



SHARED INTELLIGENCE

Thurrock Economic Growth Strategy

Draft report by Shared Intelligence

Contents

1	An Economic Growth Strategy for Thurrock.....	3
2	The Economic Context	5
3	Thurrock’s Economic Performance.....	9
4	The Strategic Framework.....	19
5	Economic Hubs.....	31
6	The Next Steps	39

1 An Economic Growth Strategy for Thurrock

- 1.1 The Thurrock Economic Development Strategy (EDS) 2007-21 was developed to provide strategic guidance to the Council and its partners to support the development of the borough's economy. This was rightly identified as a time of great opportunity for Thurrock, but also coincided with the start of the economic recession in the UK. Despite this challenging economic time, much was achieved over the 9 years to deliver the building blocks for growth, secure employment and create the conditions for further success.
- 1.2 Since its adoption, the strategy, along with a number of linked/related strategies and activities, has focussed efforts and resources on securing growth and addressing various economic challenges across the Borough. This has yielded impressive results with tangible, physical progress made in Purfleet, Grays and London Gateway and a rapidly improving picture in respect of skills, employment and enterprise rates.
- 1.3 The development of this Economic Growth Strategy (EGS) 2016-2021 signifies a shift towards enhancing growth potential to shape the economy of Thurrock. It continues to focus on employment growth but makes a distinction in the nature of growth. Thurrock's economy remains dominated by sectors such as ports and logistics and retail, which are key strengths of the area, but traditionally deliver large numbers of low wage jobs. While job targets remain key to supporting the local resident and business base, more high value jobs must be created to improve wage levels and increase productivity.
- 1.4 The overall aim of the EGS is to provide a basis for securing investment and economic diversification, including the identification of new and exciting opportunities for Thurrock. It responds directly to the challenges set down in the community strategy, in particular to **"encourage and promote job creation and economic prosperity"**.
- 1.5 The main development activity continues to focus on six growth hubs; Purfleet, Lakeside/West Thurrock, Grays, Tilbury, London Gateway and Thames Enterprise Park. The EGS recognises the progress made since 2007 and identifies the remaining challenges and next steps that need to be taken to secure growth. It also re-affirms the core and opportunity growth sectors that are essential to Thurrock's economy and growth ambition. These elements are brought together through embedding and enabling actions which will support the wider place-making agenda to deliver new homes, new businesses and improved perception.
- 1.6 The analysis completed to support the EGS has highlighted a number of thematic areas on which to focus alongside the concentrated effort within the Growth Hubs. In summary these relate to skills, business and geographical priorities. The potential developments in Thurrock are expected to stimulate its economy and the Council and its partners have an opportunity to help shape and deliver.
- 1.7 An essential focus is the need to diversify the business base and increase the number of high skilled, high wage jobs in Thurrock. The strategy recognises that there are issues related to deprivation and the barriers that might prevent some parts of the population from taking advantage of the

opportunities that are being created. A range of embedding and enabling factors have been identified to drive activity and secure maximum benefit for all parts of the community in Thurrock.

- 1.8 This document demonstrates the progress made to date, and also identifies the remaining challenges and focuses on the opportunities and measures that need to be taken to support growth for Thurrock.
- 1.9 Investments by public and private partners will lead to more significant successes - in particular, the financial and resource investment in key economic hubs will demonstrate strong commitment to ensuring the ongoing success of Thurrock - continued investment is key to ensuring the area is able to realise its full potential going forward.
- 1.10 The continuing improvement of educational performance, careers progression, information and advice and skills development, for all ages, will ensure businesses have access to the workforce that they need, now and for the future.
- 1.11 This document demonstrates the progress made to date, and also identifies the remaining challenges and focuses on the opportunities and measures that need to be taken to support growth for Thurrock.

2 The Economic Context

Introduction

- 2.1 The 2007 Economic Development Strategy (EDS) identified the economic challenges for Thurrock. These related to areas such as jobs growth, skills and employment levels and enterprise performance.
- 2.2 In line with the EDS approved in 2007, updated analysis shows that Thurrock boasts some clear economic strengths and opportunities, as well as a number of challenges. To make sure Thurrock is in the best position to focus attention (and resources) on the most pressing issues, this document highlights the key changes brought about since the previous EDS. It also seeks to highlight **how successful previous interventions** have been and assesses how relevant these **key economic challenges remain** with new recommendations for future action.

National economic context

- 2.3 In setting out performance in relation to addressing each of the key economic challenges for Thurrock identified in 2007; it is worth noting that this period was marked by one of the most severe economic downturns on record and recovery across the UK has been slow.
- 2.4 During the 2008 to 2009 economic downturn UK Gross Domestic Product (GDP) fell by around 6% and did not return to its pre-downturn levels until mid-2013. The number of people employed also fell, but proved more resilient than GDP. However, this meant the UK produced less output on average per worker employed, indicating a significant decline in the UK's productivity. Since 2013 economic performance has picked up. With unemployment falling towards pre-recession levels for most workers (youth unemployment remains elevated) and signs of rising pay growth in recent data, evidence of a **tightening labour market has started to emerge**.
- 2.5 The local economy in Thurrock is witnessing similar trends which now need to be capitalised upon to drive success further through the economy. This coupled with a number of significant changes in both Government policy and a change to the structure of the economy since 2007, provide a perfect opportunity to review and develop new economic interventions to deliver sustainable growth.

Devolution

- 2.6 Over the last few years, the national government has been strengthening the devolution process through which more powers and controls are passed to local governments. The 'first generation' of devolution resulted in the creation of City Deals and Local Enterprise Partnerships, formed by local businesses and authorities, and based on functional economic areas.
- 2.7 The Cities and Local Government Devolution Bill 2015-16, created the 'second generation' of devolution which has led to the implementation of devolution deals, and combined authorities to give new powers in specific policy areas, transfer of budgets, and control over local taxes. As local governments are best placed to understand their local area, evidence shows that they achieve greater results in terms of development compared to top-down policies as local policies are tailored to local needs as are local services.

Local Enterprise Partnerships

- 2.8 In 2010, the Government invited 'functional economic areas' to come together under a new governance structure placing business at the heart of their decision-making. Thurrock became part of the South East Local Enterprise Partnership (SELEP) and comes together with other local authorities in South Essex to form one of the federated areas through the South Essex Growth Partnership. The LEPs have had access to a range of funding mechanisms with which to promote growth.
- 2.9 Local Growth Deal has been a key contributor to Thurrock with a range of strategically important growth projects receiving funding:
- £5m - capital grant for the development costs of the A13 Widening project. Up to £75m of further funding will be made available from the Local Growth Fund subject to due diligence and alignment with decision-making on the preferred option for the Lower Thames Crossing.
 - £5m - Regeneration of the town centre in Purfleet, linked to investment in new film, TV, media studio development and creating in the initial phase up to 530 homes and 200 jobs.
 - £7.5m - an integrated transport package for improving access to the London Gateway from Stanford-le- Hope and reconstruction of the A1014 .
 - £5m - improvements to the Thurrock cycling network.
 - £35.6m - congestion and pinch point transport projects in Thames Gateway South Essex (including £1.5m in 2015/16).
 - £14.0m - integrated and sustainable transport projects in Thames Gateway South Essex (including £5.0m in 2015/16).
-

Infrastructure

- 2.10 Through the South East Local Enterprise Partnership (SELEP), Thurrock gained significant funding to deliver high priority infrastructure projects to support growth in the area. In the last two funding rounds, Thurrock may receive a share of the £100m investment for infrastructure projects relating to the widening of the A13, an integrated transport package improving access to London Gateway from Stanford-le-Hope and reconstruction of the A1014 as well as specific local improvements to the Thurrock cycling network and regeneration of the town centre in Purfleet.

Growth Hubs

- 2.11 The South East Business Hub is the South East LEP's Growth Hub which was developed in response to closure of Business Link services and the requirement for a centralised and rationalised business support service. It functions as a 'one-stop-shop' for business support and follows a request by Government that all LEPs set up such a Hub initially with support from the Local Growth Fund. The South East Business Hub links to Essex federated areas from one source and is built on the success of the first year of Business Southend, a hub which is recognised as best in class by the sponsoring government department. The South East business Hub links to nationally available support, but also links to the local Growth Hub, BEST.
- 2.12 The Business Essex Southend and Thurrock Growth Hub (BEST) was established to help ensure that companies across Essex, Southend and Thurrock could flourish by providing access to the support and services they need to meet their needs. The Hub provides a focal point for businesses that are looking to increase their competitiveness and grow, offering a great choice of advice, training,

networking and more, tailored to individual business needs. Investment from SELEP signified recognition of the importance of business growth in the area and is even more key given the imminent closure of the Government Business Growth Services.

European Structural Investment Fund

- 2.13 ESIF offers a major opportunity over the period to 2020 to support a range of individuals and businesses with outcomes supporting employment, self-employment and business growth. The priorities are well aligned with the needs of the area and will support the activity and outcomes outlined in this strategy. The 2014-20 ESIF allocation to the SELEP is £165m and has become an essential source of funding for business support given the much reduced income from central government.

Productivity Plan

- 2.14 The new Productivity Plan² was announced in July 2015 and is supported by 2 pillars. The first pillar of the new productivity strategy seeks to promote long-term investment. Efforts to develop a highly skilled workforce are strongly encouraged, with an important role played by employers and Further Education. The government also stresses the importance of developing a world-class digital infrastructure.
- 2.15 The second pillar seeks to develop a dynamic economy by placing innovation at the forefront and allocating resources to most productive use. The government recommendation is to increase the number of homes available to local people encouraging local authorities to ensure their local plan helps to fulfil this aim. This is to avoid housing shortages harming productivity and restricting labour market flexibility while removing obstacles to work. Throughout this plan, the government encourages competitive markets and international trade.

