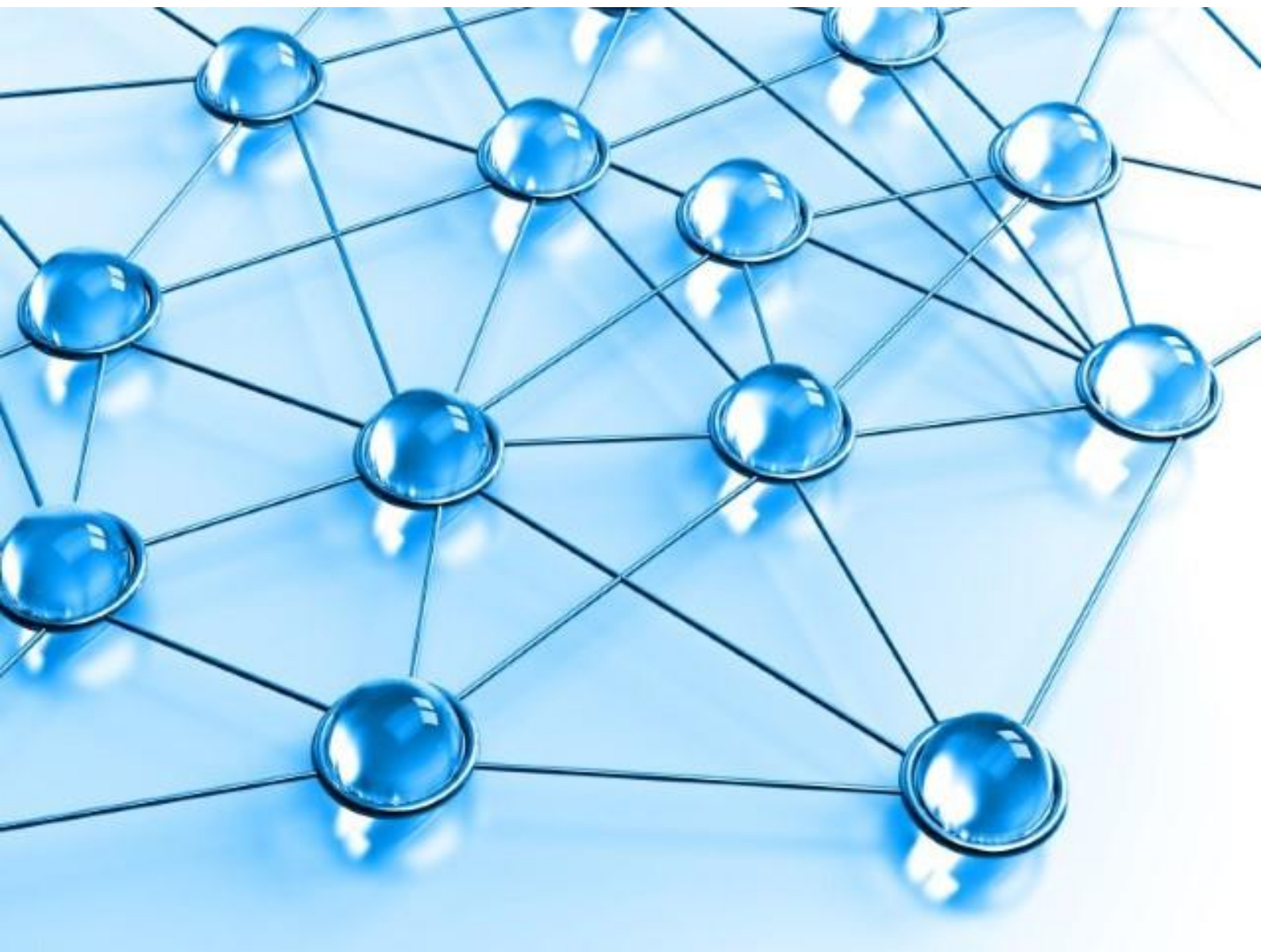


North Essex Economic Strategy

Final Draft

October 2019



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Note on the Final Draft Strategy

This draft Strategy was considered by the North Essex Economic Board in September 2019, and has been updated in the light of feedback from the Board.

It is envisaged that the final version will be designed for publication (with enhanced maps and graphics, etc., which will be finalised once the Strategy content has been agreed).

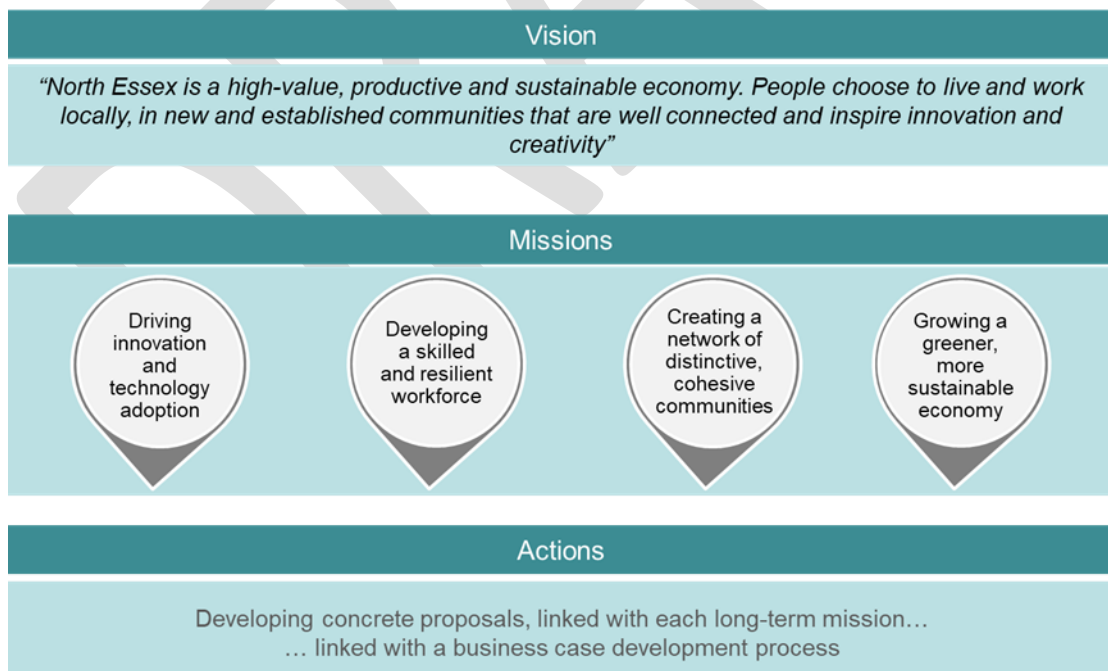
Executive Summary

Introduction

1. Welcome to the **North Essex Economic Strategy**. Looking forward to 2040, this Strategy sets out our shared ambitions for long-term, sustainable and inclusive prosperity – and outlines where we must act in the next five years to help realise them.
2. Our Strategy is prepared in the context of:
 - **Rapid population growth:** In the 20 years to 2018, our population expanded by almost 20% to 580,000. Looking to the future, some 50,000 new homes are planned across North Essex between 2016 and 2036, some of which will be delivered through our new Garden Communities.
 - **Rapid economic change,** as the growing importance of artificial intelligence and the data-driven economy, the need ‘cleaner growth’ and demographic change lead to new goods and services (and the skills, infrastructure and technologies that will be needed to create them), while disrupting existing jobs and business models.

Our vision and missions

3. Over the next twenty years, we have an opportunity to capture the potential of growth and economic change to create an increasingly productive economy in which everyone has a stake:



Mission 1: Driving innovation and technology adoption

4. **Looking forward to 2040,** to support an economy that is ‘high value and productive’, we will develop opportunities for innovative businesses to grow, technology clusters to emerge and

for all businesses to take advantage of measures to increase technology adoption and drive forward productivity.

5. **Over the next five years**, we will build a closer relationship between innovative businesses, their supply chain and the knowledge base. This will seek to maximise the potential of our 'leading edge' research base (especially associated with the University of Essex), increasing interaction between the universities and our SME base; strengthen supply chain links and business-to-business relationships within North Essex; and ensure that those high-value businesses with the ability and appetite to expand have the physical capacity to do so. We will also seek to drive new inward investment alongside indigenous growth, where it will deliver quality, sustainable employment, encourage innovation, and support supply chain opportunities

Mission 2: Developing a skilled and resilient workforce

6. **Looking forward to 2040**, we aim to develop a workforce – of all ages and in all communities – able to contribute fully to North Essex's growth opportunities.
7. **Over the next five years**, working together with existing institutions and partnerships, we will seek to increase the supply of industry-relevant qualifications and develop new solutions to drive greater employer participation in the skills system. In the light of the new economic opportunities emerging through technological change, we will also seek to increase awareness of the career and employment opportunities that are available in North Essex – and which could become available in the future. Linked with this, we will support those who are already in the labour market to access new skills and adapt to changing technologies and working practices.

