

<b>4 March 2015</b>		<b>ITEM: 5</b>
<b>Planning, Transport and Regeneration Overview and Scrutiny Committee</b>		
<b>Economic Development Strategy Review and Delivery Update</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Lisa Ricketts, Economic Development Officer		
<b>Accountable Head of Service:</b> Matthew Essex, Head of Regeneration		
<b>Accountable Director:</b> Steve Cox, Assistant Chief Executive		
<b>This report is Public</b>		

## **Executive Summary**

Thurrock's ambitious growth agenda is backed by more than £6bn of private sector investment and aims to deliver 18,500 new homes and 26,000 new jobs by 2021.

The Thurrock Economic Development Strategy was created to provide strategic guidance to the Council and its partners in their attempts to create the required economic conditions to achieve these ambitious goals.

The focus of the strategy is to create conditions that will stimulate business growth, inward investment and sustainable employment growth. It is divided into three parts: Employment, Enabling Factors and Embedding Factors.

Employment is at the heart of the strategy. Ensuring that sufficient employment is created to support Thurrock's growing population and which is accessible to all. This section is broken down into core sectors (i.e. those identified as being strongly represented in Thurrock where organic growth is taking place and where the development of additional or diversified functions may be occurring) and opportunity sectors (i.e. those that are less well established and where future growth prospects are strong but may need to be induced by partners and other factors).

The two strategy elements to achieve this growth are defined as Enabling Factors, to ensure a firm foundation exists to maximise employment opportunities and investment in target growth sectors, and Embedding Factors, to ensure that employment and investment growth is long term, sustainable and generates direct benefit to local communities.

This report provides an update on the progress made since the EDS was adopted in 2008 and proposes new areas of focus for a refreshed strategy.

## 1. Recommendation(s)

1.1 **Acknowledge progress on the Economic Development programme and projects that are being delivered in Thurrock.**

1.2 **Consider and propose areas of focus for Economic Development activity in Thurrock.**

## 2. Introduction and Background

2.1 In November 2008 Thurrock Council adopted the Thurrock Economic Development Strategy (EDS) as the key guidance document for economic growth and jobs led regeneration in Thurrock.

2.2 The purpose of the strategy is to create conditions that will stimulate business growth, inward investment and increase sustainable employment and it identifies the key opportunities and challenges that influence the economy of Thurrock.

2.3 It sets out a framework to enable the successful delivery of increased employment and economic diversification and identifies 5 economic growth 'hubs' across Thurrock where long term financial investment and physical transformation will take place, to strengthen existing 'core' sectors and enable the growth in 'opportunity' sectors. A sixth hub has subsequently been identified.

2.4 In addition, the Council adopted the Thurrock Community Regeneration Strategy (CRS) in February 2012, which brings together the priorities for regeneration into the Community Strategy framework.

2.5 The EDS and CRS are the two key policy documents used to guide the work of the Council in seeking to secure sustainable benefit to local communities and the local economy.

## 3. Issues, Options and Analysis of Options

### **Thurrock Economic Development Strategy**

3.1 In the seven years since it was adopted there has been significant progress made on achieving the overall aim of the EDS: to provide a basis for securing successful employment growth and economic diversification in Thurrock.

3.2 The strategy identifies three key parts to the challenge: securing **Employment** growth, ensuring firm foundations are created through **Enabling Factors** which maximise employment opportunities and creating sustainable employment and investment growth through **Embedding Factors** that generate benefit to local communities.

## Employment

- 3.3 Employment is at the heart of the strategy, with an overarching objective to increase employment in core and opportunity sectors.
- 3.4 Core sectors are those identified as being strongly represented in Thurrock where organic growth and employment is being generated and where the development of additional or diversified functions may be occurring; these include Retail, Ports, Logistics & Transport and Construction.
- 3.5 Opportunity sectors are those that are less well established and where future growth prospects are strong but may need to be induced by partners and other factors; these include Business Services, Recreation & Leisure, Environmental Technology & Energy, Creative Industries and Public Sector Services.
- 3.6 A large proportion of the projected employment growth was expected to be achieved within a limited number of locations, our growth hubs. The table below shows which employment sectors are relevant to which area.