Business Rates

- 2.16 Thurrock was instrumental in creating a Business Rate pool driven by its position as one of the few net contributors to rates growth which sought to ensure local growth in rates yield was retained locally. It pools its Business Rate growth with Basildon, Barking and Dagenham and Havering and reinvests the uplift in initiatives to support the economy. This arrangement aims to pool the business rates generated locally to ensure at least some of any levy -that is the excess business rates generated locally compared to the need to spend that have to be paid over the central government- is retained locally.
- 2.17 Following a recent announcement by Government DCLG is to consult on changes to local government finance with a view to Councils retaining all business rates by the end of the Parliament. As part of these reforms, the main local government grant will be phased out and additional responsibilities devolved to local authorities, empowering them to drive local economic growth and support their local community.
- 2.18 The proposals include plans to abolish the uniform business rate, giving local councils the power to cut business rates to attract more businesses and to promote economic activity locally. This will also allow local councils that are successful in promoting growth to keep all of the benefit from increased local tax revenues.

² Fixing the foundations: Creating a more prosperous nation

Business engagement / forum presence

- 2.19 In conjunction with the above changes to national and local policy, the role of businesses in decisions mainly affecting their workforce have been increasing. Closer ties with Local Authorities and education providers have begun to create a strong basis for ensuring that workforce and business requirements are met.
- 2.20 This will be increasingly important as employers are asked to play a more direct role in skills development. For instance, through the apprenticeship levy: a 0.5 per cent levy (on employer pay bills in excess of £3m) will be introduced in April 2017. This will deliver an estimated three million apprenticeship places.
- 2.21 A number of active networks in Thurrock, such as the Thurrock Business Board, allow businesses to engage with each other. While events like the Thurrock business conferences, started in 2011, offer business the chance to contribute to shaping the economic activity and investment priorities in Thurrock. Now able to boast much stronger strategic relationships with businesses, giving them a genuine voice in setting policy direction on a local and sub-regional stage.
- 2.22 The Thurrock business conference forms part of the Council's work together with the Thurrock Business Board to:
- Improve local business connectivity;
 - Give local businesses the opportunity to have their say; and
 - Present the vast opportunities available within Thurrock now and in the coming years.

Demographic change and deprivation challenges

- 2.23 The Thurrock population has grown by 11% over the last decade, compared to 8.2% growth nationally. This has been a key contributing factor to the change in workforce shape and demand for business and services.
- 2.24 An increase in population at both ends of the age spectrum (outside the working age population) has provided challenges with education delivery as well as pressure on health and social care. From a broad workforce perspective this has led to a tightening of the labour market at a local level and puts pressure on housing infrastructure. Thurrock is taking a number of steps through the Local Plan, Strategic Housing Market Analysis and devolution to ensure pressure is alleviated with positive growth outcomes.

3 Thurrock's Economic Performance

The local economy

- 3.1 Thurrock's economy can be characterised by a high level of employment, which recovered sharply following the economic downturn of 2008/09, but a disproportionate concentration of jobs in several low value sectors, including ports and logistics and retail, which results in a lower economic output per head of population than the national average.
- 3.2 In 2013, the Thurrock economy was worth around £2.8bn. Between 2007 and 2013, nominal GVA³ growth in Thurrock (12.2%) was below the England average (15.9%). Economic output per head of population (£17,300) is also considerably below the England average of £24,100. This means that the value each person is creating in terms of output is relatively low.
- 3.3 More positively, Thurrock has high levels of employment (73.4% of working age residents compared to 72.5% for England⁴). Local employment fell during the economic downturn of 2008/09, but has recovered rapidly. Employment has been sustained despite significant population growth. Between 2004 and 2014, the number of Thurrock residents increased by 16,400 or 11.0% to an estimated 163,300. This compares with 8.2% growth nationally and 7.3% for Essex County.
- 3.4 In part population growth may reflect rising house and office prices that are pushing people out of London. A significant proportion of Thurrock residents out-commute for work, with London a particular draw. Thurrock's close proximity to the capital mean it will continue to be an attractive proposition for those who want to live outside but close to London.
- 3.5 However, population growth also reflects the employment opportunities in Thurrock itself, particularly in a few core sectors such as transport and logistics, port functions, and retail. The strength of these sectors reflects some of Thurrock's main economic advantages; geography and relatively low labour costs. As a whole, Thurrock's close proximity to London, international airports (London Southend and Stansted) and ports make it an attractive proposition for inward investment. Greater Essex is up to 20% cheaper with regards to labour costs for a typical logistics operation compared to London and up to 50% cheaper with regards to labour costs for a typical sales/administration services operation. Both UPS and NFT have announced recently that they plan to open major operations in Thurrock.
- 3.6 Investments in Thurrock's core sectors have delivered large numbers of jobs in the area, but significant shares of these are low value and low skill. As such, labour productivity in Thurrock lags the Essex County and national averages. GVA per hour worked was £27.00 in Thurrock in 2013, compared to £28.70 in Essex County and £30.50 for England as a whole.

³ Gross Value Added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to Gross Domestic Product (GDP).

⁴ ONS (2015) Annual Population Survey

- 3.7 Higher skilled sectors, such as advanced manufacturing and environmental technologies, are expected to become more prevalent in coming years. For instance following the establishment of Thames Enterprise Park. Many companies with offices, plant and premises in the area anticipate significant future growth; but many employers are already experiencing difficulties in attracting suitably skilled candidates and many report dissatisfaction with existing FE and HE provision⁵. Increasingly businesses are also referencing a lack of numbers, i.e. not enough people for the number of jobs that are being created, as a recruitment issue.
- 3.8 Looking ahead, there is a positive outlook for the economy largely as a result of investment in strategic intervention projects in the borough, for example at DP World London Gateway, the Port of Tilbury and Lakeside. According to data from the East of England Forecasting Model⁶, the Thurrock economy is forecast to grow by an average of 3.2% per annum between 2012 and 2030 and total employment will grow by an average of 1.5% a year; equivalent to an increase of 21,200 jobs in Thurrock.⁷ Thurrock is expected to see annual jobs and GVA growth significantly above projections for Essex County and the UK as a whole between 2012 and 2030.

Thurrock's EDS priorities: Progress to date

- 3.9 The 2007 Economic Development Strategy identified a number of priorities and set specific targets for realisation by 2021. These targets specifically reflect elements of the local economic context as set out above. The section below sets out a 'mid-term' report against those targets as we work towards the strategy end date.

"The need for new employment"

Summary of progress

- Thurrock has seen strong job growth despite the economic downturn, performing above the national and regional averages
 - However, anticipating trend data suggests Thurrock may not meet the target of 26,000 jobs by 2021
 - Several large investments (Thames Enterprise Park, DP World, Tilbury and Purfleet, for example) do, however, offer the opportunity to see faster jobs growth in coming years. Two recent planning applications alone offer the scope for 4,500 new jobs over the next two to three years.
- 3.10 The 2007 EDS stated that: "The overarching challenge for Thurrock is to create new jobs" and included a headline target to create 26,000 more jobs in the local economy by 2021. An increase in job opportunities was considered vital to the Thurrock's "economic, social and environmental sustainability", particularly in light of the area's growing population⁸.

⁵ EU Skills Group (2014), Thames Enterprise Park: Skills and Workforce Planning (Stage 1)

⁶ Projections and forecasts are typically based on a number of assumptions and are, in part at least, only as reliable as the data on which they are based EEFM forecasts are also based on observed past trends only (i.e. even where major new investments or policy changes are known and have actually started, they can only affect forecasts to the extent that they are reflected in currently available data)

⁷ Oxford Economics (2015) East of England Forecasting Model: 2014 baseline results (forecasts dated 08-01-2015)

⁸ Thurrock Economic Development Strategy (2007)

- 3.11 Recession and the subsequent weak economic recovery at a national level made this a significantly more challenging target than anticipated. Employment in Thurrock fell sharply after the onset of the economic downturn in 2007/08, from 75.4% of working age residents in 2007 to just 70.0% in 2011. Yet, the strength of the local economy is demonstrated by a sharp rise in the employment rate in 2012/13. In the 12 months to December 2014, 73.4% of working age residents in Thurrock were in employment, above the England (72.5%) average.⁹
- 3.12 The data for unemployment paints the same picture. Unemployment in Thurrock peaked at 11.4% of economically active residents in Thurrock in the 12 months to March 2012 (9,400 people), but has declined since then. In the 12 months to December 2014, 6.0% of economically active residents in Thurrock were unemployed (5,000 people), in line with the rates for Essex County (6.0%) and England (6.2%). Although, this remains significantly above pre-recession rates which were at 3.3% of economically active residents in 2007.
- 3.13 Overall, despite a challenging economic environment, there was an increase of 5,000 jobs in Thurrock between 2007 and 2013 (from 63,000 to 68,000). Comparison with other regions shows how well Thurrock performed in terms of jobs growth over this period. While London had the highest growth in workforce jobs (at 13.4% between 2007 and 2013), Thurrock (7.9%) saw a significantly higher rate of jobs growth than the South East (3.7%) and Eastern (3.5%) regional averages. This was also above the rate of jobs growth in both neighbouring Essex County (5.5%) and nationally (3.8%).
- 3.14 Extrapolating trend growth from 2007-2013 would see an increase of 11,800 jobs by 2021. This would be short of the 2007 target. However, potential investments in the local economy - in particular within identified economic hubs (e.g. London Gateway, Port of Tilbury, Lakeside, Purfleet and Thames Enterprise Park) - offer the potential for significant jobs growth in the coming years. Indeed, supporting and enabling delivery on those investments will be crucial to getting close to the target of 26,000 jobs by 2021.

