

# Opportunity South Essex

## Economic Growth Strategy For South Essex



# 1. Introduction

In Lord Heseltine's words the Thames Gateway is "crucial to UK competitiveness". Stretching 40 miles along the River Thames from Canary Wharf in East London to Southend in Essex and Sittingbourne in Kent, the Thames Gateway is one of the most exciting and potentially rewarding investment locations in the United Kingdom. The Gateway hosts significant pieces of UK infrastructure and is a major gateway between the UK, Europe and the rest of the world.

South Essex is one of three development areas which make up the Thames Gateway, the others being East London and Thames Gateway North Kent. South Essex presents a significant opportunity for transformational growth. While much has been achieved in recent years, for example the opening of DP World London Gateway, the development of London Southend Airport and the expansion of the Port of Tilbury; South Essex has the potential to deliver a further 66,600 jobs and 46,850 homes in the years to 2031.

Managing this growth demands a shared vision for South Essex working together with the South East Local Enterprise Partnership (SELEP) and Government. Such a vision must be accompanied by clarity regarding the interventions and support needed to facilitate and sustain growth with a clear view of priorities for investment and decision-making. At a time of constrained public finance, maximising the leverage of private sector investment is also necessary. Responding to this challenge the private sector led Opportunity South Essex (OSE) has produced this Economic Growth Strategy which also identifies the roles that the partnership and individual partners will play.

## 2. South Essex Growth Proposition

Bordering London to the west, South Essex stretches along the north bank of the Thames, through Thurrock, Basildon and Castle Point to Southend-on-Sea and Rochford. It is already home to over two thirds of a million people, 54,300 businesses and a working age population of over 400,000 that generates £10bn GVA<sup>1</sup> per annum. South Essex's excellent port and airport connectivity make it a key strategic gateway for London and the UK, enabling access to markets in Europe and across the world. With a mature and growing business environment, it contains, in Thurrock, one of the largest port clusters in the UK; in Basildon one of the largest business agglomerations in the East of England; and in Southend the only airport with unconstrained capacity in the south east.

The area fulfils a key role in meeting demand from households moving out of London and provides 69,000 workers essential to the capital's economy. The working age population is over 432,000 with 358,600 of these economically active. Of the working residents 42% (149,536) work in the area and 41% (145,233) out commute. An excellent position on key strategic transportation networks, road and rail links to the capital and rapidly expanding port and airport connections to Europe and beyond, are facilitating growth along three major corridors the River Thames, the A13 and the A127. Over ground rail lines that mirror these routes support a strong, functional economic area with ambitious plans to deliver more than 45,000 new homes and 52,000 new jobs. This jobs growth is likely to be focussed in the key sectors of Construction, Advanced Manufacturing and Engineering, Transport and Logistics, Environmental Technologies and Energy and Digital Culture and Creative - adding an additional £2.4b to the UK economy each year. This growth does present challenges in terms of ensuring adequate rail and road capacity and in ensuring connectivity between centre of population and the areas where jobs are being created. Drawing on its assets and the sheer scale of the development opportunities South Essex has the potential to become a major brand and destination to attract inward investment and other funding. Development opportunities include:

### DP World London Gateway

is the most significant UK port development in more than 100 years. Occupying a 600 ha site, the Port opened in 2013 and will ultimately sit adjacent to Europe's largest logistics park (830,000sq. metres of accommodation). Together the Port and logistics park has the potential to create more than 12,000 direct, permanent jobs and approximately 24,000 indirect jobs.

### Thames Enterprise Park

located on the site of the former Petroplus refinery at Coryton represents an exciting opportunity to create a 160ha Environmental Technologies and Energy Hub on the former refinery site alongside a new import/export and blending facility for oil products to serve the London and south east economies. It is ultimately expected to support more than 2,000 new jobs.

### Port of Tilbury

covering an area of more than 340ha and hosting some 130 firms has recently extended with a 30ha expansion to the north. Once complete, the site will support more than 3,000 new jobs. Building on the economic strength of the port, a long term regeneration programme in Tilbury seeks to increase employment levels, and improve housing mix and quality. The programme will ultimately deliver 1,000 new homes and 3,800 new jobs.

<sup>1</sup> GVA – A productivity metric that measures the difference between output and intermediate consumption. Gross value added provides a value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.

### Lakeside Basin

is Europe's largest retail complex and has ambitious proposals to expand and diversify the basin to provide more retail floor space alongside greatly enhanced leisure, commercial and residential uses as part of a 'regional' Town Centre supporting 6,000 to 9,000 additional jobs and up to 3,000 new homes.