Table 1

Growth Hub	Employment growth							
	Core sectors			Opportunity sectors				
	Retail	Ports, Transport and Logistics	Construction	Business Services	Recreation and Leisure	Environmental Technology and Energy	Creative Industries	Public Sector Services
Purfleet			✓				✓	
Lakeside and West Thurrock	✓		✓		✓			
Grays			✓	✓				✓
Tilbury		✓	✓					
London Gateway		✓	✓					
Thames Enterprise Park			✓			✓		

- 3.7 Due to a number of factors (i.e. recession, commercial investment decisions, etc.) employment growth has perhaps been slower than anticipated. However this has not prevented significant progress being made on development plans and anticipated jobs growth in these hubs and elsewhere.
- 3.8 Some of the key successes achieved through the growth hub 'programme' include:

## **Purfleet**

The Purfleet Centre development will totally transform Purfleet creating a new town centre which will provide up to 2500 new homes, local shops, new school and health care facilities, open access to the River Thames, and an exciting Film, Television and Media development creating up to 2000 new jobs. The regeneration of Purfleet was kick started in 2010 by the High House Production Park development, which is now home to the Royal Opera House Production Workshop, Backstage Centre (National Academy Creative and Cultural), Artists Studios and soon to be opened ROH Costume Store and production facility. The recent announcement by Government that a National College for Creative and Cultural Industries will be established at Backstage Centre and the successful delivery of a cross-LEP business support programme has placed HHPP at the forefront of the sector.

## **Lakeside**

The ambition for Lakeside is to expand the existing shopping centre to become a regional town centre, which will include major investment in improved transport infrastructure, new leisure and commercial facilities and an extension to the current shopping facilities. Outline planning permission has already been granted for a multi-million pound retail and leisure expansion at Lakeside, which will ultimately create up to 9000 new jobs.

## **Grays**

The regeneration of Grays is being achieved through some key projects to create a revitalised town centre which is a high quality destination for people to live, work, learn, shop and socialise. The new £40m South Essex College Thurrock campus generated a 50% increase in enrollment and will in time accommodate 3000 students. The redevelopment of the Magistrates Court into high quality small business units will provide much needed office space for small and medium sized businesses (SMEs) and will complement current business support activities being provided by the Council and other partners, such as NWES. Work with Network Rail and c2c to develop an underpass is progressing well. This will create opportunities for new retail and housing growth in the town centre, providing up to 4500 new homes and 1600 new jobs.

## **Tilbury**

The vision for Tilbury, endorsed by Cabinet in July 2013, defines the ambition to create a place of opportunity and growth built upon its strong community spirit, rich employment and tourism history (through the Port of Tilbury and cruise terminal), strong transport links, outstanding education facilities and affordable housing. The logistics academy established by the Port of Tilbury is successfully delivering training programmes to support unemployed residents to gain new skills, improve their employability and, in many cases, gain employment at the port. Expansion of the port, new business

accommodation at the Riverside Business Centre and efforts to assist the local community into sustainable employment through, the provision of a job shop, will support the creation of up to 1000 new homes and 3800 new jobs.

### **London Gateway**

DP World has invested £1.5m in London Gateway, a new deep water port and logistics park development, which is the largest project of its kind in Britain. The Local Development Order, created for the logistics park, was recently acknowledged at the Royal Town Planning Institute's Awards for Planning Excellence awards ceremony where the Council won the 'Outstanding Planning to Deliver Growth and Employment' award in June 2014. Once the port is fully operational a total of 2000 jobs will be created at the port and a further 10,000 jobs will be created in the logistics park, which will be one of the biggest in Europe once complete. The Council is continuing to look at routes to secure greater local employment at the port.

### **Thames Enterprise Park**

The ambition for Thames Enterprise Park, formerly the Petroplus oil refinery, is to re-develop approximately 400 acres of land to create a cluster of energy related industries co-located with supply chain companies and research & development firms, and has the potential to create up to 2000 new jobs. South Essex College and the University of Northampton recently signed a partnership agreement that will bring specialised further and higher education courses to Thurrock, designed to prepare local people for the high technology jobs that will be created at Thames Enterprise Park.