“A relatively unbalanced employment base”

Summary

- The Thurrock economy has historically been dominated by a few key sectors, namely transport, logistics, port functions, and retail
 - The EDS in 2007 set out the aim of diversifying the economy
 - This remains a key challenge for the Thurrock economy going forward
- 3.15 The EDS acknowledged that the Thurrock economy has historically been driven by the presence of several large sectors which have dominated the business base in employment terms, particularly: transport; logistics; port functions; and retail. The EDS set out the challenge to diversify the economy to be “less dependent upon a relatively narrow range of sectors”. At the same time, increased diversification could not be at the expense of the area’s “core sectors”.
- 3.16 However, between 2007 and 2013 Thurrock’s industrial structure remained somewhat uneven: that is to say, within the local economy there remain strong concentrations of employment in a few key

⁹ ONS (2015) Annual Population Survey

areas of activity and a relatively low share of employment in most other industrial groups. More specifically, compared to the national (UK) average:

- There is a particularly high concentration of employees in the transport grouping, and this has become more concentrated since 2007.
- The share of employees in retail and wholesale was also very high, while construction has become more important to the local economy since 2007.
- Employment is less concentrated in most other sectors, most significantly in the higher value-added business services and computer and telecoms sectors. This has not changed significantly since 2007.

3.17 This suggests that a diversification of the business base, at least in terms of the sector make-up has not occurred. However, there is another route by which to diversify the economy; namely internal diversification. This could be achieved by supporting the development of higher value-added, higher skill functions within the core sectors. This represents an important opportunity going forward.

3.18 Overall, Thurrock has not had success in diversifying its economic base thus far. However, this only serves to reiterate the importance of several planned investments and activities underway in Thurrock that offer opportunities to achieve this which were previously limited due to the slow investment market. This includes for instance investments in the creative and cultural sector, but also supporting internal diversification and development of higher value activities within core sectors.

Why does the concentration of industries matter?

To an individual, it matters because the pattern of geographical concentration of industries influences the economic opportunities available in the area in which they live. For example, a potential employee faces a very different labour market in Thurrock to other parts of Greater Essex.

To policy makers, the geographical concentration of economic activity matters because it may have an impact on the potential for economic growth in the economy (depending on the sectors). Economic inequalities can also result from an uneven economic geography.

“A relatively weak skills base”

Summary

- There have been considerable improvements in qualifications and educational attainment
- Thurrock still has relatively low proportions of residents qualified at NVQ Level 3 and above
- There remains a relatively high proportion of students from Thurrock without a sustained destination or recorded as ‘Not in Employment Education or Training’ (NEET)

- 3.19 The 2007 EDS also noted relatively low rates of progression from secondary school to further and higher education (FE and HE) and called for a “platform for uplift” in the quality of the local skills base, ensuring these are relevant to the business base.¹⁰

Adult skills

- 3.20 Data for 2014 shows Thurrock still has relatively low proportions of residents who are qualified at NVQ Level 3 and above – 40.5% of working age residents in 2014, compared to 53.2% nationally.¹¹ There is also a relatively high proportion of working age adults with low or no qualifications, including 12,600 Thurrock residents aged 16-64 with no qualifications – making up 12.2% of working age residents, compared to just 8.6% nationally. Employment rates vary significantly by qualification level: 84.4% working age residents qualified at NVQ4+ were in employment in 2014, compared to 63.1% of those qualified at NVQ1 and below (including ‘other qualifications’).¹²
- 3.21 However, there have been considerable **improvements in qualifications attainment in recent years**. Between 2007 and 2014 there was a significant shift towards attainment at the highest qualification levels (NVQ3 and above) among working age residents, and away from qualifications at the lowest levels (NVQ1 and below). The proportion of residents qualified at NVQ4 and above has increased by 7.4 percentage points (pp) in Thurrock since 2009, compared to just 2.7pp across Essex County and 6.1pp nationally.¹³ This is a result of the boroughs focus on education to improve schools attainment and, support for Academies to increase investment, pupil based planning for place provision and strategic HE work on key sectors.
- 3.22 In total there are 14,200 more working age residents qualified at Level 3 and above in 2014 than in 2007, and 10,500 fewer residents aged 16-64 whose highest level of qualification is at NVQ Level 1 or below (including ‘other qualifications’). While these trends have also taken place nationally, they have been particularly marked in Thurrock.
- 3.23 This matters because if Thurrock’s residents are to benefit from the jobs available in the local economy, they need to have in-demand skills. Between 2012 and 2022 UKCES employment projections for the East of England show an increase of almost 417,000 (+40.1%) jobs requiring at least a university level qualification. Moreover, despite improving levels of attainment there are skills shortages in the local labour pool.

Education attainment

- 3.24 One contributory factor to improving adult skills is improvements in education performance in Thurrock at GCSE level. This step change has been achieved as a result of a clear focus on school improvement and a concerted effort by all partners, the schools, the council, governors, pupils and parents all working together as a team and through the Education Alliance and the Excellence Network.
- 3.25 In 2013/14, 57.9% of key stage 4 students in Thurrock achieved 5 A*-C grades at GCSE including English and maths. This was above the Essex County (56.5%) and England (53.4%) averages.¹⁴ This is

¹⁰ Thurrock Economic Development Strategy (2007)

¹¹ ONS (2015) Annual Population Survey

¹² ONS (2015) Annual Population Survey

¹³ ONS (2015) Annual Population Survey

¹⁴ Department for Education (2015) Performance Tables

a significant improvement on local performance in 2007/08, when only 42.6% of KS4 students in Thurrock achieved 5 A*-C grades at GCSE including English and maths.

- 3.26 It should also be noted that figures for 2013/14 are not directly comparable with earlier years due to major education reforms (which could explain the small decline in performance in the most recent year).¹⁵

Destinations of school leavers

- 3.27 Looking at the destinations of students following A Levels or other level 3 qualifications (in the key stage 5 cohort), 71% of Thurrock students continued, or remained, in an education or employment destination in 2012/13, in-line with the national rate.
- 3.28 Looking more closely though, a relatively low proportion of Thurrock students went on to a sustained education destination (54% compared to 64% for England). Although this was an improvement on 2009/10, when 51% of Thurrock students were registered in a sustained education destination,¹⁶ a relatively high proportion of students did not have a sustained destination or were recorded as Not in Employment Education or Training (NEET). Tracking of NEETs and percentage not known to the Authority remains higher than the Essex County average (5.2% and 4.6% respectively).¹⁷
- 3.29 **“A relatively limited educational offer”**

Summary

- The 2007 EDS identified that Thurrock did not offer “significant breadth in availability and delivery of FE and HE”
 - There remains a relatively low proportion of young people going on to Higher Education in Thurrock
 - But there has been an expansion in the number of apprenticeships, reflecting national trends
- 3.30 The strategy sought to support the development of an education and learning offer that was strong in both depth and breadth. This has so far resulted in the broadening of the 6th Form offer alongside the development of the South Essex College Thurrock Campus in Grays. The offer through the college has been tailored to support existing core and opportunity growth sectors and now provides pathways into HE qualifications. Building on the provision of these pathways key HE institutions, for example University of Arts London, University of Northampton and University of Essex, are providing a relevant HE offer in Thurrock to ensure that key sectors have access to a skilled workforce.

UCAS applications

- 3.31 There continues to be a relatively low proportion of young people going on to Higher Education. The lowest application rates among 18 year olds within South Essex were from South Basildon and East

¹⁵ In particular, two major reforms have been implemented which affect the calculation of key stage 4 (KS4) performance measures data in 2014: Professor Alison Wolf’s Review of Vocational Education recommendation; and, An early entry policy to only count a pupil’s first attempt at a qualification.

¹⁶ Department for Education (2012) destinations of key stage 4 and key stage 5 pupils.

¹⁷ Department for Education (2015) NEET data by local authority

Thurrock constituents (21.6%) and Thurrock (26.6%). This was far below the England average of 35.4%.

Apprenticeships

- 3.32 There has been an expansion in the number of apprenticeships, reflecting national trends and work delivered locally to support Apprentice delivery. Compared to 2007/08, there was a 120% increase in the number of apprenticeship starts in 2013/14. Apprenticeships play an important role in matching skills to business and employer needs and provide an opportunity to equip the working age population with higher level qualifications (Level 3 & 4). This opportunity represents an alternative to the traditional HE route to such qualifications.

