of cordage, rope, twine and netting, 13950 : Manufacture of non-wovens and articles made from non-wovens, except apparel, 13960 : Manufacture of other technical and industrial textiles, 13990 : Manufacture of other textiles n.e.c., 14110 : Manufacture of leather clothes, 14120 : Manufacture of workwear, 14131 : Manufacture of other men's outerwear, 14132 : Manufacture of other women's outerwear, 14141 : Manufacture of men's underwear, 14142 : Manufacture of women's underwear, 14190 : Manufacture of other wearing apparel and accessories n.e.c., 14200 : Manufacture of articles of fur, 14310 : Manufacture of knitted and crocheted hosiery, 14390 : Manufacture of other knitted and crocheted apparel, 15110 : Tanning and dressing of leather; dressing and dyeing of fur, 15120 : Manufacture of luggage, handbags and the like, saddlery and harness, 15200 : Manufacture of footwear, 16100 : Sawmilling and planing of wood, 16210 : Manufacture of veneer sheets and wood-based panels, 16220 : Manufacture of assembled parquet floors, 16230 : Manufacture of other builders' carpentry and joinery, 16240 : Manufacture of wooden containers, 16290 : Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials, 17110 : Manufacture of pulp, 17120 : Manufacture of paper and paperboard, 17211 : Manufacture of corrugated paper and paperboard, sacks and bags, 17219 : Manufacture of other paper and paperboard containers, 17220 : Manufacture of household and sanitary goods and of toilet requisites, 17230 : Manufacture of paper stationery, 17240 : Manufacture of wallpaper, 17290 : Manufacture of other articles of paper and paperboard n.e.c., 18121 : Manufacture of printed labels, 19100 : Manufacture of coke oven products, 19201 : Mineral oil refining, 19209 : Other treatment of petroleum products (excluding petrochemicals manufacture), 20110 : Manufacture of industrial gases, 20120 : Manufacture of dyes and pigments, 20130 : Manufacture of other inorganic basic chemicals, 20140 : Manufacture of other organic basic chemicals, 20150 : Manufacture of fertilizers and nitrogen compounds, 20160 : Manufacture of plastics in primary forms, 20170 : Manufacture of synthetic rubber in primary forms, 20200 : Manufacture of pesticides and other agrochemical products, 20301 : Manufacture of paints, varnishes and similar coatings, mastics and sealants, 20302 : Manufacture of printing ink , 20411 : Manufacture of soap and detergents, 20412 : Manufacture of cleaning and polishing preparations, 20420 : Manufacture of perfumes and toilet preparations, 20510 : Manufacture of explosives, 20520 : Manufacture of glues, 20530 : Manufacture of essential oils, 20590 : Manufacture of other chemical products n.e.c., 20600 : Manufacture of man-made fibres, 21100 : Manufacture of basic pharmaceutical products, 21200 : Manufacture of pharmaceutical preparations, 22110 : Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres, 22190 : Manufacture of other rubber products, 22210 : Manufacture of plastic plates, sheets, tubes and profiles, 22220 : Manufacture of plastic packing goods, 22230 : Manufacture of builders’ ware of plastic, 22290 : Manufacture of other plastic products, 23110 : Manufacture of flat glass, 23120 : Shaping and processing of flat glass, 23130 : Manufacture of hollow glass, 23140 : Manufacture of glass fibres, 23190 : Manufacture and processing of other glass, including technical glassware, 23200 : Manufacture of refractory products, 23310 : Manufacture of ceramic tiles and flags, 23320 : Manufacture of bricks, tiles and construction products, in baked clay, 23410 : Manufacture of ceramic household and ornamental articles, 23420 : Manufacture of ceramic sanitary fixtures, 23430 : Manufacture of ceramic insulators and insulating fittings, 23440 : Manufacture of other technical ceramic products, 23490 : Manufacture of other ceramic products n.e.c.,

Manufacturing	23510 : Manufacture of cement, 23520 : Manufacture of lime and plaster, 23610 : Manufacture of concrete products for construction purposes, 23620 : Manufacture of plaster products for construction purposes, 23630 : Manufacture of ready-mixed concrete, 23640 : Manufacture of mortars, 23650 : Manufacture of fibre cement, 23690 : Manufacture of other articles of concrete, plaster and cement, 23700 : Cutting, shaping and finishing of stone, 23910 : Production of abrasive products, 23990 : Manufacture of other non-metallic mineral products n.e.c., 24100 : Manufacture of basic iron and steel and of ferro-alloys , 24200 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel, 24310 : Cold drawing of bars, 24320 : Cold rolling of narrow strip, 24330 : Cold forming or folding, 24340 : Cold drawing of wire, 24410 : Precious metals production, 24420 : Aluminium production, 24430 : Lead, zinc and tin production, 24440 : Copper production, 24450 : Other non-ferrous metal production, 24460 : Processing of nuclear fuel , 24510 : Casting of iron, 24520 : Casting of steel, 24530 : Casting of light metals, 24540 : Casting of other non-ferrous metals, 25110 : Manufacture of metal structures and parts of structures, 25120 : Manufacture of doors and windows of metal, 25210 : Manufacture of central heating radiators and boilers, 25290 : Manufacture of other tanks, reservoirs and containers of metal, 25300 : Manufacture of steam generators, except central heating hot water boilers, 25400 : Manufacture of weapons and ammunition, 25500 : Forging, pressing, stamping and roll-forming of metal; powder metallurgy, 25610 : Treatment and coating of metals, 25620 : Machining, 25710 : Manufacture of cutlery, 25720 : Manufacture of locks and hinges, 25730 : Manufacture of tools, 25910 : Manufacture of steel drums and similar containers, 25920 : Manufacture of light metal packaging , 25930 : Manufacture of wire products, chain and springs, 25940 : Manufacture of fasteners and screw machine products, 25990 : Manufacture of other fabricated metal products n.e.c., 26110 : Manufacture of electronic components, 26120 : Manufacture of loaded electronic boards, 26200 : Manufacture of computers and peripheral equipment, 26301 : Manufacture of telegraph, and telephone apparatus and equipment, 26309 : Manufacture of communication equipment other than telegraph, and telephone apparatus and equipment, 26400 : Manufacture of consumer electronics, 26511 : Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment, 26512 : Manufacture of electronic industrial process control equipment, 26513 : Manufacture of non-electronic instruments and appliances for measuring, checking, testing, navigation and other purposes, except process control equipment, 26514 : Manufacture of non-electronic industrial process control equipment, 26520 : Manufacture of watches and clocks, 26600 : Manufacture of irradiation, electromedical and electrotherapeutic equipment, 26701 : Manufacture of optical precision instruments, 26702 : Manufacture of photographic and cinematographic equipment, 26800 : Manufacture of magnetic and optical media, 27110 : Manufacture of electric motors, generators and transformers, 27120 : Manufacture of electricity distribution and control apparatus, 27200 : Manufacture of batteries and accumulators, 27310 : Manufacture of fibre optic cables, 27320 : Manufacture of other electronic and electric wires and cables, 27330 : Manufacture of wiring devices, 27400 : Manufacture of electric lighting equipment, 27510 : Manufacture of electric domestic appliances, 27520 : Manufacture of non-electric domestic appliances, 27900 : Manufacture of other electrical equipment, 28110 : Manufacture of engines and turbines, except aircraft, vehicle and cycle engines, 28120 : Manufacture of fluid power equipment, 28131 : Manufacture of pumps, 28132 : Manufacture of compressors, 28140 : Manufacture of taps and valves, 28150 : Manufacture of bearings, gears, gearing and driving elements, 28210 : Manufacture of ovens, furnaces and furnace burners, 28220 : Manufacture of lifting and handling equipment, 28230 : Manufacture of office machinery and equipment (except computers and peripheral equipment), 28240 : Manufacture of power-driven hand tools, 28250 : Manufacture of non-domestic cooling and ventilation equipment, 28290 : Manufacture of other general-purpose machinery n.e.c., 28301 : Manufacture of agricultural tractors, 28302 : Manufacture of agricultural and forestry machinery other than tractors, 28410 : Manufacture of metal forming machinery, 28490 : Manufacture of other machine tools n.e.c., 28910 : Manufacture of machinery for metallurgy, 28921 : Manufacture of machinery for mining, 28922 : Manufacture of earthmoving equipment, 28923 : Manufacture of equipment for concrete crushing and screening and roadworks, 28930 : Manufacture of machinery for food, beverage and tobacco processing, 28940 : Manufacture of machinery for textile, apparel and leather production, 28950 : Manufacture of machinery for paper and paperboard production, 28960 : Manufacture of plastics and rubber machinery, 28990 : Manufacture of other special-purpose machinery n.e.c., 29100 : Manufacture of motor vehicles, 29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans) , 29202 : Manufacture of trailers and semi-trailers, 29203 : Manufacture of caravans,