### **Enabling Factors**

- 3.9 The aim of the Enabling Factors was to create a firm foundation to maximise employment opportunities and investment in target growth sectors.
- 3.10 Recommendations defined under this theme were used to shape a programme of activity which has created an excellent platform for growth in Thurrock. Objectives within this theme include skills, inward investment, business support, infrastructure, raising aspirations and improving partnership working.
- 3.11 Some well reported successes include the establishment of Gloriana, a wholly owned company, to build new homes, boost the construction sector and create new jobs, and Local Growth Fund support for key regeneration projects, including £80m for A13 widening scheme, £7.5m to improve access to London Gateway, £5m to improve the cycle network in Thurrock and £5m to support the Purfleet Centre regeneration.
- 3.12 Other successful projects, activities and strategies which have been developed and delivered to enable growth include:

- £9.3m Low Carbon Business Programme (EU funded)
- Tiger loan fund project (Regional Growth Fund)
- Thurrock Business Board (established)
- Thurrock Economic and Skills Partnership (formed)
- Thurrock Business Conference (annual business engagement event)
- Opportunity Thurrock (annual borough-wide careers event)
- Thurrock's Next Top Boss programme (annual programme)
- Transforming Homes programme (2013-2018) - improving the quality of housing stock

### **Embedding Factors**

- 3.13 The aim of the Embedding Factors was to ensure that employment and investment growth is long term, sustainable and generates direct benefit to local communities. Objectives within this theme include tackling deprivation, developing innovation capacity, improving environment, improving business spaces and developing effective business processes.
- 3.14 Successful projects, activities and strategies which have been developed and delivered to support this theme include:
- Job Centre Plus and Thurrock Council Partnership Agreement
  - Low Carbon Business programme (Thurrock outcomes):  
36 Jobs created  
754 Businesses engaged  
196 Grants awarded  
£619,256.50 grants awarded
  - Tiger loan fund project  
150 Jobs created  
£1.2 million loans awarded
  - Business space developments (Centre for Business, Magistrates Court, HHPP)
  - Meet the Buyer events (encouraging local supply chain development)
  - Procurement workshops (supporting business to get tender fit)

### **Economic Development Strategy refresh**

- 3.15 Whilst the ambition and objectives defined within the EDS are still relevant today, a refresh of the strategy is needed to acknowledge the significant progress achieved to date and reflect the changed strategic, regional and political environment.
- 3.16 It is important to continue implementing and delivering current projects which are successfully achieving results. However, equally important is the identification and implementation of new projects and activities to further embed growth opportunities and employment outcomes in Thurrock.

3.17 Particular areas of focus for the refreshed strategy could include:

- Support those furthest away from the jobs market into employment
- Engage with major employers to understand their workforce needs
- Broker more collaboration between business and education providers
- Sector specific initiatives to support employment and economic growth
- Promote Thurrock as a great place to live and work
- Embed Social Value principles and policies within the organisation
- Encourage entrepreneurship and innovation in businesses

#### **4. Reasons for Recommendation**

4.1 The Council has acknowledged that regeneration and growth as a priority. This strategy is part of a suite of key strategies which will guide the development of policies and programmes to deliver the vision for Thurrock defined within the Community Strategy.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

5.1 None.

#### **6. Impact on corporate policies, priorities, performance and community impact**

6.1 The strategy will support all the corporate policies and priorities.

6.2 This report proposes merging the Community Regeneration Strategy and Economic Development Strategy into one key strategy document.

#### **7. Implications**

##### **7.1 Financial**

Implications verified by: **John Smith**  
**Accountant, Corporate Finance**

There are no direct financial implications associated with this report, however the delivery programmes that support economic growth will help to generate additional National Non Domestic Rates collections, thus increase the amount of retained rates achieved by the Council. This will support the achievement of objectives defined within the Thurrock Corporate Plan and Medium Term Financial Strategy.

## 7.2 Legal

Implications verified by: **Vivien Williams**

**Planning and Regeneration Solicitor**

There are no legal implications of this report which is for noting.

## 7.3 Diversity and Equality

Implications verified by: **Teresa Evans**

**Equalities and Cohesion Officer**

This strategy is a key route to securing local benefit from Thurrock's growth programme, and will underpin the achievement of the Council's vision and priorities defined in the Thurrock Community Strategy.

## 7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None.

## 8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Thurrock Community Strategy  
<https://www.thurrock.gov.uk/strategies/community-strategy>
- Thurrock Economic Development Strategy (attached at Appendix 1)
- Thurrock Community Regeneration Strategy (attached at Appendix 2)

## 9. Appendices to the report

- Appendix 1 – Thurrock Economic Development Strategy
- Appendix 2 – Thurrock Community Regeneration Strategy

### Report Author:

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Regeneration