“A relatively low rate of enterprise”

Summary

- Thurrock has seen considerable growth in active enterprises in recent years
 - Thurrock consistently outperforming the national average in terms of new business registrations between 2007 and 2013, while the rate of business failures was marginally below the national average in most years
 - Looking at business survival, survival rates in Thurrock worsened following the economic downturn, but have generally improved since the recession
- 3.33 The 2007 EDS pointed towards low but improving rates of enterprise formation in Thurrock, combined with relatively high rates of business failure. The challenge set out in the EDS was to facilitate higher rates of sustainable business formation by building on an improving enterprise base and supporting Thurrock businesses to grow, develop and diversify. Much work has been done over the years to support businesses through workshops, provision of business accommodation as well as specific sector-based programmes.
- 3.34 The data shows that rates of entrepreneurship are still below the national average in Thurrock. There were 4,570 active enterprises in Thurrock in 2014 according to official estimates,¹⁸ equivalent to 26.5 enterprises per 1,000 in Thurrock, but significantly below the England average of 34.6.
- 3.35 However, Thurrock has seen **considerable growth in active enterprises** in recent years. Using data from the ONS Business Demography series, the number of active enterprises registered in the local area increased by 1,030 from 2007-2013.¹⁹ The number of Thurrock based enterprises increased even during the recession, and has picked up further in recent years.
- 3.36 The extent of Thurrock’s success in growing its business base can be seen when comparing local performance with other areas of the country. At 25.0%, Thurrock saw a higher rate of business growth between 2007 and 2013 than for any region in England, including London (23.4%). This was also significantly above the Essex County (6.3%) and national (7.7%) averages. While the precise reasons for this are difficult to explain Thurrock did invest heavily in the ERDF Low Carbon Business Programme which looked to support and sustain new business starts. This support alongside other

¹⁸ ONS (2015) Business Counts

¹⁹ ONS (2015) Business Demography. Note: this definition of an active business is based on activity at any point in the year, whereas ONS Business Counts is based on an annual snapshot at a point in time.

local authority investment in economic development perhaps goes some way to explaining the significant improvement in performance.

- 3.37 Thurrock consistently outperformed the national average in terms of new business registrations between 2007 and 2013, while the rate of business failures was marginally below the national average in most years (with the exception of 2009-2010).
- 3.38 Looking at business survival, survival rates in Thurrock worsened following the economic downturn, but have generally improved since the recession. Of all of the VAT registered businesses registered in 2011, nearly three-quarters (74.8%) were still trading in 2012. This was significantly above the 24-month survival rates for businesses born in 2008 and only marginally below the England average (75.5%). At the same time, this was still lower than the rate for businesses born in Thurrock in 2007 (79.4%), suggesting there remains scope for survival rates to improve further.
- 3.39 A wider range of metrics, available only at LEP level, shows the South East LEP area having 15.8% of its businesses being ‘fast-growing’, compared to the national average of 16.0%.²⁰

“A number of infrastructure constraints”

Summary

- Thurrock has generally seen growth in business space in recent years, with significant growth in industrial floorspace and retail space since 2007
 - There are signs of infrastructure constraints, with a rising numbers of vehicles on the road and slowing peak travel speed suggesting congestion is an issue
- 3.40 It is vital that infrastructure developments keep pace with economic growth, firstly in order to enable that growth to take place, but also to ensure that the broader experience of the effects of growth and overall quality of life in Thurrock remains high.

Business space

- 3.41 The EDS called it “imperative” that Thurrock was able to offer quality, sustainable and flexible sites offering opportunities for future growth and development.²¹ Thurrock has generally seen growth in business space; between 2007 and 2012, particularly in relation to interventions made by the Local Authority there was an increase of:
- 86,000 m² of industrial floorspace;
 - 19,000 m² of retail floorspace;
 - 3,000 m² of office floorspace; and
 - 1,000 m² of ‘other’ floorspace
- 3.42 Compared to national trends, there has been particularly strong growth in industrial and retail space since 2007, reflecting major investments in the local area. Thurrock Council (with partners including the former Thurrock Thames Gateway Development Corporation) has directly invested in the provision of business space through Tilbury Riverside Business Centre, Thurrock Centre for Business,

²⁰ Enterprise Research Centre (2015) Growth Dashboard – June 2015.

²¹ Thurrock Economic Development Strategy (2007)

The Old Courthouse and the Artist Studios at HHPP in Purfleet. Other opportunities are being actively pursued and this portfolio may well grow.

- 3.43 This suggests that Thurrock may have gone some way to rectifying the issue of inadequate provision since 2007, although this data does not reveal anything about the quality and suitability of floorspace being provided. It also indicates that the growth in office lagged behind the England average during this period. With the strengthening of the overall economy, speculative development is now being brought forward.

Transport infrastructure

- 3.44 Transport infrastructure is vital in Thurrock. This is key for sectors such as retail and ports and logistics. It is also vital for the resident population to travel and commute - 34.3% of residents commute to London (2011) on a daily basis and a clear majority do so by car.
- 3.45 There are many factors contributing to the pressures faced by transport and infrastructure particularly relating to pressures on rail capacity. Increased freight movements are putting extra pressure on level crossings and these now represent a real barrier to growth, for example in Grays and East Tilbury. Work must continue to help national partners such as Network Rail to recognise these issues. In particular a transport network primarily based on east-west movement with the A13 and A127 providing strategic highway connections carrying large volumes of traffic within South Essex and westwards towards London creates road congestion.
- 3.46 Indeed, there are signs that the developments in Thurrock since 2007 are putting pressure on the road network. The 726 million vehicle miles travelled on major roads in Thurrock in 2014 is the highest figure on record (since 2000).²² The majority of this was accounted for by cars, but van (LGV) traffic saw the largest percentage increase from 2000-2014, and accounted for almost half (48.2%) of the overall increase in vehicle miles on major roads during this period,²³ reflecting growth in transport and logistics related activity in the local economy.
- 3.47 As a result, the average speed on 'A' roads in Thurrock during the weekday morning peak is decreasing.²⁴ This is particularly marked when looking specifically at the A13 where there has been a significant decline in average vehicle speeds for westbound traffic in recent years.²⁵

Housing

- 3.48 Another significant infrastructure requirement is housing. As a consequence of population and household growth, there is significant need for additional housing across the sub-region including Thurrock.
- 3.49 The 2011 Census showed that Thurrock had 62,353 households, up from 58,476 in 2001.²⁶ Around two-thirds (66.7%) of these households owned their home in 2011, down from 72.0% in 2001. The overall household tenure mix is relatively similar to the England average, however social rented accommodation accounts for a relatively high proportion of households in Thurrock (18.4% in 2011 compared to 17.7% nationally). The demand for social rented accommodation may in part reflect the

²² Department for Transport (2015) Traffic Counts

²³ Department for Transport (2015) Traffic Counts

²⁴ Department for Transport (2015) Congestion & Reliability Statistics

²⁵ Department for Transport (2015) Congestion & Reliability Statistics - Experimental Statistics

²⁶ ONS Census 2011

large number of low skill and low wage jobs in Thurrock. The private rented accommodation was comparatively low in Thurrock (14.9% compared to 18.1% nationally), although the private rented market has grown substantially since 2001.²⁷

- 3.50 The Thames Gateway South Essex SHMA 2013 set out housing requirements for the South Essex authorities.²⁸ This highlighted the significant need for additional housing across the sub-region as a consequence of population and household growth, and also the significant need for additional affordable housing. The average annual housing requirement for Thurrock is set at 1,030 dwellings, with 36% required to be affordable housing.²⁹
- 3.51 Thurrock's 2007 Economic Development Strategy outlined an ambition for an additional 18,500 new homes by 2021. It is difficult to assess progress against this target, however based on the change in dwelling stock since 2007 it seems likely that the target will be significantly underachieved. At the same time, house building has been significantly affected by the economic downturn and may recover in the coming years. This would see significant development from the 8,000 strong consented units that are not yet being built due to a range of issues. An attractive housing offer is an important part of the wider place-making and inward investment agenda.

Geographical Growth Hubs

- 3.52 This strategy continues to focus on Growth Hubs as a route to generating investment, growth in the business base as well as business diversification. The progress made on the hubs to date has been significant and since 2007 a new opportunity in Thames Enterprise Park has arisen, creating the sixth Growth Hub. The conditions for growth have continued to develop and the hubs have played a strategic and operational role in their success. New milestones have been created as the hubs enter a new phase of delivery to generate further outcomes for growth and employment.

²⁷ ONS Census 2001 and 2011

²⁸ Note, the SHMA does not identify an objectively assessed housing need figure for TGSE.

²⁹ Opinion Research Services (2013) Thames Gateway South Essex SHMA 2013 – Report of Findings

4 The Strategic Framework

- 4.1 The strategic framework for this EGS builds on that identified in 2007. There are a number of other policy documents produced since then that should be considered alongside this.

Community Strategy

The community plan sets out the vision that Thurrock should be “A place of opportunity, enterprise and excellence, where individuals, communities and businesses flourish”³⁰. There are five strategic priorities to meet this vision:

1. Create a great place for learning and opportunity
 - Ensure that every place of learning is rated “Good” or better
 - Raise levels of aspirations and attainment so that local residents can take advantage of job opportunities in the local area
 - Support families to give children the best possible start in life
2. Encourage and promote job creation and economic prosperity
 - Provide the infrastructure to promote and sustain growth and prosperity
 - Support local businesses and develop the skilled workforce they will require
 - Work with communities to regenerate Thurrock’s physical environment
3. Build pride, responsibility and respect to create safer communities
 - Create safer welcoming communities who value diversity and respect cultural heritage
 - Involve communities in shaping where they live and their quality of life
 - Reduce crime, anti-social behaviour and safeguard the vulnerable
4. Improve health and well-being
 - Ensure people stay healthy longer, adding years to life and life to years
 - Reduce inequalities in health and well-being
 - Empower communities to take responsibility for their own health and well-being
5. Protect and promote our clean and green environment
 - Enhance access to Thurrock’s river frontage, cultural assets and leisure opportunities
 - Promote Thurrock’s natural environment and biodiversity
 - Ensure Thurrock’s streets and parks and open spaces are clean and well maintained

EDS framework

- 4.2 The 2007 Economic Development Strategy was set around a framework that identified employment as a key outcome. In addition it identified a number of ‘enabling’ and ‘embedding’ factors that would support this increase in employment and ensure that businesses and communities continued to benefit from growth.