Mission 3: Creating a network of distinctive, cohesive communities

8. **Looking forward to 2040**, we will preserve and enhance North Essex's unique local identities and diversity, while ensuring that all our towns and communities contribute to and benefit from economic growth within a complementary 'network' of distinctive and creative places.
9. **Over the next five years**, we will drive forward a long-term, coordinated transport strategy, working closely with Transport East, accompanied by measures to increase sustainable transport options and support the further deployment of high-speed digital connectivity. At the same time, we will **invest in the infrastructure to support distinctive, adaptable and creative places**, exploring opportunities to better embed 'anchor institutions', especially within our coastal towns.

Mission 4: Growing a greener, more sustainable economy

10. **Looking forward to 2040**, we will ensure that North Essex is a leading example of sustainable development – within existing communities, through our ambitious proposals for new Garden Communities and through lower carbon, innovative businesses.
11. **Over the next five years**, we will support the development of new industries associated with the transition to a more energy-efficient, lower carbon economy (building on our strengths in the coastal energy industry). We will continue to progress our ambitious proposals for new

Garden Communities, ensuring that long-term sustainable development is planned from the start, and we will seek to incentivise the development and use of sustainable materials within the construction and development process.

Delivering the Strategy

12. Our Strategy sets out an ambitious programme. Delivery will mean close partnership working among all those with a stake in North Essex's future prosperity, including business, the local authorities and our universities and educational institutions. Some measures will also need the support of central Government and, within the overall framework that we have outlined, the Strategy will need to be flexible to adapt to changing opportunities over time.
13. The North Essex Economic Board will ensure strategic oversight, developing a rolling action plan and driving the development of business cases for specific interventions. But this Strategy is just the start. In North Essex, we have the opportunity for a more sustainable, better quality model of economic growth, and the ambition to achieve it. We will now work creatively and in partnership to deliver.

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1. Introduction

Welcome to the North Essex Economic Strategy. Looking forward to 2040, this document sets out our ambitions for long-term sustainable and inclusive prosperity – and, at a time of rapid growth and technology change, outlines where we must act in the next two to three years to realise them.

A new economic strategy for North Essex

- 1.1 Stretching from Stansted Airport and the M11 in the west, via Braintree and Colchester to Clacton and Harwich in the east, North Essex is a diverse and outward-facing economy – both internationally and relation to the rest of the Greater South East. Looking to the next twenty years and beyond, the North Essex Economic Board¹ has prepared this Economic Strategy to help us take action now to ensure that we make the most of the opportunities that are ahead of us.

Figure 1-1: North Essex in context



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¹ The North Essex Economic Board is a partnership between Essex County Council and the district authorities in Braintree, Colchester, Tendring and Uttlesford to promote economic growth, working together with business.

The long run: Our growth ambitions

- 1.2 This Strategy is developed in the context of rapid growth. In the 20 years to 2018, our population expanded by almost 20% to 580,000: as Chapter 2 demonstrates, this has been accompanied by rates of housing delivery consistently higher than the national average. Looking to the future, some 50,000 new homes are planned across the four districts between 2016 and 2036². Some of these will be delivered through our emerging proposals for new Garden Communities, which will be built out over a longer, 50 year period.
- 1.3 Alongside *population* growth, we are ambitious for *economic* growth (for example, the Garden Communities aspire to create one job for every home - a high rate of job creation, but one which we must achieve if we are to deliver sustainable, local employment). But we don't just want increased job numbers: we need to take advantage of rapidly changing technology to ensure that future employment is resilient, adaptable and increasingly productive. That means growing local business opportunities, investing in our 'knowledge base' and developing a diverse and highly skilled workforce – both for future residents and our existing communities.

The short run: Five years forward

- 1.4 Although this Strategy takes a long-term view, the actions that we take in the shorter term will shape the direction of future growth. Much is happening already as 'business as usual', for example, in land use and infrastructure planning, and this Strategy does not duplicate this. But within a dynamic, changing economy, there should be opportunities to develop new solutions to the challenges we face, and to test out new ideas. So within the Strategy, we highlight a series of key 'areas for action' over the next five years, setting out a framework through which the North Essex Economic Board can work with partners to progress initiatives that will make a difference across the whole of the area.

The changing strategic context

- 1.5 We have prepared this Strategy at a time of considerable macro-economic and policy uncertainty, not least related to Britain's exit from the European Union. Locally, we will need to adapt to changing patterns of global trade and fluctuations in national and international economic performance as they evolve.
- 1.6 But over a longer horizon, the opportunities and challenges presented by technological and demographic change become clearer. The Government's *Industrial Strategy*, published in 2017, identified four 'grand challenges' which the UK will need to address over the coming decades, related to our ageing population, the growing importance of artificial intelligence and the data-driven economy, the need for a new model of environmentally-sustainable 'clean growth' and the changing nature of mobility and transport. All of these are leading to demand for new goods and services (and the skills, infrastructure and technologies that will be needed to create them), while disrupting existing jobs and business models. Capturing the potential and driving forward productivity, while ensuring that everyone has a stake in future economic growth is a challenge for all local economies, North Essex included.

² 2016-36, based on Local Planning Authorities' housing supply trajectories. Essex County Council (2017), *Greater Essex Growth and Infrastructure Framework*

- 1.7 In this context, the Government is working with local enterprise partnerships across England to prepare *Local Industrial Strategies*, setting out how each area will contribute to productivity growth and respond to the ‘grand challenges’, and potentially acting as a basis for prioritising activity under the forthcoming Shared Prosperity Fund. Work is underway to prepare Local Industrial Strategies for Essex and the wider South East LEP region, to which the ideas and priorities set out in this Strategy will contribute.

Strategy structure

- 1.8 The remainder of this Strategy is structured in four main sections:



2. North Essex: A picture of the economy

With a strong university presence, international connectivity and a good quality of life, the towns and communities of North Essex are well positioned to benefit from rapid growth. But to achieve our potential, we must ensure that our infrastructure, workforce and businesses are resilient, innovative and adaptable. This chapter sketches a picture of the North Essex economy and its opportunities

Diverse places, outward connections: The geography of North Essex

- 2.1 With a population of around 580,000, North Essex extends for some sixty miles from east to west, along the 'A120 Corridor' linking Stansted and the M11 with Harwich. No single centre dominates: while Colchester is the largest urban area, Braintree, Clacton-on-Sea, Harwich and Saffron Walden are all important centres of population, alongside a large rural hinterland.

North Essex is an area of considerable diversity....

- 2.2 Historically, our main settlements have had distinctive roles: the seaside resorts of Clacton and Frinton, the port at Harwich, Braintree as an important manufacturing base, and Colchester as a military centre and (in recent decades) a growing university town and regional service centre. The distinct heritage of our main towns is important, both in relation to their strong local identities and the economic opportunities that each enjoy.

We're a vital international gateway...

- 2.3 Two important international gateways anchor each end of the A120 Corridor. In the west, just off the M11, Stansted Airport is the UK's fourth busiest passenger airport, handling some 25 million passengers in 2017 (as well as a large freight operation). In the east, Harwich International Port offers passenger links to Holland, as well as freight activity, and has more recently become an important centre for the offshore wind industry.