### Purfleet Centre

on a 57ha brownfield site will support the delivery of 1,835 new homes and more than 2,700 new jobs alongside a new school, local services and facilities. At the heart of the proposals are exciting plans to create a 46,000 sq. metre film and television studio complex building on the growth of the Creative and Cultural sector through the arrival of the Royal Opera House and National Skills Academy on the High House Production Park site.

### Canvey Gateway

will see the development of a £30m Business and Enterprise Park whilst the £60m development of the existing Knightswick Centre and surrounding land will be the cornerstone of a transformed Canvey Town Centre. In total it is anticipated that this will support the delivery of 1,500 new homes and 1,100 new jobs.

### Basildon Town Centre

has ambitious plans to redevelop the town centre and railway station, including the relocation of South Essex College's Basildon Campus from Nethermayne to Basildon town centre which is expected to bring a range of significant economic impacts.

### London Southend Airport

has undergone a transformational regeneration programme and is now an award-winning international gateway. The Joint Area Action Plan (JAAP) contains detailed proposals for the development of London Southend Airport and surrounding area to deliver more than 7,380 new jobs within 99,000sqm of commercial floorspace together with a high end business park.

Southend Central Area has already seen significant public and private sector investment including £25m of infrastructure and public realm works; the UK's first joint municipal-academic library (The Forum £27m); and the University campus development. A package of transport and public realm works designed to unlock potential development sites and accelerate delivery along Victoria Avenue and in the Central Area are expected to contribute to the delivery of around 2,000 new homes and the creation of up to 6,500 new jobs.

## 3. Opportunity South Essex – Unlocking Growth

Building on existing economic strengths and a location which offers significant advantage, through proximity to London and access to international markets, there are investment and growth opportunities. To unlock this potential and realise benefits for local communities there are a number of barriers that need to be overcome. A high level economic analysis has highlighted:

### Roads

South Essex already has an excellent road network but capacity is constrained and pinch points exist at J30/31 of the M25, on the A13 and A127. Local businesses regularly complain of severe difficulties encountered moving goods. There is a clear need to ensure that the network is effective in moving goods and people across both internal and external markets. Uncertainties over the route of a new Lower Thames Crossing are causing difficulties for future planning.

### Rail

There is unused capacity on the rail network where platform capacity already exists to run longer trains. The increasing demand for passenger and freight capacity is increasing delays at level crossings and hindering growth plans. Achieving a modal shift from road to rail will also help to optimise the use of resources.

### Workforce

Business does not have access to the workforce that it needs to encourage investment. The proportion of people with no skills or low skills is high compared with national averages. Connectivity between key centres of population and the areas where jobs are being created is, in some instances, poor, particularly between the north/south locations. This reinforces the importance of the infrastructure (road and public transport) issues raised above.

### Economic Diversification

The relatively narrow base of the South Essex economy, with a focus on transport & logistics and retail, leaves the sub-region vulnerable to job losses – if people stop buying you don't need to move goods around. Claimant count unemployment rose by 144 per cent over the course of the recent recession, far in excess of the 76 per cent increase observed across London and 111 per cent rise nationally over the same period. The existence of a large number of multi nationals, such as Ford Motor Co employing 4,000 people, makes the economy vulnerable to global changes.

### Low Rate of Jobs

South Essex has on average just 0.36 jobs per resident (meaning there are almost three residents for every job that exists), lower than the equivalent level for the East of England of 0.41 jobs per resident or the London average of 0.54 jobs per resident.

### Environmental Quality

the overall quality of the built environment and public realm in parts of South Essex does not match the sub-regions aspirations to attract investment and to retain a skilled and prosperous population.

### Housing

Homes are not being built at a rate that will satisfy demand and there are issues of affordability. The lack of supply of quality affordable housing limits the growth of a skilled workforce.

Overall, whilst the area has huge strengths and already makes a substantial contribution to the south east and UK economies, the area as a whole is not able to fulfil its economic and growth potential. This in itself represents a considerable opportunity and to unlock growth we need to fully utilise our significant land, labour and capital assets.

## 4. Opportunity South Essex – Our Vision and Role

OSE is driven by the private sector, with support from the public sector, and is part of the federated structure of the South East Local Enterprise Partnership (SELEP). This relationship is critical in achieving our ambitious growth plans and in securing resources to support project delivery. The Partnership seeks to draw upon the areas key assets to help address the challenges that we face and unlock the growth potential of South Essex.