³⁰ Thurrock Community Strategy (2012)

4.3 The EDS framework has been updated to support the Economic Growth Strategy (2016-2021). This is to recognise the changes that have taken place and to focus efforts on those actions which will continue the positive progress being made and address the challenges that remain. Employment remains at the heart of the strategy framework, but there are now six factors identified that are crucial to realising and maximising the benefits of this increase in employment.

Thurrock Economic Growth (2016-21) Strategy - Revised Framework



Strategic Theme Objective

Develop a skilled workforce with clear career progression routes responding to business needs

Deliver strategic employment sites and key business infrastructure

Attract high value added inward investment and support existing businesses to diversify and grow

Core Employment Growth Sectors

Already strong in Thurrock, generating natural growth and employment

Retail

Ports, Logistics & Transport

Construction

Opportunity Employment Growth Sectors

Sectors less established, future growth will need to be induced by partners

Business Services

Recreation and Leisure

Environmental Technology & Energy

Digital, Creative & Cultural Industries

Health and care

Strategic Theme Objective

Promote growth opportunities to Thurrock residents to reduce deprivation

Successful marketing offer

Develop more effective business functions and networks to support growth

Improve the quality of place

Key outcome

- 4.4 As with the 2007 EDS, **employment** remains the key outcome for Thurrock going forward. This is significant. It dictates that Thurrock Borough Council and partners need to retain a focus on growth and providing opportunities for the population to partake in and benefit from that growth going forward.
- 4.5 However, there is more nuance to this than there was in 2007. The economic challenges Thurrock face cannot be seen purely in terms of delivery of a quantitative target, though that remains vital. Rather there are a number of associated challenges in terms of the 'quality of work', the availability of higher value jobs, growing supply chains and ensuring support is there to allow anyone to take part in the employment opportunities.
- 4.6 There are a number of steps that can be taken in order to deliver against this set of outcomes. Seven different factors have been identified. We summarise the challenge against each below before setting out the vision for what success would look like going forward.

Priority areas

EMBEDDING FACTORS

Develop a skilled workforce with clear career progression routes

- 4.7 Skills development is integral at every stage of work life: entering the labour market, career progression, and for opportunities to switch career or re-train. The much improved schools performance is evident and it must continue to ensure skills are developed through the HE/FE offer and scope for continued development and apprenticeships while delivering skills for work.
- 4.8 Thurrock has made progress since 2007 in the area of skills. As was highlighted above, education performance has improved significantly in Thurrock. Steps to address the skills gap include action to address the lack of breadth Thurrock offered in the availability and delivery of further education and higher education, particularly through the South Essex College Thurrock campus in Grays. However, the FE/HE offer originally envisioned was to be more comprehensive, and despite SEC forging close links with a number of HE institutions (University of Northampton, University of the Arts London and University of Essex) to ensure a HE offer in Thurrock there is an opportunity to further expand the offer. This offer should support core and opportunity growth sectors and meet learner requirements.
- 4.9 It should also be recognised that this aspiration comes at a time when there is considerable budget pressure in schools and the adult skills budget is also reducing. In this environment we shouldn't lose sight of the part that apprenticeships can play in ensuring students have opportunities to move into employment and to secure Level 3 and Level 4 qualifications without incurring debt through a student loan. A new apprenticeships levy on businesses should support provision and help to ensure that apprentices are seen as a key part of effective workforce planning.
- 4.10 It is also essential that skills development seek to support people throughout their career and help build opportunities for moving on into higher paid jobs: pathways, not just into entry level jobs, but towards managerial positions. Thurrock is currently looking at drawing in expertise from the

voluntary and community sector, such as the Prince's Trust and the Construction Youth Trust, to do this.

- 4.11 More can be done to ensure that businesses have access to workforce that they need both in terms of skills and numbers. An enhanced careers information, advice and guidance offer can ensure that young people in the schools system are aware of Thurrock's growth agenda and the breadth of career opportunities that do or will exist across core and opportunity growth sectors. FE and apprenticeship opportunities can then be developed which provide the pathway into these new opportunities. To be successful this approach will require business to be willing and active partners in exciting people about career opportunities; clearly identifying their skills needs; and in developing effective approaches to workforce planning. Without an attractive offer from employers skilled young people will continue to commute to opportunities in London.
- 4.12 This should be forward looking, thereby seeking to *future-proof* the workforce to changes in work practice. For example, equipping students with IT / technical skills to prosper in the modern jobs market.

Deliver key strategic employment sites and key business infrastructure

- 4.13 Employment and broader economic growth requires that key components of the physical infrastructure offer are in place. These include:
- Strategic employment sites;
 - Business spaces and premises;
 - Quality access infrastructure, including road and rail linkages that facilitate effective movement of goods and people;
 - Refreshed town centres; and
 - Housing.

Strategic employment sites

- 4.14 Some of the employment opportunities require leveraging of the strategic advantages held by Thurrock. It is vital that Thurrock bring forward these spaces, such as Thames Enterprise Park, and seek to create high-value opportunities there to support the employment outcomes. This includes for instance leveraging Thurrock's geographic advantages, particularly with the impact of a Lower Thames Crossing that might bring forward strategic employment sites, in its efforts to deliver on the environmental technology & energy sector and other opportunity sectors.

Business space and premises

- 4.15 Moreover, there is a need for a range of accommodation to support businesses. What business looks for differs markedly; ranging from the needs of start-ups and medium-sized businesses, through to the global companies with a presence in Thurrock.
- 4.16 In broad terms, the growth in office space lagged the England average between 2007 and 2012. This suggests there may still be a shortage of quality office accommodation. However, there are a number of sites, such as The Old Courthouse (formerly Grays Magistrate's Court) and workspace at High House Production Park, coming on stream that will add to the stock of quality accommodation

for small businesses. However, there needs to be a range of options that permit small organisations to grow and expand into larger office space as part of a broader commercial offer.

Quality access infrastructure

- 4.17 The strength of Thurrock's ports and logistics sector also means there are high demands on the local infrastructure. As port activity continues to grow following recent investments, the demands on the local road and rail networks are only going to increase. Moreover, the increasing number of people travelling into Thurrock to perform a job that could be fulfilled locally adds pressure to the transport infrastructure whether that be rail, roads or other forms of sustainable transport.
- 4.18 An outstanding question is the future of the Lower Thames Crossing. The launch of the consultation is expected shortly (January 2016) but the decision point is yet unknown. This will have a significant impact on potential links between Thurrock and surrounding areas, but whatever of the three options under consideration is pursued the subject of congested routes must be understood.

Housing

- 4.19 Housing is required for the growing population and new workforce of Thurrock. The primary objectives are to deliver housing to support economic growth, continue to improve the current housing stock as well as enable residents to secure the housing required for a broad range of households. Although a designated Housing Zone area, the challenges of achieving viability on many potential housing sites means that the current rate of house building is not meeting local needs or supporting growth. This combined with a large number of unimplemented planning permissions means that the housing supply does not match the objective of seeking to develop the economy.
- 4.20 Also significant is the fact that much of the house building is incremental whereas what is required is a comprehensive and transformational approach that would lead to the attraction of new business. It must be considered with a wider place-making approach to address town centre development and promote better image. This should include a housing offer that can attract high skilled, managerial level new residents; but also address potential issues around affordability for the large numbers of residents operating in lower skill, lower wage jobs.
- 4.21 The Council aspires to deliver up to 1,000 new homes over the next five years. However, the vast majority of housing is going to be private-sector led, which implies Thurrock needs to either work with private sector developers or look at creative ways to drive housing delivery. This could include a model such as the Regeneration vehicle 'Gloriana', which could conceivably develop higher value housing as proof of concept to a private sector unwilling to invest due to perceptions of the market. In addition to this, Joint Ventures focusing on estates and growth areas identified in the Local Plan are also critical.

Attract high value-added inward investment

- 4.22 Thurrock has significant economic assets that demonstrate its ability to attract large scale investment. To change the nature of inward investment, which at present concentrates on lower-value employment opportunities, image and perception needs to be tackled to attract the new economy. With an improving but still relatively weak skills base that is unlikely to attract new high value-added economic functions successfully, or provide the platform for the current business base to maximise productivity and revenues the challenge is great. Investment could be made to forward fund new higher value office accommodation at Lakeside or London Gateway for example.

- 4.23 There is a recognised need to facilitate higher rates of sustainable business formation by building upon the improving enterprise base, ensuring that these businesses continue to locate in the Borough as they grow, develop and diversify. This will support more broad supply chain requirements and ensure stronger and more resilient markets.
- 4.24 There is a clear need to focus on business support to reverse the trend of low levels of exports, low business survival as well as ensuring that there is a route to supporting productivity levels and growth in core sectors through investment in R&D.