... with important links to the rest of the Greater South East

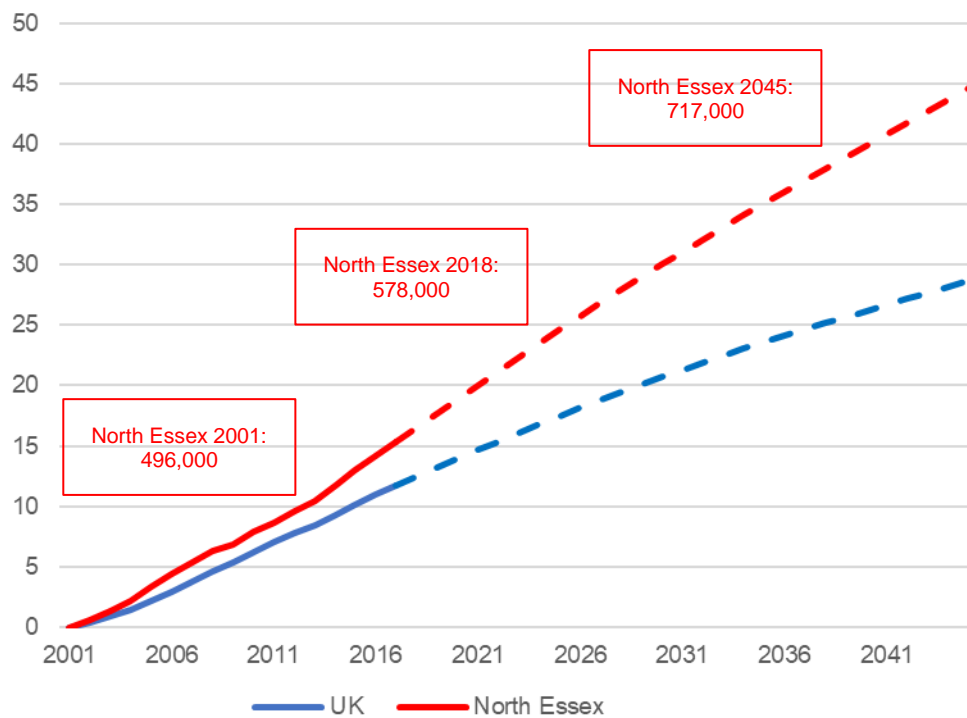
- 2.4 As well as the east-west A120, North Essex is served by two other nationally important transport 'corridors': the A12/ Great Eastern Main Line corridor from London to Norwich via Chelmsford and Colchester, and the M11/ West Anglia line from London to Cambridge via Stansted. Consequently, travel flows from North Essex to other parts of Essex and the rest of the Greater South East are significant: Chelmsford (for example) is the most important commuter destination for residents of Braintree, while Harlow and parts of Hertfordshire along the M11 Corridor are important in Uttlesford – and London is a vital commuter destination and market for businesses across North Essex. The key point is that North Essex – overall – is not self-contained and homogeneous: it is outward-facing and diverse.

Rapid growth

In population and housing...

- 2.5 Despite this diversity, North Essex shares a common growth agenda. For the past 20 years, our population has risen faster than the national average (between 1997 and 2017, the population of the area grew by around 20%, compared with a 13% increase nationally – and a 15% increase across Essex as a whole). The working age population has also grown at a much faster rate than the rest of the country.

Figure 2-1: Population growth 2001-45 (2001=0)



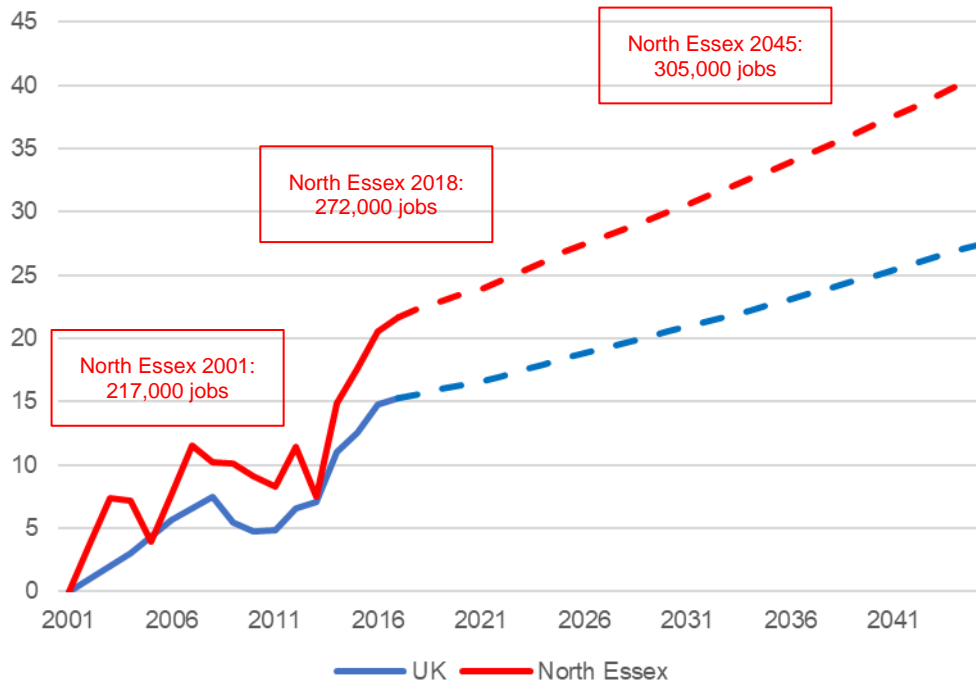
Source: Cambridge Econometrics, East of England Forecasting Model

- 2.6 Looking to the future, population growth is expected to remain high, with a projected increase of 24% between 2018 and 2045 (some 139,000 additional residents). To put this into context, this is the equivalent to the population of an additional town somewhat larger than the Colchester urban area today.
- 2.7 North Essex has responded positively to the growth agenda, with housing growth supporting a rising population. Over the past decade, the pace of housing completions has been strong: over 18,000 new homes were built in the four districts in the ten years to 2018/19 (almost half of all new homes built in Essex as a whole, with delivery in Colchester stronger than in any other Essex district). Over the long term, the North Essex authorities' shared approach to the development of the proposed new Garden Communities provides a coordinated response to meeting future housing needs (alongside the expansion of existing communities), with a commitment to new employment growth to match housing expansion.

... and in employment

2.8 There are currently around 272,000 jobs in North Essex. Generally, employment growth has been somewhat stronger than the national average in recent years, reflecting population growth, and is projected to expand:

Figure 2-2: Jobs growth, 2001-45 (2001=0)



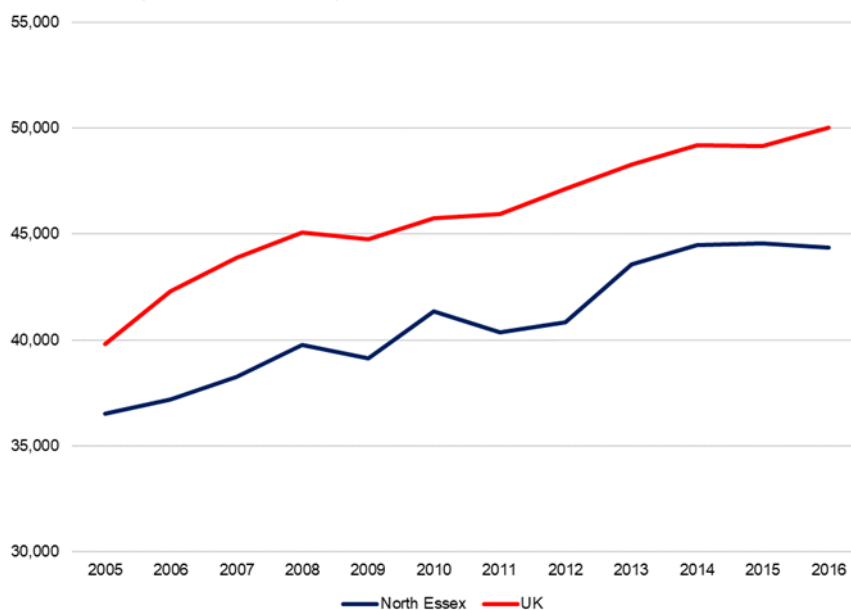
Source: Cambridge Econometrics, East of England Forecasting Model

Productivity challenges

2.9 The UK faces a ‘productivity challenge’: while employment rebounded rapidly from the Great Recession, Britain’s productivity (relative to that of its competitors in Europe and North America) has largely failed to grow. Addressing this is a major focus of the Government’s Industrial Strategy.

2.10 In North Essex, productivity (measured as GVA per filled job) was around £44,000 in 2016, and has lagged the UK average for several years (with some indication of a recent widening of the gap), as Figure illustrates:

Figure 2-3: Productivity (GVA per filled job, £)



Source: SQW estimates

2.11 This ‘productivity deficit’ is broadly in line with that of the South East LEP as a whole. But it does present a risk to the aspiration set out in the Introduction for an economy that is “adaptable, resilient and increasingly productive”. A number of factors underpin our productivity challenge:

- Within the context of a diverse sectoral profile, we have **relatively modest representation in higher-value sectors**. This is not universal (professional and scientific employment is relatively high in Colchester and Uttlesford, for instance), but *in general*, the area’s current sectoral base is oriented to ‘less productive’ activities. Potentially, this suggests a need to support more ‘knowledge intensive’ activity through indigenous growth and external investment, *as well as* raising productivity (for example through increased uptake of new technology) in the wider business base). This should help North Essex businesses to compete in wider markets: while local export data are limited, there is evidence that innovation and technology adoption correlate with a greater propensity to export³.
- **Relatively weak workforce skills**. Around 33% of the North Essex workforce are qualified to NVQ 4 or higher, compared with about 39% in Great Britain as a whole – and some 24,000 people (7% of the working age population) lack any formal qualifications. While recent years have seen improvements, the skills profile tends to change slowly (as new entrants to the labour market gradually replace those who leave). In the context of a need to adapt to new technologies and a wider range of lifetime careers, improving access to re-skilling will be important, alongside support for people in education.
- **Outflows of more highly skilled workers to job opportunities elsewhere**. Overall, there is a net commuting outflow from North Essex, reflecting higher wages that can be commanded in London and other parts of the South East. This proximity to higher-

³ House of Lords Select Committee on SMEs (2013), Roads to Success: SME export performance

value employment is a benefit to local residents (and to firms in the London supply chain), and improved connectivity and changing working practices should develop them further. But supporting the growth of more knowledge intensive activities should help to provide a greater choice of employment opportunities locally.