Our Vision is for South Essex to have one of the fastest growing, and most sustainable economies in the UK which provides opportunities for businesses, is attractive to inward investors and benefits local communities.

In pursuing this vision the Growth Partnership has identified a number of priorities and has a strong pipeline of investment propositions which will be refreshed as new opportunities arise. Working with colleagues at SELEP the Partnership has developed an assessment and prioritisation framework which helps to ensure that projects within the pipeline are aligned with both local and regional priorities. All projects in the pipeline will be prioritised using the same framework and the Partnership will review this prioritisation at each meeting.

## 5. Priorities for Intervention

Opportunity South Essex has identified five priorities for intervention and for each of these priorities there is a strong pipeline of investment propositions. This pipeline will remain fluid to reflect investment decisions, changes in the South Essex economy and new opportunity investments. The priorities are numbered for presentation purposes only.

### Priority 1: Driving Growth – Securing resources for priority projects and supporting business growth with a strong integrated offer

- 1.1 Maximise investment into South Essex to realise growth opportunities and draw on these assets and opportunities to attract inward investment and create export potential.
- 1.2 Providing businesses with access to high quality business development support to encourage improved performance and employment growth. The support will be simple to access, holistic, high quality and tailored to the needs of business. Effective outreach will ensure maximum take-up and effective diagnosis of business needs.
- 1.3 Ensuring that suitable sites and premises are delivered to unlock capacity.

### Priority 2: Outstanding connectivity – Improving connectivity locally, nationally and internationally

- 2.1 Improving connectivity between major centres of population and key employment locations through smarter travel choices and more efficient use of the existing transport network and ensuring better integration across all forms of transport.
- 2.2 Securing investment in the road network and infrastructure to increase capacity to unlock growth and create jobs.
- 2.3 Increasing capacity of the rail network and coordinating bus and rail services to improve end to end journey times and user convenience.
- 2.3 Developing high speed broadband infrastructure across South Essex.
- 2.4 Influencing the timing and routing of any Lower Thames Crossing and working to secure maximum benefit from any decision.

### Priority 3: Quality of Place - Creating places and spaces that improve lives and secure investment

- 3.1 Building the South Essex brand, identity and brand value.
- 3.2 Enhance the inward investment offer by improving public realm, making better use of open space and providing improved access to green areas. This increases the desirability of South Essex as a place to live to retain and attract high skilled workers to the area.
- 3.3 Examine the unique characteristics of our town centres, consolidate their existing strengths and develop a refreshed offer that meets new demands, delivers significant housing expansion and supports local employment growth.
- 3.4 Work with communities and individuals to help them develop the skills and knowledge needed to access job opportunities.

### Priority 4: Skills for Growth – Developing, attracting and retaining talent

- 4.1 Developing a business led skills commissioning pilot to ensure provision is matched to business needs.
- 4.2 Building on existing links between business and education providers to ensure that the existing workforce, together with those coming through the education system, are aware of the breadth of opportunities in core and growth sectors and are able to provide the skills needed to realise growth potential.
- 4.3 Ensuring that our young people receive guidance and support to take full advantage of education, training and employment opportunities.
- 4.4 Developing effective business led approaches to support unemployed people back into work.

### Priority 5: Housing – Stimulating and reshaping our housing market

- 5.1 Accelerating housing delivery and finding innovative ways to offer existing and potential residents a place to live that meets or exceeds their expectations, and which they can afford.
- 5.2 Align the type of housing available with the job opportunities that are being created to help address issues of connectivity.

5.3 Promoting housing growth by creating new development models; unlocking stalled sites; tackling financial barriers; investing in infrastructure and easing the development process. 5.4 Developing and implementing a coordinated housing estate renewal programme across South Essex to increase housing supply, support town centre regeneration and address historic image issues.

## 6. The role of Opportunity South Essex

In delivering this strategy the role of Opportunity South Essex will be:

### a. Leadership

OSE will establish its vision and agree its priorities in conjunction with all partners, the SELEP and the Thames Gateway Strategic Group. It is important that the agreement of the vision and priorities is shared as these organisations are in a strong position to highlight issues, barriers and opportunities across many levels. OSE will play the lead role in clearly communicating its priorities to Government to inform policy and critical investment decisions. Development of the vision and strategy will incorporate a number of components:

- A thorough analysis of the South Essex economy;
- In-depth consultation both within South Essex and at a regional (LEP) and national level; and
- An extensive survey of businesses in the area.

The Partnership will draw on these components to establish the vision.