ENABLING FACTORS

Promoting growth opportunities to Thurrock population

- 4.25 Promoting growth opportunities means ensuring that all parts of the Thurrock population can benefit either directly or indirectly from the growth that has taken place and is taking place in Thurrock.
- 4.26 This is essential also to realising the ambitions of the Community Strategy, but, more specifically, economic growth is more likely to be achievable and have long lasting benefits where local communities are fully equipped to take advantage of new opportunities. This requires that Thurrock's communities are not constrained from full participation, however this is not the case at present with job openings going hand in hand with unemployment in some areas.
- 4.27 This requires a recognition and steps taken to overcome some of the barriers that might prevent some parts of the population from taking advantage of the opportunities that are there. Thurrock has areas, such as Tilbury, where there are high levels of deprivation and quite extreme inequalities of health outcomes. These are also areas where labour force participation are likely to be low. As such, consideration must be given specifically to supporting the most disadvantaged communities and neighbourhoods in the Borough. This effort must build upon existing activity and utilise the current infrastructure for delivery of both mainstream and specialist support services to communities, as well as the expertise and skills of Thurrock's voluntary and community sector.

Successful marketing offer

- 4.28 It is important that Thurrock develops a positive marketing offer to attract a new business base, the necessary mix of housing as well as a growing workforce. Despite the changes in Thurrock and opportunities in the area, perceptions of place seem to remain a barrier to development. More can be done to improve the appearance of Thurrock (e.g. high streets) and to better sell the place. A successful marketing campaign should tackle perceptions of place that threaten to limit the potential of Thurrock.
- 4.29 This should include getting the right messages into national and international markets, which is particularly important for both opportunity sectors and for the development within core sectors. An important part of this is the message that Thurrock is a place where higher value activity can take place – not solely a place for warehousing and distribution functions.
- 4.30 This should celebrate some of Thurrock's key advantages. Some of which, particularly easy reach of London and the geography of the place, would be important comparative advantages which could support development of opportunity sectors such as environmental technology and energy as well as the creative sector.

- 4.31 Marketing should also be for potential new – and current – residents, to show what Thurrock has to offer: jobs, quality housing, areas of natural beauty all within easy reach of central London. At present perceptions threaten to inhibit the development and revitalisation of town centres such as Grays, although the arrival of some national brands could help alleviate this. Meanwhile, Thurrock still sees high numbers of its highly skilled residents commute to London for work.

Develop more effective business functions and networks to support growth

- 4.32 Business networks and effective business support functions are vital for the growth of business. This is even truer following the establishment of Local Enterprise Partnerships, which are business-led bodies.
- 4.33 Much has been done since 2007 to establish closer relationships and understanding between business and the local council. A number of business groups have been established over the last few years or continue to operate successfully to bring together the views and concerns of business across Thurrock. This includes the Thurrock Business Board and Thurrock Network Group.
- 4.34 Some businesses have recognised the more focussed and engaged approach the council has taken, as evidenced by the number of businesses attending a recent annual businesses summit, but more can still be done.
- 4.35 Business engagement should continue to seek to be as inclusive as possible in order to avoid the same business being heard. Moreover, the council should look at ways to ensure this is self-sustaining. For instance, the first iteration of the Town Partnership in Grays did not survive the departure of key personnel, and a different model is being explored in response.

Improve the quality of place

- 4.36 Access to quality places – both urban and rural – is vitally important on a number of fronts. Quality environments are conducive to the improved health of local communities, acting as a positive influence on economic and broader community activity. Quality in the natural and built environment also acts as one of the key factors falling within an effective local inward investment offer. As such, it is important that town centres, urban and rural environments and the public realm components of these environments are enhanced in terms of overall quality.
- 4.37 It is also important to take into consideration the direct relationship between the quality of Thurrock's housing offer and the potential to attract new inward investment, especially in higher value added functions, and a workforce in the numbers and with the skills needed to support growth. The provision of a wide range of residential property options for new and existing residents, and in particular an expansion of larger, more executive style housing provision, will be important in persuading investors that the overall infrastructure is conducive to the success of their business.
- 4.38 The council and its partners must work closely with developers to ensure that a suitable range of housing is constructed in Thurrock. Of particular importance, is the need for quality executive style housing in sustainable locations, complete with requisite quality infrastructure (social and physical) in order to attract and retain high skill, high income individuals.

Sector response

- 4.39 Internal diversification of core sectors by supporting the development of higher value-added, higher skill functions is required. This would include increasing the representation of managerial and research and development related components of these sectors' operations in Thurrock.
- 4.40 In order to achieve this, it requires existing businesses to invest in higher order functions, which in turn means that the components must be in place locally or at least regionally for these functions to develop effectively. This therefore requires access to a flexible, high quality skills base, to R&D and innovation services as well as effective managerial capacity.
- 4.41 It is vital that business services activities increase their share of overall employment while ensuring that a high quality leisure and recreation offer locally. This will act as an important component of the overall offer to businesses considering Thurrock as a location from which to base and grow their business.

Core sectors

Port, Logistics and Transport

- 4.42 This is one of Thurrock's strongest sectors. There are around 8,500 jobs in Thurrock currently in this combined series of related sub-sectors. Key activities include:
- Supporting Transport Services;
 - Storage and Warehousing;
 - Transport Agencies;
 - Water Transport; and
 - Freight Transport.

Retail

- 4.43 This sector has grown dramatically in Thurrock over the last decade, especially following the establishment of the Lakeside Shopping Centre and associated activities. Lakeside is a centre of regional significance with a catchment that extends well beyond the Thurrock boundary.
- 4.44 Retail alone accounts for almost a quarter of all jobs in the Borough. The sector continues to grow in size and will expand further as the local population increases with the onset of new housing development.
- 4.45 Key sub-sector retail activities include:
- Sale of motor vehicles;
 - Food & Beverages; Clothing;
 - Footwear;
 - Furniture; and
 - Household, Lighting & Hardware.

Construction

4.46 This sector is strongly represented in Thurrock. Continued investment in Thurrock as well as the scale of construction activity in the broader Thames Gateway area means that there is likely to be continued, significant growth in this sector.

4.47 Key construction sub-sectors include:

- General Construction;
- Civil Engineering;
- Specialist Trades;
- Electrical Installation; and
- Plumbing and Joinery.

4.48 The Construction sector is diverse in nature and ranges from large multinational operators to independent, local micro businesses. As such, the nature of support structures for growth and market development must be equally diverse.

Opportunity sectors

Business Services

4.49 Although present and currently growing in Thurrock, this broad sector remains underrepresented – with ‘Financial & other business services’ accounting for 13.2% of jobs in Thurrock compared to 22.2% of jobs nationally. In order to achieve a more balanced and ultimately sustainable economic profile, it is vital that business services activities increase their share of overall employment.

There are already emerging strong sub-sectors including industrial cleaning and labour recruitment, but growth should be encouraged and supported in professional services such as accountancy and legal services, but also in back office processing activities, business related consultancy, computer and IT services. This is a particular opportunity in relation to development activity in Grays where there is an aspiration to build a strong business base. Development of the business services sector would help deliver stronger supply chains for local businesses and ensure that there is a more broad range of jobs available for the local workforce.

Recreation and Leisure

4.50 There are a number of reasons why Recreation & Leisure activities offer good growth opportunities for Thurrock. With housing development and associated population growth, there will be a direct knock-on effect in terms of increased demand for locally available leisure and recreation activities.

4.51 In order to generate sustainable growth in Thurrock generally, there is a need to ensure that increased leisure services are available and accessible locally without the need for unnecessary travel outside of the area.

4.52 Key sub-sectors for growth include:

- Sporting activities;
- Operation of sports and leisure facilities;

- Gambling and betting activities; and
- Entertainment activities.

4.53 Planned developments within key economic hubs, in particular in and around Lakeside and Grays, offer good opportunities for the development of leisure facilities and therefore a higher value visitor offer in the area overall.

Environmental Technology and Energy

4.54 Business activities covering environment, energy and recycling are already present in Thurrock on a relatively small scale. There is an opportunity to grow employment in these sectors on a limited basis in the short to medium term.

4.55 There are a number of reasons for this; the Energy sector is already well established in Thurrock and there is potential to develop a broader range of business functions associated with recycling. Thurrock's position as a port and logistics hub, as well as its proximity to London suggests that it may be a good location for certain types of recycling activities. Development of these types of activities may require significant land use in areas effectively segregated from residential or other uses.

4.56 Sub-sectors within this growth sector might include:

- Production and distribution of electricity;
- Environmental consultants;
- Environmental pollution research and experimental development; and
- Waste collection, recycling & disposal.

Creative Industries

4.57 There are still relatively low numbers employed in this sector according to latest figures, but investments such as High House Production Park show the potential for the sector and may be a precursor to growth in the sector in coming years. In the Purfleet centre proposals, this sector has the potential to grow rapidly in the coming years. At the heart of this development will be the delivery of a planned film, television and media village. It will be the largest facility of its kind in Europe, covering 600,000 square feet, and the first purpose-built studio complex in the UK in 50 years.

4.58 Moreover, as communities grow across the Borough, there will be an increase in latent demand for creative and cultural services. This sector can play an important role as part of place-shaping, for instance as part of the development of Grays and efforts to foster more of a night time economy there.

4.59 In the short to medium term, employment growth within Creative and Cultural Industries will be relatively small in scale. The emergence of this sector will, however, offer an opportunity to gradually diversify the overall business base in Thurrock.

4.60 Specific sub-sectors that can be targeted for growth include:

- Live theatrical presentations;

- Operation of arts facilities;
- Library and archives activities;
- Museum activities and preservation of historical sites and buildings;
- Art & crafts.