- **Some sharp spatial inequalities.** Aggregating up to North Essex as a whole obscures quite substantial divergences between different parts of the area. For example, the average NVQ 4+ qualifications rate quoted above hides a range at district level from 44% (in Uttlesford) to 22% (in Tendring), a pattern which is repeated across multiple indicators and reflects North Essex's spatial diversity. Achieving sustainable growth means improving outcomes in all communities, looking beyond the aggregate measure.

Key assets

2.12 While the 'productivity challenge' (which in reality is a series of structural challenges faced by much of the UK) is real, North Essex can draw on a range of important assets, including:

- **Our large and growing SME base.** There are around 23,000 businesses in North Essex. The great majority of these (almost exactly mirroring the national average) are micro businesses, employing fewer than ten people, although our stock of small and medium-sized enterprises is growing as well. Survival rates are good, and while North Essex lacks some of the larger 'anchor' employers that are an important feature elsewhere (such as the large manufacturing businesses in South Essex), there are strengths in a diverse and resilient business base
- **Our higher education infrastructure.** Within North Essex, this includes the University of Essex, as well as University Centre Colchester. In the wider hinterland, Anglia Ruskin and the University of Suffolk are nearby – as are the major centres of higher education in London and Cambridge. The University of Essex has world-leading strengths in computer science, informatics and the application of data, all of which are especially relevant to the growth of North Essex's technology capabilities, and there is a growing relationship between the regional business base.
- **Recent investment in skills,** linked with North Essex's key sector growth opportunities. Examples of innovative provision include Colchester Institute's STEM Innovation Centre at Braintree and the Stansted Airport College, discussed further in Chapter 6.
- **Investment in emerging areas of business activity,** some of which remain relatively small on a North Essex-wide scale, but which are important locally and have strong prospects for growth. Examples include the development of the offshore renewables sector in Tendring, life sciences associated with Chesterford Research Park in Uttlesford (with strong links to the Cambridge/ M11 economy), the digital media industry in Colchester and the continued growth of the advanced manufacturing sector in Braintree.

- **Major infrastructure as an economic anchor**, as well as a driver of connectivity. Around 12,000 people work at Stansted Airport for example; over time, the Airport also has the potential to drive wider location decisions.
- **Proximity to London and the rest of the Greater South East.** Typically seen as a labour market opportunity (North Essex residents commuting to London), travel patterns across the South East are increasingly complex, supported by more flexible working opportunities...
- and linked with this, the **'quality of place' and quality of life that North Essex offers**, in terms of its natural and built environment, access to services and (in some parts of the area) relative affordability. Maintaining and enhancing this asset is vital in the context of growth and the services and infrastructure that will be required to support it

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3. Our vision to 2040

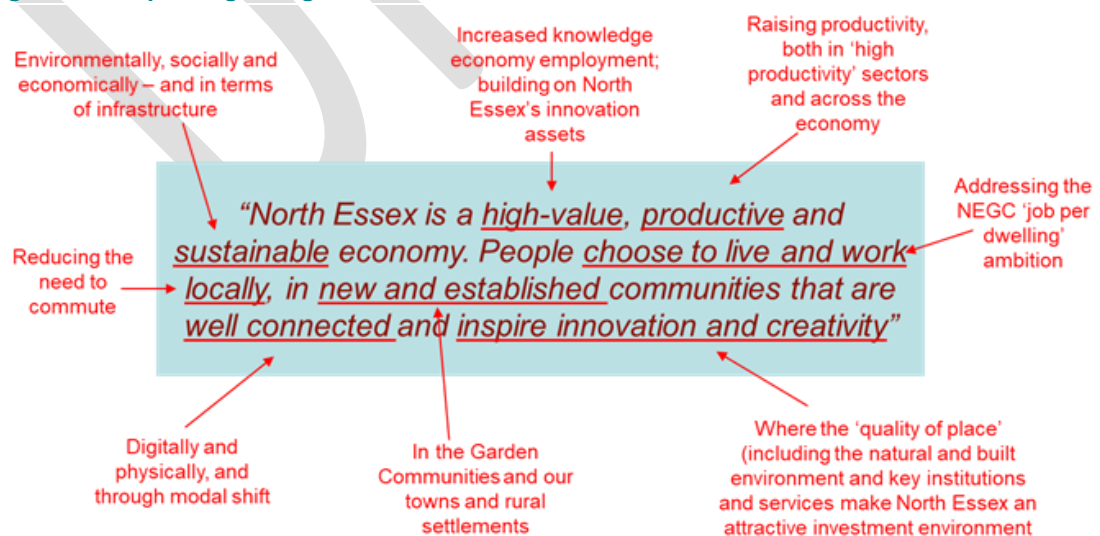
From the evidence to a vision...

- 3.1 The evidence tells us that North Essex has significant opportunities: we have a growing workforce and a growing employment base, we have increasingly important innovation assets and we are part of one of Europe's most dynamic regions. There is much to be ambitious about.
- 3.2 But we have some challenges too: like the rest of the UK, we will only achieve greater prosperity in the long run if we increase productivity – and we will only be successful if the benefits of greater prosperity are shared across North Essex.
- 3.3 Looking to the future, our vision for 2040 is that:

“North Essex is a high-value, productive and sustainable economy. People choose to live and work locally, in new and established communities that are well connected and inspire innovation and creativity”

- 3.4 This vision is realistic – but it is also challenging.
- 3.5 As the diagram opposite demonstrates, it demands action on a number of fronts, linked with increasing the resilience and ‘knowledge content’ of our employment base, developing a skilled workforce that can take advantage of and drive these opportunities, and ensuring that all communities across North Essex can enjoy the benefits of a more sustainable, more productive economy.
- 3.6 Over the coming years, achieving the vision will be the objective of the North Essex Economic Board:

Figure 3-1: Unpacking the agenda

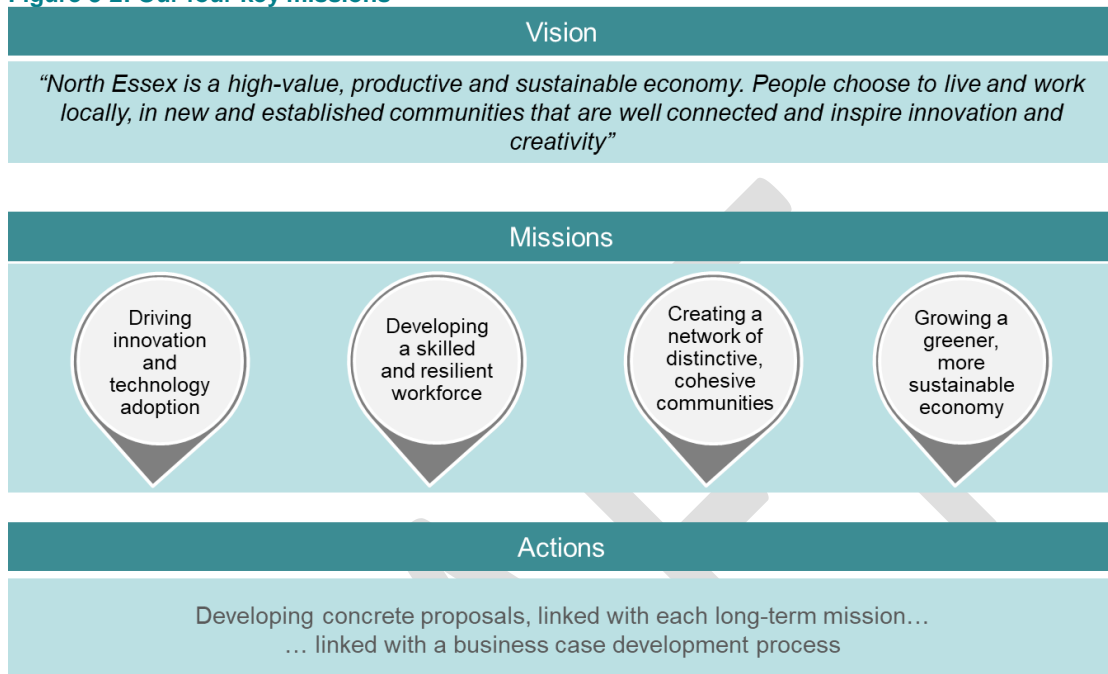


Source: SQW

Delivering the vision: Our four key missions

- 3.7 To deliver the vision, we have identified four key ‘missions’ that will be the focus of our shared activity over the next five years, with each mission providing a framework to consider - and drive forward – new ideas and solutions:

Figure 3-2: Our four key missions



Source: SQW

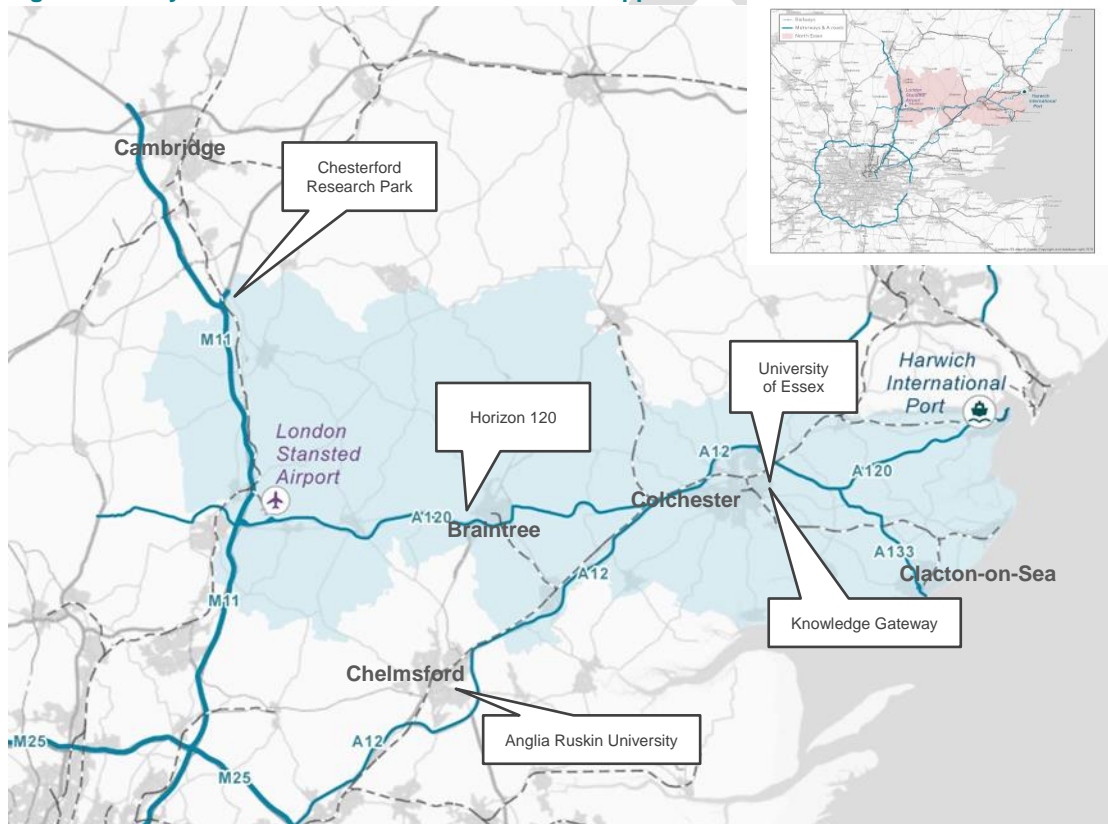
- 3.8 The following chapters explain each mission, setting out the assets and opportunities that underpin it, the challenges we need to address and the potential solutions that we will seek to progress.

4. Mission 1: Driving innovation and technology adoption

Our mission

Our vision seeks an economy that is 'high value and productive'. To support this, we will develop opportunities for innovative businesses to grow, technology clusters to emerge and for all businesses to take advantage of measures to increase technology adoption and drive forward productivity.

Figure 4-1: Key innovation and business assets and opportunities



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The situation today: Challenges, assets and opportunities

- 4.1 Digital technology is transforming the economy. The exploitation of complex data is leading to new products and services, challenging traditional sectoral definitions, and there are few industries that will not be impacted by automation and digital enabling technologies. This presents an opportunity for those firms and institutions that can develop and commercialise new solutions at the 'leading edge' of technology, and for those that can adopt new systems and adapt to change. But it is also a challenge to those that lack the capacity to evolve⁴.

⁴ See for example the report of the *Made Smarter* review, chaired by Jurgen Maier (2017)

4.2 In North Essex, we significant potential:

- **The University of Essex is a significant, and growing asset.** With world-class capabilities in advanced data science (discussed in the case study below), biological sciences and economics and finance, the University is a ‘top 20’ research institution, with global and national research connections, as well as business links in Essex. The University has invested substantially in commercialisation in recent years, including through the development of the Knowledge Gateway on its Colchester campus and the opening in 2019 of a new 38,000 sq ft Innovation Centre.
Data science at the University of Essex
The University of Essex is a leading centre of excellence in analytics and data science, including artificial intelligence and machine learning. Essex was one of the UK’s first universities to house a central research activity in artificial intelligence, and currently hosts the UK Data Service’s national SecureLab.
The University has a strong record of translating advanced computational methods to economic challenges and opportunities ranging from the use of data in policing and public services to Colchester’s award-winning Games Hub for creative start-ups.
- Alongside this, there are **public sector-driven opportunities to trial new technologies and develop new solutions:** the Anglian Test Bed Alliance for example actively seeks to work with innovators to find solutions to increase patient independence. Such initiatives are expanding as cost pressures on the health system, and the need to develop new approaches, rise. The North Essex local authorities are also investing in new digital technology to drive efficiencies and better service outcomes – potentially creating new opportunities for local businesses.
- **There are some growing concentrations of high value commercial activity.** Within North Essex itself, these include Chesterford Research Park, home to a cluster of life science businesses; as well as the growth of the ‘digital tech’ sector in Colchester. Links with neighbouring areas are also important: within the wider hinterland, there are major clusters of advanced technology-related activity (and associated support infrastructure) in London and Cambridge, and evidence of an emerging cluster of businesses linked with the semiconductor industry at Chelmsford.
Chesterford Research Park
With over 60 years’ history of scientific research activity, Chesterford Research Park is a centre for life science and technology R&D, accommodating global businesses such as AstraZeneca and Charles River, as well as start-up and expanding firms.
Chesterford Research Park continues to expand as part of a network of science parks to the south of Cambridge, demonstrating the value of connections to North Essex’s neighbouring centres.
- Supporting this, there has been recent investment in the wider **innovation infrastructure**, including the new Innovation Centre at the University of Essex and the forthcoming development of the Horizon 120 business and innovation park at Braintree.
- More broadly, **new technology is reducing barriers to entry** for innovation in (some) sectors, as the costs of small scale production fall and the ability to work ‘anywhere’ grows.

- 4.3 Looking ahead to the next 20 years, our strategy aims to grow these strengths and ensure that they benefit the wider North Essex economy. In particular, there is a growing recognition of the need to promote ‘new to the firm’ process innovation within the wider stock of SMEs. The Government’s *Made Smarter* review highlighted the extent to which the UK’s productivity deficit is influenced by a lack of capacity for technology adoption (partly linked with management skills and time, as well as uncertainty regarding risks and benefits). There should be scope to use North Essex’s expert assets to drive adoption amongst the wider SME base.
- 4.4 However, **we need to do more to unlock this potential**, and there is evidence that in North Essex, the ‘innovation ecosystem’ is somewhat under-developed. We have an entrepreneurial economy and a growing business base, but it is dispersed sectorally and spatially. There is also a relative lack of scale, with few leading firms driving local supply chains. On conventional measures of ‘innovation’, North Essex performs relatively poorly: patent registrations are relatively low, and recent analysis of the take-up of Innovate UK grants showed that North Essex was some way behind the rest of the country⁵.
- 4.5 **Our growth opportunities are also limited by capacity constraints**, both in terms of transport connectivity (discussed in Mission 3) and access to land. recent research has highlighted the challenge that a general lack of ‘grow-on’ space presents to businesses once they have reached a stage at which they need to expand. Changing market demand (especially occupier desire for greater flexibility), combined with high build costs and land values, has led to a situation in which “*grow-on space does not deliver sufficient returns for developers to be interested in providing this type of space*”, highlighting a need for public sector intervention⁶.