### b. Leveraging investment

OSE's main role will be to maximise investment to support delivery of major projects, improve infrastructure and implement other priority initiatives. OSE's relationships with SELEP and other agencies at local, regional and national level will be critical as will building the reputation and brand of South Essex to attract new potential investors and retain existing funders. Leveraging of private sector investment will be crucial in the delivery of the full growth vision.

### c. Influencing

OSE will provide an important voice on major issues and play a key role in championing priorities and raising/maintaining the profile of South Essex and the Thames Gateway at a national level. This may include for example coordinating a collective response on the Lower Thames Crossing or responding on national infrastructure plans. It may also include demonstrating the business case/proposal specification for major investment. The partnership will also play a valuable role in informing major policy

initiatives in the UK and Europe by using its platform at SELEP, the Thames Gateway Strategic Group and through other channels of influence open to business and public sector representatives.

#### d. Collaboration

OSE will play a role in managing intelligence and coordinating issues and actions to address critical issues. There are already excellent examples where collaboration has taken place and made a difference, however, this can be strengthened across priorities to ensure that there is greater joint working.

## 7. Investment propositions

There is a strong pipeline of investment propositions and this pipeline will remain fluid to reflect investment decisions, changes in the South Essex economy and new opportunity investments. As such the pipeline will be developed as a separate appendix to this document.

A partnership prioritisation framework has been developed to help shape the project pipeline.

#### Investment

This strategy will require innovative approaches to investment if it is to be implemented in full. This is fundamentally concerned with achieving the maximum return from public spending – seeking to harness the power of the market to stimulate stronger economic growth in the long term. There are a number of known opportunities from which OSE will seek to maximise investment:

**Local Growth Fund** – Provided through Growth Deals. Growth Deals provide funds to local enterprise partnerships or LEPs (partnerships between local authorities and businesses) for projects that benefit the local area and economy.

**European Structural Investment Fund** – The European Structural and Investment Funds (ESIF) programme provides funds to help local areas grow. The funds support investment in innovation, businesses, skills and employment and create jobs. Running from 2014 to 2020, there are three types of funds involved in the programme.

European Social Fund (ESF) focuses on improving the employment opportunities, promoting. The Managing Authority for this fund is the Department for Work and Pensions (DWP). This could support projects contributing priorities around skills and employment.

European Regional Development Fund (ERDF) supports research and innovation, competitiveness of small to medium sized enterprises and creation of a low carbon economy; social inclusion and investing in skills by providing help people need to fulfil their potential. The Managing Authority (MA) for this fund is the Department for Communities and Local Government (DCLG). This could support projects contributing to priorities around business growth and skills.

European Agricultural Fund for Rural Development (EAFRD) supports rural businesses to grow and expand, improve knowledge and skills and get started. The Managing Authority (MA) for this fund is the Department for Environment Food and Rural Affairs (DEFRA). This could support projects contributing to priorities around business growth.

All of the named EU funding streams outlined above are subject to Government announcements.

In addition OSE will look to identify, and take advantage of, new opportunities as they are announced.

#### Implementation

The realisation of the South Essex Growth Strategy will ultimately involve the successful delivery of a number of specific project actions, building directly upon the ‘priority interventions’ outlined in this document. Priority actions with associated phasing and costs will be presented in detail in an accompanying Implementation Plan.

Project implementation will require action and contributions from a variety of partners, and these partners will vary depending on the specific nature of the actions. It is imperative that the relevant partners agree the detail of the actions and the precise phasing of delivery.

A number of the priority actions are already underway or are likely to begin in the near future. The actions of the OSE, as a facilitator of physical change, will provide leverage for improved impact on the part of a whole range of economic development partners.

#### Governance

A planned governance review will help to define the Board and the structures and processes needed to deliver this strategy. It will also determine key relationships with other key national and regional organisations and bodies, for example Government, the Thames Gateway Strategic Group and Thames Estuary Commission.

The Partnership is established as one of four federated areas within the South East Local Enterprise Partnership and will continue to play a full and proactive part in its work ensuring that its reputation is promoted and enhanced. We will monitor the development and implementation of all

projects receiving external funding and will ensure that the necessary reports are submitted to SELEP.

### **Managing performance – Economic Impact and Key Performance Indicators**

Knowing whether we are on track is crucial to delivering the South Essex Growth Strategy. We have developed a set of key performance indicators that we will use to measure our progress and we have set a series of challenging and ambitious targets to achieve by 2020. Performance reports will be prepared quarterly and presented to OSE.

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