5 Economic Hubs

- 5.1 In 2007 Thurrock proposed creating a network of five Economic Hubs³¹. The identification of the sites was intended to help focus minds on the opportunities for investment, business expansion, and town centre regeneration at each of these strategically significant locations. This has been a success and development and investment is being brought forward in each of the hubs, albeit at differing paces. Since 2007, **a sixth hub** has been identified and is being developed.
- 5.2 Each Economic Hub presents distinct opportunities in different geographies; while the opportunities are different, the focus and drive to capitalise on what is possible is shared across all six sites. Partner groups, set up for each Hub are guiding the **economic and physical transformation of each hub** as part of the overall transformation of Thurrock.
- 5.3 The following section sets out the vision for each hub, outlining the successes since they were first identified, as well as any challenges, and the key activities or next steps required to take the sites forward and contribute to the growth of the Thurrock economy as a whole. For each hub the Council has established senior officer programme boards to lead the council's activities and co-ordinate resources.

Purfleet

- 5.4 Purfleet is the gateway to Thurrock for those travelling from London and the west as well as being the gateway to London area for those travelling from Thurrock itself and all points east.
- 5.5 High House Production Park has become an internationally recognised centre for creative industries, offering state of the art facilities to creative businesses and flexible spaces for meetings, celebrations or recreation.
- 5.6 Purfleet itself will have dynamic and bustling town centre, with opportunities for around 2,000 workers driven by a new film, television and media village. Existing high profile riverside businesses will continue to be supported and will benefit from a more qualified workforce from across the borough.
- 5.7 Purfleet will take advantage of its location in relation to London and the wider South East, becoming the residential location of choice for a highly skilled workforce drawn to the riverside location and leisure offer afforded by the vast open space opened up by the RSPB centre at Rainham Marshes. It will also provide an opportunity to look at potential developments at the Garrison Estate.

Successes

- 5.8 **Master planning** has been completed for the development of a major scheme to build a new town centre in Purfleet. At its heart is the film, television and media village. It will be the largest facility of its kind in Europe, covering 600,000 square feet, and the first purpose-built studio complex in the UK in 50 years. Employing around 2,000 people, the studios will host some of the largest production companies in the world, alongside post-production, multimedia and video gaming firms.

³¹ Thurrock Economic Development Strategy (2007)

5.9 The transformation of the town centre will also provide:

- around 2,500 new homes;
- local shops;
- facilities, including a primary school, health centre, supermarket, upgraded rail station and leisure; and
- open access to the River Thames.

5.10 Works will begin on site in 2016/17, with the first new homes being completed in 2017/18.

5.11 The development of the **High House Production Park** is forming the basis of a new creative sector and benefits from proximity to London road transport links and access to wider UK markets. There are significant plans for further development on the site which has so far created:

- **Royal Opera House Bob and Tamar Manoukian Production Workshop** - the production workshop provides the Royal Opera House (ROH) with state of the art facilities to create the backdrops and stage scenery to serve their Covent Garden productions. The ROH have offices for their community education team in one of the High House offices.
- **The Backstage Centre** - a world-class production and rehearsal venue for hire. Purpose-built for music, film and live events. **Skills Academy for Creative and Cultural Skills** - the Academy provides students and employees with the latest equipment within the sector for training and is set to become a National College opening in 2016.
- **Artists' Studios** - the partnership of High House Production Park and Acme Artists' Studios have provided more than 40 artists' studios, including 4 work/live units.
- **Community Space** - The High House Farm buildings provide a space for the community to hire, a commercially managed café, community gardens and play space.
- **Costume Store** - This joint venture between South Essex College (SEC) and Royal Opera House provides a costume, wig and shoe workshop. SEC will run courses from this site once the building is complete.
- **Business and Workshop Space** - the establishment of education industry space in the form of business and workshop space for the creative industries.
- **National College for Creative Industries** – The next stage of the development is the National College which includes 10,000ft² of business space. A plot has also been identified for a potential Royal academy with provision of more studio space.mo

Changes / challenges

- Public realm improvement is required to establish Purfleet as an attractive residential area and draw in a highly skilled work force.
- Ensuring the resident population is in a position to take advantage of some of the opportunities that are coming forward at sites such as the film, television and media village and at High House Production Park.

Next steps

- The submission of a new planning application and phase 1 delivery, which would deliver a number of community facilities and housing in Purfleet, continued development of High House Production Park as well as taking forward the film and television studio and delivering on the job opportunities there.

Grays

- 5.12 Building on its strengths as a Chartered Market Town, Grays will be an exciting, high quality destination for people to live, work, learn, shop and socialise.
- 5.13 There are plans to reconnect the town to the River Thames. This will help support the growth in resident, student and business communities in Grays. More is being done as well to develop a night-time offer, which will entertain a diverse and vibrant population through the evening. Cafés, bars, restaurants, shops and markets will combine with culture, entertainment and events in unique venues to provide a safe and attractive place for communities to meet and businesses to thrive.
- 5.14 The new £45 million Thurrock Campus building, part of South Essex College, opposite the Civic Offices in New Road is boosting the economy of Grays and is providing education for 2,000 students. It is intended that a town centre housing offer, within 45 minutes of Central London, will attract a highly-skilled population which, as with Purfleet, will initially commute to London and elsewhere for employment, but will later provide the critical mass to drive Thurrock's economy in the future.

Successes

- 5.15 After extensive consultation in 2013, a vision for Grays has been adopted. There have been a number of other successes, this includes:
- The opening of the South Essex College **Thurrock Campus** building. This has begun the revitalisation and development of Grays, supporting 200 new jobs, driving new footfall and changing perceptions of the place.
 - Refurbishing the **Magistrate's Court** building to provide a range of business units.
 - Completing the refurbishment of **flats and houses** in south Grays and consulting residents about next steps. 53 new flats are being built at Seabrooke Rise along with a new Community House for use by community groups.
 - The purchase of the **State Cinema** by JD Wetherspoon, supporting up to 100 new jobs and attracting £3m investment into Grays.

These successes are reflected in growing interest in the town from national brands keen to set up in Grays. This could further change perceptions of the area.

The mutual relationship between businesses and the council was improved by a Town Partnership.

Changes / challenges

- Housing development has not happened at the pace that may have been anticipated and more needs to be done to bring this forward.
- A change in the funding landscape means the Thurrock campus is not as large as was envisaged in the previous strategy. The offer has been developing within the Further

Education sector and links with Higher Education are a priority to ensure the offer meets local requirements.

- The high street needs to continually adapt to take account of the changes in the way in which people use town centres to deliver a comprehensive and up to date offer.
- Recognising that Grays can't compete with Lakeside and other major centres and therefore needs to establish a unique role that supports Thurrock's communities.
- Supporting the development of a business based town partnership to maximise the impact of the public and private sector in promoting the town centre
- Addressing traffic congestion and accessibility to the town centre.

Next steps

- Completing work on the planning framework for the town centre to guide development.
- Engage community and review proposals for the development of a new theatre and the other services in the Thameside Complex.
- Taking forward, with Network Rail and c2c, plans for an underpass that will replace the High Street level crossing of the rail line. This creates an opportunity to develop new retail and housing units around public squares in the town centre and to further improve the public realm.
- There is interest in extending the Thurrock campus which would extend the FE/HE offer in Thurrock.
- Establishing the Town Partnership as a proactive partnerships of business and the public sector.
- Implementing changes to the highway network and the public realm to address traffic congestion and improve accessibility by public transport, cycling and walking.
- Reviewing how the Council's land holdings can best contribute to the regeneration of the town centre.
- Introduction of town centre management supported by an officer task force to respond quickly to issues that affect the attractiveness of the town centre.

Lakeside & West Thurrock

5.16 Lakeside and West Thurrock will continue to provide a regionally significant retail offer - at present, Lakeside has 25 million people coming through each year - which will be expanded to include major leisure functions both to the north and south of the existing shopping centre.

5.17 The existing regional shopping centre will be expanded to become a regional town centre. Work on the Lakeside Regional Centre project consists of many partners setting out the long term aims for the area. The development of the area will deliver:

- new homes;
- additional retail units;

- leisure and recreation;
- green space; and
- improvement to pedestrian movement.

- 5.18 Other improvements in the area will include a road that will link the Lakeside Basin to the regional town centre. Moreover, as an existing known 'brand', Lakeside offers the potential to provide the 'big-bang' to stimulate Thurrock's office market.
- 5.19 Like Purfleet, West Thurrock will remain home to some of Thurrock's best known incumbent businesses. The obvious transport benefits, however, also create further opportunity to develop high quality road based logistics functions in the area. New residential development will address some of the perceived lack of 'executive housing' and will complement rapid employment growth at London Gateway, Lakeside and Tilbury.

Successes

- 5.20 The project for developing the Lakeside Regional Centre has commenced with the approval of planning for additional shops and restaurants at Lakeside Shopping Centre.
- 5.21 Intu has planning permission and is intending to deliver on a leisure offer either late in 2016 or in 2017.

Changes / challenges

- One of the main challenges linked to the development of Lakeside's retail offer is that the site is relatively dispersed and movement through the site can be difficult. Improving access to and within Lakeside remains a priority.

Next steps

- Improving accessibility to Lakeside by car and other means of public transport. This would include keeping road capacity maintained and to improve local connection, with an increase of the choice of routes; there is also the possibility of a network of bus and pedestrian routes and new transport interchange to encourage people to walk once inside the centre.