Solutions and actions

- 4.6 Overcoming these barriers will be key to raising long-term productivity in the context of our rapid population growth. Over the next five years, **we will build a closer relationship between innovative businesses, their supply chain and the knowledge base**, as part of an effort to drive up over time the share of higher-value, knowledge-intensive employment. In particular, we will:
- **Maximise the economic potential of our leading-edge research base**, working with the University of Essex and with partners within and beyond North Essex to build our areas of comparative advantage
 - Building on this, **increase interaction between the universities and our SME base**, encouraging and supporting the process of knowledge transfer and supporting the **increased adoption of new technologies and processes** among our SMEs
 - **Strengthen supply chain links between major businesses and SMEs**. As part of this, we will seek to identify clusters of higher-value activity (for example, linked with the expansion of advanced data science). This will include efforts to develop links

⁵ SQW/ Haven Gateway Partnership (2017), *Growth Sectors and Innovation in the Haven Gateway*; SQW/ SELEP (2018), *Economic Strategy Statement: Evidence Base*

⁶ SQW/ BBP/ Essex County Council (2016), *Grow-on Space Feasibility Study*

beyond North Essex (for example with the growing quantum science cluster around Chelmsford) as well as within the area.

- **Build business-to-business relationships**, increasing interaction between SMEs and larger businesses across North Essex. As part of this, we will explore opportunities for a business-led 'peer-to-peer' support offer to best meet sector or specialist needs
- **Work across the public sector to identify the economic opportunities associated with service transformation**, enabling local universities, colleges and businesses to help design solutions
- **Ensure that high-value businesses with the ability to expand have the physical capacity to do so**. As part of this, we will investigate the potential for acquiring sites and premises where this could support economic growth and deliver a commercial return.
- **Drive new inward investment alongside indigenous growth**, where it will deliver quality, sustainable employment, encourage innovation, and support supply chain opportunities

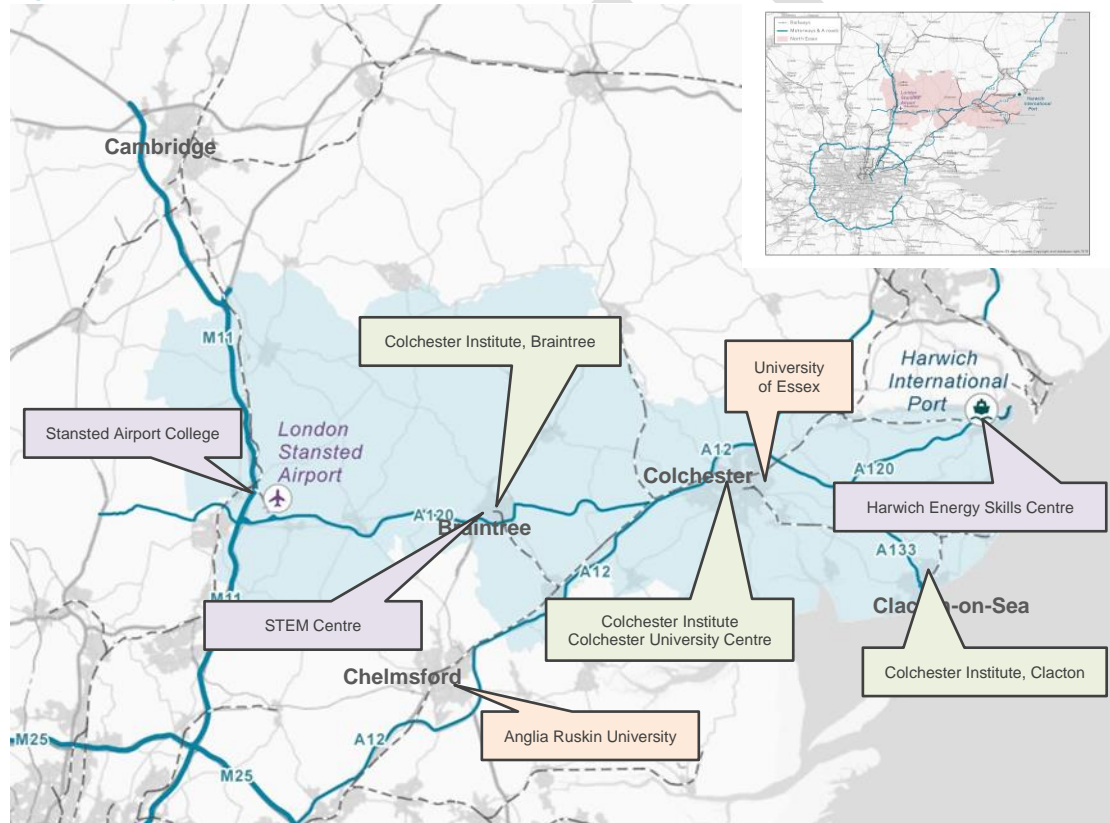
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5. Mission 2: Developing a skilled and resilient workforce

Our mission

From an economy-wide perspective, a skilled workforce is essential to productivity growth. From an individual perspective, the ability to adapt and develop new skills is essential in driving opportunity, better pay and progression in work. Looking ahead to 2040, we aim to develop a workforce – of all ages and in all communities – able to contribute fully to North Essex’s growth opportunities.

Figure 5-1: Key skills and workforce development assets and opportunities



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The situation today: Challenges, assets and opportunities

5.1 North Essex has a buoyant economy in employment terms. Unemployment is at historically low levels, and job creation has broadly kept pace with population growth. However, this masks relatively weak workforce skills, which are a potential drag on economic competitiveness:

- Despite improvements in recent years, **the North Essex workforce skills profile has not kept pace with that of the rest of the country**. Just 33% of the local workforce is qualified to NVQ4+, consistent with the average for the South East LEP, but below

the 38% qualified to this level nationally. This is a significant shortfall, which has been persistent over time

- **There is a net outflow of talent to London and other centres**, which impacts on local recruitment, especially in a tight labour market (although there is some evidence that quality of life considerations help to 'bring talent back' when the job opportunities are there)
- **Routes to progression are under pressure.** Participation in further education has fallen in recent years, apprenticeship starts have failed to rise, and the take-up of retraining is relatively low, reflecting the challenges faced by SMEs (nationally as well as in North Essex) in taking advantage of retraining opportunities, as well as wider resource pressures within the sector.

5.2 However, the case for investment in improved workforce skills is strong. New workforce skills (including management skills and 'skills for innovation') are essential for businesses to realise the opportunities presented by new technology, and there has been recent investment in new industry-focused training facilities:

New approaches to vocationally-focused further education in North Essex

Across North Essex, work is underway to build a stronger dialogue between employers and skills providers. This has led to initiatives designed to support the supply of future skills to growing industries. Three innovative approaches are worth highlighting:

Stansted Airport College is the first purpose-built on-site college at a major UK airport. Part of Harlow College, the new institution has been designed to support entry into roles such as aircraft engineering, logistics and supply chain management, hospitality and customer services – as well as addressing regional gaps in STEM skills. Following capital investment of around £11 million from Essex County Council and the South East LEP, the Airport College opened its doors to a first cohort of students in September 2018.

Looking to rising demand for construction-related skills (linked with North Essex's ambitious growth agenda), as well as a substantial manufacturing base, the **STEM Innovation Centre** at Colchester Institute's Braintree campus offers industry-standard facilities for computing, engineering and construction subjects, opening to its first students in September 2017.

Linked with the growth of the offshore energy sector, the **Energy Skills Centre** at Harwich is also managed by Colchester Institute, offering inshore and offshore engineering qualifications

Solutions and actions

5.3 Strengthening our skills profile is recognised as a high priority across Essex and across the South East LEP. Many of the measures taken forward at these larger spatial scales will be relevant to North Essex: working together with existing institutions and partnerships, we will seek to:

- **Increase the supply of industry-relevant qualifications**, building on the success of innovative projects such as those described above and encouraging greater specialist provision where it will meet local economic need. This will include making the case

for additional capital investment in the skills infrastructure, especially in the context of our housing and population growth.