Manufacturing	29310 : Manufacture of electrical and electronic equipment for motor vehicles, 29320 : Manufacture of other parts and accessories for motor vehicles and their engines, 30110 : Building of ships and floating structures, 30120 : Building of pleasure and sporting boats, 30200 : Manufacture of railway locomotives and rolling stock, 30300 : Manufacture of air and spacecraft and related machinery, 30400 : Manufacture of military fighting vehicles, 30910 : Manufacture of motorcycles, 30920 : Manufacture of bicycles and invalid carriages, 30990 : Manufacture of other transport equipment n.e.c., 31010 : Manufacture of office and shop furniture, 31020 : Manufacture of kitchen furniture, 31030 : Manufacture of mattresses, 31090 : Manufacture of other furniture, 32110 : Striking of coins, 32120 : Manufacture of jewellery and related articles, 32130 : Manufacture of imitation jewellery and related articles, 32200 : Manufacture of musical instruments, 32300 : Manufacture of sports goods, 32401 : Manufacture of professional and arcade games and toys, 32409 : Manufacture of other games and toys, n.e.c., 32500 : Manufacture of medical and dental instruments and supplies, 32910 : Manufacture of brooms and brushes, 32990 : Other manufacturing n.e.c. , 33110 : Repair of fabricated metal products, 33120 : Repair of machinery, 33130 : Repair of electronic and optical equipment, 33140 : Repair of electrical equipment, 33150 : Repair and maintenance of ships and boats, 33160 : Repair and maintenance of aircraft and spacecraft, 33170 : Repair and maintenance of other transport equipment, 33190 : Repair of other equipment.
Retail	45111 : Sale of new cars and light motor vehicles, 45112 : Sale of used cars and light motor vehicles , 45190 : Sale of other new motor vehicles, 45320 : Retail trade of motor vehicle parts and accessories, 45400 : Sale, maintenance and repair of motorcycles and related parts and accessories, 47110 : Retail sale in non-specialised stores with food, beverages or tobacco predominating, 47190 : Other retail sale in non-specialised stores, 47210 : Retail sale of fruit and vegetables in specialised stores, 47220 : Retail sale of meat and meat products in specialised stores, 47230 : Retail sale of fish, crustaceans and molluscs in specialised stores, 47240 : Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores, 47250 : Retail sale of beverages in specialised stores, 47260 : Retail sale of tobacco products in specialised stores, 47290 : Other retail sale of food in specialised stores, 47300 : Retail sale of automotive fuel in specialised stores, 47410 : Retail sale of computers, peripheral units and software in specialised stores, 47421 : Retail sale of mobile telephones, 47429 : Retail sale of telecommunications equipment other than mobile telephones, 47430 : Retail sale of audio and video equipment in specialised stores, 47510 : Retail sale of textiles in specialised stores, 47520 : Retail sale of hardware, paints and glass in specialised stores, 47530 : Retail sale of carpets, rugs, wall and floor coverings in specialised stores, 47540 : Retail sale of electrical household appliances in specialised stores, 47591 : Retail sale of musical instruments and scores, 47599 : Retail sale of furniture, lighting equipment and household articles (not incl. musical instruments and scores) n.e.c. in specialised stores, 47610 : Retail sale of books in specialised stores, 47620 : Retail sale of newspapers and stationery in specialised stores, 47630 : Retail sale of music and video recordings in specialised stores, 47640 : Retail sale of sports goods, fishing gear, camping goods, boats and bicycles, 47650 : Retail sale of games and toys in specialised stores, 47710 : Retail sale of clothing in specialised stores, 47721 : Retail sale of footwear in specialised stores, 47722 : Retail sale of leather goods in specialised stores, 47730 : Dispensing chemist in specialised stores, 47741 : Retail sale of hearing aids, 47749 : Retail sale of medical and orthopaedic goods in specialised stores (not incl. hearing aids) n.e.c., 47750 : Retail sale of cosmetic and toilet articles in specialised stores, 47760 : Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialised stores, 47770 : Retail sale of watches and jewellery in specialised stores, 47781 : Retail sale in commercial art galleries, 47782 : Retail sale by opticians, 47789 : Other retail sale of new goods in specialised stores (not incl. commercial art galleries and opticians) n.e.c., 47791 : Retail sale of antiques, including antique books, in stores, 47799 : Retail sale of other second-hand goods in stores (not incl. antiques), 47810 : Retail sale via stalls and markets of food, beverages and tobacco products, 47820 : Retail sale via stalls and markets of textiles, clothing and footwear, 47890 : Retail sale via stalls and markets of other goods, 47910 : Retail sale via mail order houses or via Internet, 47990 : Other retail sale not in stores, stalls or markets.

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