Tilbury

- 5.22 Tilbury is currently home to around 13,055 people and is dominated by the presence of Tilbury Port. The Port handles significant levels of bulk cargo including paper and grain as well as container cargo and boasts high-tech berths and warehousing within its gates. Tilbury Port is the biggest employer in area; the site is currently 950 acres and looking to grow. The direct employment is 750-800 people, but 4,500 people could be employed at full capacity. Tilbury Port is offering apprenticeships and job opportunities to the local workforce.
- 5.23 The town centre and Civic Square have significant potential for redevelopment. The Council is working with other public sector partners to identify proposals for facilities which would help to kick start the wider regeneration of the Civic Square.
- 5.24 It is proposed that land located to the north of Tilbury will be used for port related developments. Tilbury Marshes is currently green belt land but some will be released to meet the employment land requirement. The area will include a new lorry park. The port expansion provides an opportunity for

the green linking of land between Tilbury and the riverside. The public will be able to enjoy the river front for recreation, while improvements in transport links will provide access to the area. The surrounding area of Tilbury Fort will be improved.

Successes

- 5.25 The Council has appointed a master planning team to begin developing a vision for the Civic Square as the heart of the community with quality services and public realm and importantly a place that local residents can be proud of.
- 5.26 Tilbury Community Hub has opened, providing a resource where local people can get information and guidance from trained volunteers and access to computer equipment.
- 5.27 A Council housing company Gloriana is progressing plans for housing development on two vacant sites in Tilbury and is focussing attention on how improvements could be delivered on the Broadway Estate as part of the Estate Regeneration Programme.
- 5.28 The Port of Tilbury continues to create jobs for local people. Nearly a quarter of the staff recruited to the new Travis Perkins facility come from Tilbury and a further 45% live elsewhere in Thurrock.
- 5.29 The Gateway Academy in Tilbury has transformed educational attainment since 2007.

Changes / challenges

- Infrastructure could pose one challenge, especially in view of potential Port expansion. The A1089 is a concern to businesses. The rail network is current coping, but over the next five years demand is expected to grow and capacity could become an issue.
- The availability of a workforce to take advantage of the developments around Tilbury is another issue: both in terms of skills shortages - for instance a lack of engineers was noted by business, but also truck and train drivers – and in terms of the volume of workers available.
- There is an additional challenge to tackle some of the perceptions of Tilbury as a place, in such a way that can raise aspirations and draw inward investment. Housing quality is a particular challenge as it impacts on the ability to attract workers to employment opportunities that exist in the area.
- Linked to this, health inequalities in Tilbury are a significant concern.

Next steps

- Implement the vision for the Civic Square and continue to explore delivery mechanisms for a flagship primary care centre and further regeneration.
- European funding is being targeted to drive community-led economic development. This would help tackle some of the inequalities in Tilbury.
- Expansion of the port, with the associated employment opportunities that creates.

London Gateway

- 5.30 London Gateway is a new deep water port and business park near to Stanford-le-Hope. It is the largest project of its kind in Britain and cost £1.5bn. The project will create a world class deep sea container port with a business park.
- 5.31 There are significant benefits for Thurrock with large scale employment opportunities which include:
- 12,000 new jobs in the port; and
 - an estimated 3,000 new jobs linked to the port's supply chain activities.

Successes

- 5.32 The park first became operational in November 2013 with 2 berths. The full park was opened in May 2015 and a second building is under construction. There is demand for a third building on the site.
- 5.33 London Gateway Port is establishing itself as a major operator in international shipping. The first three berths (of an eventual six) have hosted some of the largest ships in the world and the next berth is under construction.
- 5.34 A Local Development Order (LDO) was put in place in 2013 to enable easier planning consent. In August 2015, UPS obtained consent to develop their London distribution centre on 18.6 hectares in the distribution park in just 17 days via the London Gateway LDO.

Changes / challenges

- An Academy of Skills and Logistics was one of the original objectives, but has not been delivered.
- Congestion is an issue. The main routes are the A13 into London and Junction 30 up M1 running north ways. Congestion around the Dartford Crossing has a knock-on effect for roads in area. A decision on the Lower Thames Crossing could help to support this.

Next steps

- Support to generate and secure further interest through inward investment.
- Development of skills programmes to ensure future workforce requirements are understood.
- Continual review of infrastructure needed to develop London Gateway.

Thames Enterprise Park

- 5.35 The Thames Enterprise Park is the sixth Economic Hub. This was not part of the 2007 strategy. This arose from the closure of the Petroplus Coryton Oil Refinery in June 2012, which had a significant impact on the local area, with more than 800 on-site jobs were lost, of which nearly 300 were Thurrock residents.
- 5.36 A private sector consortium of Vopak, Shell and Greenergy put together a joint venture and now own the site, which has been rebranded as Thames Oilport. 400 acres of land is now up for sale and available for development. Its historic refining use and supporting infrastructure, together with its location and river access, present an opportunity to create a genuine cluster of energy related

industries co-located with supply chain companies and research and development firms. This part of the site has been branded as **Thames Enterprise Park**. It will attract firms from the environmental technologies and energy sectors with the potential to create up to 2,000 new jobs.

- 5.37 The site has recently been put up for sale and there is strong interest from investors. The Council is supporting the sale process and will seek early meetings with the new owners to reinforce the commitment to the shared vision for the site and will continue to work with Thames Oil Port on the proposals for their site.

Successes

- 5.38 The Council has continued to work with Thames Oil Port and Thames Enterprise Park to develop and agree the masterplan for the 400 acre site that places Thurrock at the heart of the emerging Green Technology / Energy market.
- 5.39 Alongside this work, the Council has brokered a range of discussions with local and national skills providers to ensure that the ultimate occupiers of the site have access to a suitably skilled workforce and that local people can access the jobs being created. This activity has seen Thames Enterprise Park, SEC and the University of Northampton develop a series of industry designed courses which will be delivered through SEC's Thurrock Campus from September 2015.

Changes / challenges

- The skilled workforce required for the development of high-tech sectors in the park.
- Infrastructure that ensures the ability of that workforce to commute there.
- Level of market interest and uncertainty presented through the sale.
- Ensuring that there are some higher skilled opportunities created, when the site itself is attractive for further development of the logistics sector.

Next steps

- The development of Thames Enterprise Park is going to be private sector led. The sales process is taking place, which will precede development of the site.
- The council has an enabling role to play, especially in delivering the workforce that makes the development of higher value, high-tech sectors possible on the site.
- Creation of a Workforce Planning Study for Thames Enterprise Park to determine future gaps in labour and skills requirements.

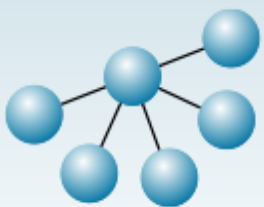
6 The Next Steps

- 6.1 Over the last years, great strides have been made to improve the position in Thurrock. An **increasingly qualified workforce, improved educational outlook and attainment and growing job numbers** are highlights. However, while the investments by public and private partners since 2007 have led to some significant successes continued investment and progress in some key area is required to ensure the area takes advantage of its **enormous strategic assets** and realises its full potential going forward.
- 6.2 The key challenges remain:
- There is a significant productivity challenge. The Thurrock economy was worth around £2.8bn (unadjusted for inflation and local price variations) in 2013, equivalent to £17,300 per head of population - 12.2% below the Essex County average of £19,700 and 28.2% below the England average of £24,100. More can be done to increase the numbers of businesses exporting and investing in R&D and innovation.
 - Unemployment at 6% remains significantly above pre-recession levels and this unemployment is concentrated in a number of hotspots across Thurrock leading to inequalities in, for example, health.
 - Whilst jobs growth has been strong further work will be needed to ensure that full benefit is realised from investment in the growth hubs to meet the 26,000 jobs target by 2021.
 - Thurrock still has relatively low proportions of residents who are qualified at NVQ Level 3 and above and a relatively high proportion of working age adults with low or no qualifications. This relatively weak skills base is unlikely to attract new high value-added economic functions successfully or provide the platform for the current business base to maximise productivity and revenues. It will also be a barrier to economic participation.
 - There continues to be a relatively low proportion of Thurrock young people going on to Higher Education and there is a lack of breadth in availability and delivery of FE and HE. There is also a mismatch between the skills businesses say that they need and FE provision.
 - Of all of the VAT registered businesses registered in 2011, nearly three-quarters (74.8%) were still trading in 2012. This was significantly above the 24-month survival rates for businesses born in 2008 and only marginally below the England average (75.5%). At the same time, this was still lower than the rate for businesses born in Thurrock in 2007 (79.4%), suggesting there remains scope for survival rates to improve further.
 - The need to target a business support offer to facilitate higher rates of sustainable business formation; increase exports and international trade; promote innovation; and encourage investment in R&D through closer relationships with HE institutions.
 - An absence of high specification office premises across the Borough is notable and directly impacts the ability of SMEs to grow.

6.3 Some of the key next steps can be summarised below and will help to focus the actions required to continue to support the economy.

- Need to diversify the economy so it is less dependent upon a relatively narrow range of sectors.
- Delivery of a substantially improved skills and qualifications base – significant and sustained expansion of learning structures and facilities.
- Delivery of quality sites and premises in hub locations across Thurrock.
- Quality housing offer that attracts and retains high skill, high income individuals and their families.
- Significant improvement to the road and transport networks serving Thurrock, in particular Junction 30/31 of the M25 and improved access to London Gateway.

6.4 This strategy outlines the overarching vision for economic growth. An implementation plan will now be developed to sit alongside the strategy indicating roles and responsibilities of the Council and its partners to ensure the most efficient high impact approach is taken. The Council and its partners will use the strategy and implementation plan to continue to develop a thriving economy and establish the borough as a location of choice, for dynamic, successful businesses and a skilled and motivated workforce.



SHARED INTELLIGENCE