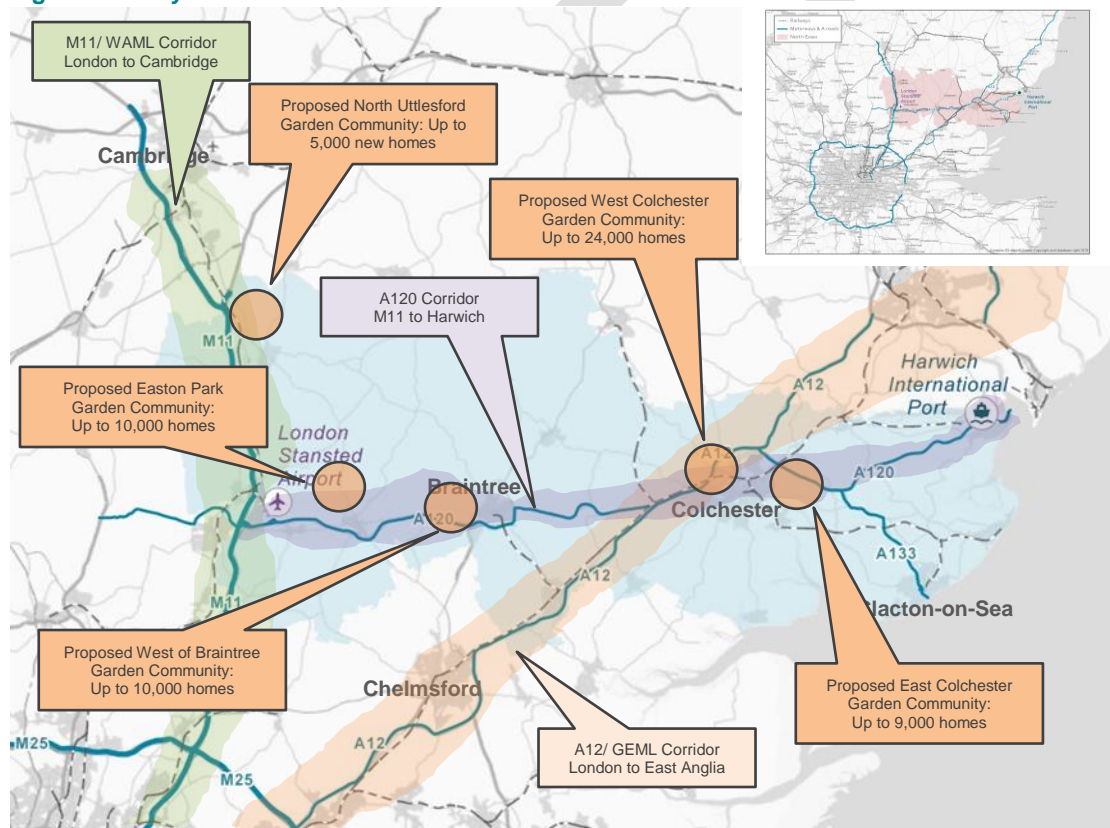
- **Develop new solutions to employer participation in the skills system**, ensuring that qualifications are relevant to industry needs and are accompanied by the skills for creativity and management that an innovative economy needs. Encouraging greater employer engagement is a priority at national as well as local level (with measures such as the introduction of the Apprenticeship Levy designed to incentivise employer involvement). However, it is often hard for employers (especially small businesses) to effectively participate. Together with partners, we aim to:
 - Encourage employers to engage with the new T-Levels, as they are introduced from 2020, and increase the take-up of Apprenticeships
 - Press for selective devolution to the most appropriate level when it can enable greater employer leadership and help to simplify the landscape. This could include seeking to capture the value of unspent Apprenticeship Levies locally, so that they can be proactively made available to SMEs within the area.
- **Raise awareness of the career and employment opportunities that are available in North Essex and its hinterland**, and which could become available in the future. This is a task for the 'whole economy': employers, schools (at all levels), colleges and intermediaries and the wider public, ensuring that young people are able to make informed choices.
- **Support those who are already in the labour market to access new skills** and adapt to changing technologies and working practices. Most of those working in 2040 – the long-term horizon of our vision – are already in the labour market today, and most of us can expect longer working lives, a more diverse range of working patterns and more frequent career changes. This can bring great benefits, as well as challenges – and it is important that our workforce is able to adapt. As part of this, we will support the delivery and take-up of the National Retraining Scheme, we will seek to enhance it where possible and we will ensure that our adult and community skills offer is geared to future economic opportunity, working with partners at the most appropriate spatial scale.

6. Mission 3: Creating a network of distinctive and cohesive places

Our mission

North Essex is a diverse place, with strong local identities and a strong 'quality of life' offer. We want to preserve and enhance this, celebrating our unique local characteristics while ensuring that all our towns and communities contribute to and benefit from economic growth within a complementary 'network' of distinctive and creative places. This will mean investing to reduce local disparities and strengthening our internal connections and our links with our neighbours, so that people and businesses can access new opportunities.

Figure 6-1: Key economic corridors and Garden Communities



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The situation today: Challenges, assets and opportunities

- 6.1 North Essex has a 'polycentric' network of towns and communities, with distinctive assets and opportunities. These include smaller market towns and an extensive rural hinterland with a high quality natural environment; the larger university town and regional centre of Colchester; and the 'Sunshine Coast'. Much of the area looks 'outwards', to neighbouring centres elsewhere in Essex, London, East Anglia and the M11 Corridor. There are real benefits to this diversity and local distinctiveness: 'quality of place' and local identity are increasingly

important as factors in business and residential location decisions (especially given the increasing ability to work remotely and North Essex's relative proximity to other major centres), and we have an opportunity to develop local clusters of economic activity that respond to local strengths.

6.2 Our diversity is a strength, and we want to preserve local identity and choice within the context of a coherent, sub-regional network of places. Looking to the future, we face three challenges:

- First, **unique identities should not mean unequal opportunities**. At present, **disparities across North Essex are sharp**, as the analysis at the start of this strategy bears out. These disparities are visible *between* districts, with a wide variance in (for example) average qualifications and productivity between Uttlesford at one extreme and Tendring at the other. Resolving these differences is challenging: in the case of some of the coastal towns in Tendring, relative peripherality, self-contained local markets and weak connectivity can be hard to overcome. However, significant local disparities also exist *within* districts and communities, and there is a risk that these will become more entrenched.
- Second, **distinctive places require investment**, both in the physical infrastructure that makes them distinctive (the quality of the built environment and public realm) and the local cultural assets and community services that support creativity and quality of life. Demand for community infrastructure and services will evolve over time with demographic change – maintaining and adapting investment to meet the needs of our changing population will be crucial.
- Third, **our ability to develop a sustainable 'polycentric' network is limited by connectivity constraints:**
 - Our **road and rail network is under pressure**, both 'within' North Essex (for example the A120 east of Braintree) and on key 'outward-facing' economic corridors (such as the A12/ Great Eastern Main Line and M11/ West Anglia Main Line routes). Currently, our business base is relatively dispersed and disparate: transport solutions should be important in creating greater critical mass.
 - Growth demands **more sustainable transport solutions**, achieving a modal shift to greater public transport use, reducing congestion and pollution. This is challenging in an area with a dispersed population base, and we will need to find solutions to delivering viable local transport systems
 - As demand for greater **digital connectivity** increases through the development of new products and services, it is important that our infrastructure keeps pace, especially in the context of population growth and the need to develop our knowledge economy

6.3 Creating a better connected 'network' of towns and communities should help to **demonstrate the compelling shared 'offer'** across North Essex to new residents and investors – complemented by clarity regarding the complementary offer of each place in the North Essex 'network', avoiding local competition where possible.

Solutions and actions

6.4 In support of our long-term plans for a network of sustainable, locally distinctive and well-connected communities, we will:

- **Actively promote measures to ensure that all parts of North Essex have access to economic opportunities.** This will include:
 - Exploring how we can **better embed 'anchor institutions'** within communities, especially within our coastal towns. As part of this, we will explore the options for additional public sector employment through relocation, where this could offer wider economic benefits and help to stimulate additional private sector employment
 - Linked with our ambitions in Mission 2, **support opportunities for re-training for people in the current workforce**, to support their resilience to technology and organisational change, and work with employers and schools to **raise aspiration** and access to learning and higher-value employment
- **Invest in distinctive, adaptable and creative places**, ensuring that our communities have the environmental quality and cultural and community offer to encourage people to develop new ideas and opportunities. This will include:
 - **Placing our town centres on the 'front foot' in responding to rapidly changing retail patterns.** This could involve the re-purposing of town centre retail units for more diverse range of commercial and non-commercial uses, where this would lead to a positive economic impact and create more opportunities for people to meet and share ideas, as well as investment in wider infrastructure
 - **Ensuring that our Garden Communities contribute to our 'network of distinctive places' in the long term**, through quality and creative design, sustainable connectivity and strong complementary relationships with existing settlements.
 - **Responding to demographic change and evolving demand**, designing new and existing communities that build in opportunities for healthier lifestyles and travel patterns, and respond to changing lifetime needs.
- **Drive forward a long-term, coordinated sustainable transport strategy**, by:
 - **Working with Transport East to prioritise strategic transport investments**, where they contribute to regional aims and help to deliver North Essex's long-term growth potential:

North Essex within the emerging transport strategy for the East of England

Tasked with preparing a collective vision for transport and infrastructure across Greater Essex, Norfolk and Suffolk, Transport East has identified three priorities that will inform the development of its forthcoming Strategic Transport Plan:

Global Gateways, including better connected ports and airports to support access to international markets and support foreign direct investment. North Essex contains the East's only major international airport: improving access by road and rail to support Stansted's passenger growth will be nationally and regionally important, as will better freight and passenger access to the port at Harwich

Multi-centred Connectivity, improving links between "our fastest growing places and business clusters". Our main corridors along the A12, M11 and A120 will make a vital contribution to this priority in the context of growth.

Energised Coastal Communities, supporting a "reinvented, sustainable coast for the 21st century", delivering our ambitions for energy generation and the visitor economy – as well as improved access from relatively peripheral coastal locations to employment opportunities elsewhere in North Essex and beyond.

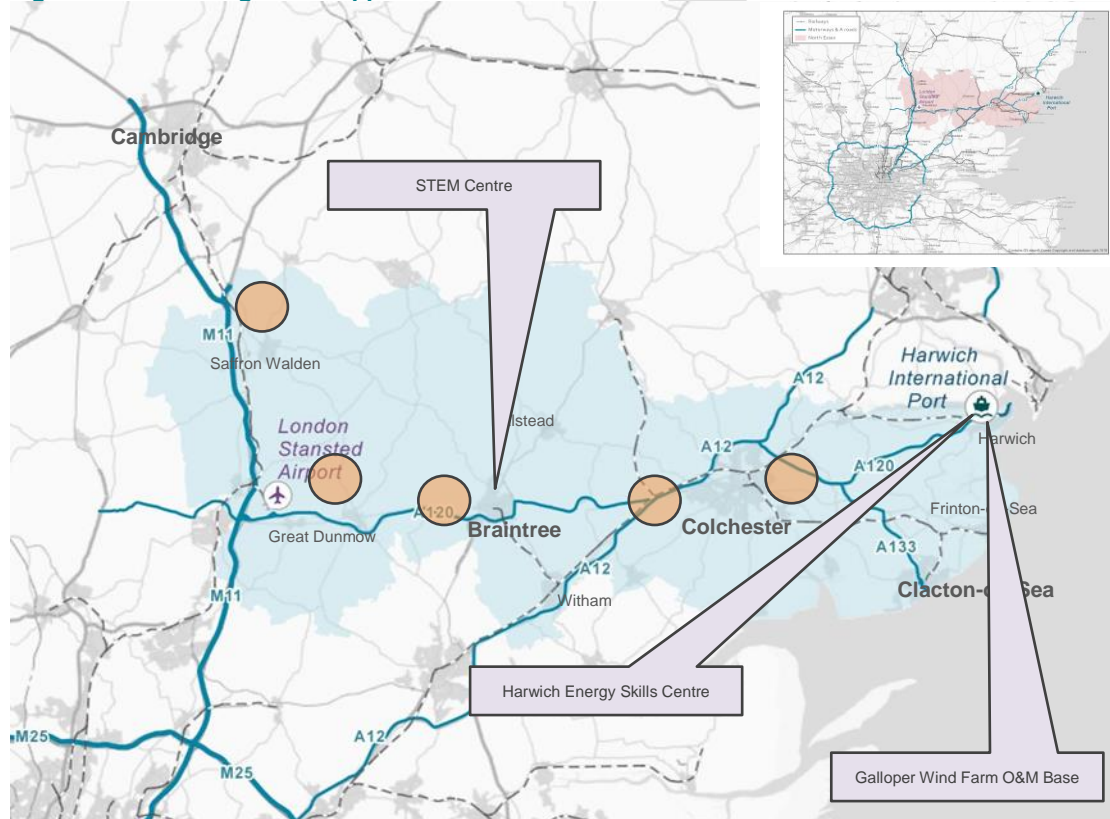
- **Developing options for improved sustainable transport connectivity** (for example new rapid transit systems to link places that are not currently served by rail infrastructure)
- **Actively driving and supporting the deployment of high-speed digital connectivity**, by working closely with the fixed and mobile telecommunications network operators to remove barriers to the commercial rollout of full-fibre and 5G infrastructure. Where possible, we will encourage the use of available subsidies to extend the rollout of fibre broadband into commercially less attractive rural and harder to reach areas.
- **Develop the complementary offer across North Essex**, identifying local strengths and assets, and supporting efforts to attract inward investment and new residents. We will work closely with branding and promotional efforts developed across the county to ensure an integrated and coordinated approach for North Essex and for Essex as a whole.

7. Mission 4: Growing a greener, more sustainable economy

Our mission

Over the long term, we want to ensure that North Essex is a leading example of sustainable development – within existing communities, through our ambitious proposals for new Garden Communities and through lower carbon, innovative businesses.

Figure 7-1: Greener growth: Opportunities and assets



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The situation today: Challenges, assets and opportunities

7.1 Within Mission 1, this Strategy aims to increase North Essex's exploitation of new technology, driving long-term growth through innovation. Over the next 20 years, much of the drive for technology change will come from the need to decarbonise our production, construction and transport systems. While this applies everywhere (and is reflected in the Government's 'Grand Challenges', North Essex has specific opportunities:

- Our plans for the proposed **North Essex Garden Communities** at East Colchester, West Colchester and West of Braintree, as well as at the additional proposed Garden Communities at North Uttlesford and Easton Park include a high level of environmental sustainability and plans for the creation of at least one locally-

accessible job per dwelling, linked (through our proposed shared planning framework) with the sustainable development of North Essex as a whole.

- This planned housing growth – including growth in existing communities – presents an opportunity to advance **new approaches to sustainable design and construction**. As well as the inherent benefits to the environment and to future residents, this should help to drive demand for businesses and individuals skilled in modern methods of construction and low carbon technologies. Rising demand will present skills challenges – which we are already working to address through (for example) Colchester Institute’s STEM Centre at Braintree.
- **We have a leading role in renewable energy**. The North Sea coast is key to the UK’s offshore wind industry, and the renewables sector has long been a priority. In 2018, Harwich International Port was announced as the location for the Operations and Maintenance base for Galloper Wind Farm, a 56-turbine facility. As well as diversifying industry and employment at the Port, this investment could help to consolidate an engineering skills base linked with a growing industry.

Garden Communities will “enhance the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains, using zero-carbon and energy-positive technology to ensure climate resilience”

TCPA Garden City Principles

Solutions and actions

- 7.2 Decarbonisation will be central to the UK’s future competitiveness. We will ensure that North Essex businesses are well-positioned to access the new opportunities that emerge from this national priority. Over the next five years, we will:
- **Support the development of new industries associated with the transition to a more energy-efficient, lower carbon economy**. North Essex has significant strengths: we will seek to maintain investment into the coastal energy industry, support increased energy sustainability within new developments and support our businesses and universities in taking advantage of Innovate UK and other funding linked with low carbon technology.
 - **Incentivise the development and use of sustainable materials** within the construction and development process.
 - **Create opportunities through public procurement for lower-carbon solutions**, where the new technology can result in reduced energy and transport costs and deliver public service improvements.
 - **Continue to progress our ambitious proposals for new Garden Communities**, ensuring that long-term sustainable development is planned from the start.
 - Linked with our ambitions in Mission 3, **invest in sustainable transport systems to connect our polycentric network of (new and existing) communities**.

8. Taking North Essex forward

From the Missions to actions

- 8.1 Within this Strategy, we have set out a series of action areas that we will develop further, in support of each Mission. At present, these are at high level, and in most cases they will require further scoping and analysis before they can be brought forward.
- 8.2 It is important that the North Essex Economic Board is able to drive progress. Even though the Board will not always be the vehicle for the delivery or funding of individual projects, we will want to work with other partners in Government and the private sector to help our plans align.
- 8.3 Alongside this Strategy, we will therefore develop a rolling 'action plan' owned by the North Essex Board, through which business cases for interventions can be identified, scoped and further developed. This will enable the Board to consider options in relation to each proposed action, identify lead partners and consider potential risks, with a view to working collectively on shared objectives. The action plan will be subject to annual review and will be monitored and updated over the initial five years of this Strategy.

Towards the Local Industrial Strategy

- 8.4 As indicated at the start, this document will also form a 'building block' for the forthcoming Essex Prosperity Prospectus and the Local Industrial Strategy that the South East LEP will have to prepare in early 2020 as a strategy 'co-designed' with Government. It is unclear at this stage how the LIS will relate to future funding opportunities, although it is anticipated that it will influence the new Shared Prosperity Fund, when it is launched.