

NORTH ESSEX GARDEN COMMUNITIES ECONOMIC NARRATIVE

submitted to:

**Braintree District Council
Colchester Borough Council
Tendring District Council**

Garden City
Developments

FINAL REPORT – NOVEMBER 2017

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Executive Summary

Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council have developed a shared vision for three new Garden Communities in North Essex, as set in their Local Plans, Charter and Prospectus. They see the Garden Communities as key to creating a more prosperous North Essex through inclusive economic growth, with new businesses able to compete successfully in national and international markets. The intention is for North Essex to be spoken of in the same breath as the M4 Corridor, Silicon Fen and the Cambridge-Milton Keynes-Oxford Growth Corridor. In addition, the intention is for North Essex to have a diverse and thriving economy, a great choice of job opportunities across many sectors, and growing prosperity and improving life-chances for all its citizens, today and into the future.

This report examines the economic development potential of the new Garden Communities, drawing together the key findings from a number of economic studies commissioned by these four authorities over the last three years. It provides the starting point for working up a more detailed economic programme for the growth of the corridor to realise this vision.

Section 1 of the report introduces the three new Garden Communities at Tendring/Colchester Borders, Colchester/Braintree Borders and West of Braintree. An essential foundation for these communities will be the growth of the local economy. The authorities have stated their intention that for each new home created there will also be a new job – a total of 43,000 new jobs, transforming the local economy, providing local jobs and reducing commuting distances

Section 2 provides some indication of possible medium and long-term economic trends in addition to Brexit-related issues. House-price growth in the longer term is likely to be in commuter belt towns outside London, economic growth rates in the UK are expected to be relatively low, and social, environmental and technological factors will also have a significant impact on actual and potential employment growth rates. In this uncertain climate, it is all the more essential to intervene to support the economy.

Section 3 looks at the economic growth prospects for Greater Essex, and its key economic linkages. The local authorities have an ambition to increase investment into the area and make it an international exemplar. Within, and immediately adjacent to North Essex, economic assets include London Stansted Airport, the Harwich Port Cluster, and the University of Essex (with strong links to global companies and other institutions). When the development of the Garden Communities commences, these new population centres will also be key economic assets, driving the growth and productivity of the construction and logistics sectors, and providing opportunities for the location of other industries with new employment space, and skilled workers close by.

Road, rail, and sea linkages are key to the prosperity of North Essex. Many who now live in North Essex commute to London and communities in the rest of Essex and beyond bringing income back to North Essex. Companies based in London, in the rest of Essex, and elsewhere

rely on North Essex companies to supply components and services, and vice versa; good road and rail links are the key to these relationships. Improvements to road and rail infrastructure, particularly in relation to the A120 and the rail network are essential prerequisites for future growth, and without this the economic prospects for the area will not be realised. Looking more widely, Greater Essex ports and Felixstowe combined import 21% of all UK goods outside of the EU and export 34%. The airport is also the third largest handler of air-freight in the UK.

Section 4 of the report identifies the key opportunity sectors:

- Low carbon and renewable energy;
- Construction;
- Logistics;
- Digital, creative and cultural industries;
- Advanced manufacturing; and,
- Health care and life sciences.

Section 5 looks in more detail at North Essex and notes that the challenge of raising productivity is as important in North Essex as anywhere in the country. There are strong prospects for improving productivity through supporting innovation, in particular through the work carried out by the University of Essex. The University has been undergoing major expansion, and is planning to increase student numbers by 50% by 2019 over its 2013 intake, with further expansion after that. It will therefore provide one of the key drivers of employment growth within and around the new Garden Communities.

Turning to the Garden Communities themselves, Section 6 summarises the demographic and employment growth modelling work commissioned by the local authorities. It uses a very conservative baseline growth rate to provide a realistic set of scenarios, and notes that further growth will arise from improvements to transport infrastructure, the growth of London Stansted Airport, the continued expansion of Cambridge, the continuing expansion at the University of Essex including their business park, and the development of the port at Harwich. The conclusion from the analysis is that the Garden Communities could account for a significant component of the additional employment growth. Critically, from the point of view of the Local Plan proposals, **all three of the communities are profiled, within one of the scenarios, to achieve over one job per house within the Local Plan period, up to 2033.**

Section 7 looks at where employment growth will be accommodated, and reviews the Employment Land Reviews, and the Local Plan assumptions. Development Plan documents are being prepared for each of the three Garden Communities, and at that point, land and premises will need to be identified to accommodate employment uses. At this point, it is far too early to paint a robust picture of the final mix of employment uses in the Garden Communities. However, the work done so far shows how the local authorities are aligning their plans with the economic strengths and opportunities within the area to achieve their vision.

Section 8 considers the extent to which the economic growth assumptions in the Local Plans are realistic, and whether one job per household can be achieved. It concludes that the prospects for growth are strong, the economic modelling used is based on realistic assumptions and is conservative. It also notes that the local authorities are building in employment land requirements in their policies to provide the capacity to accommodate job growth.

To achieve the economic growth that the local authorities envision for North Essex, it will be critically important that they co-ordinate and strength their economic interventions. The final section 9 of the report provides a structured series of recommendations for an economic narrative and strategy to support economic growth. This will include improvements to innovation and skills, sector support, identification of land and development of premises, and improvements to infrastructure. Over the next thirty years the three new Garden Communities will provide a catalyst for this growth, accommodating a new highly skilled workforce, stimulating the construction industry and delivering major new transport and social infrastructure improvements.

1. Purpose and structure of the report

Braintree District Council, Colchester Borough Council, Tendring District Council and Essex County Council are planning the development of three new Garden Communities along the North Essex Growth Corridor. They have introduced the proposals for the Communities into their Local Plans, and set out a wider shared vision for the three new Garden Communities, in a Prospectus¹, and a Charter². They see the Garden Communities as key to creating a more prosperous North Essex through inclusive economic growth, with new businesses able to compete successfully in national and international markets. The intention is for North Essex to be spoken of in the same breath as the M4 Corridor, Silicon Fen and the Cambridge-Milton Keynes-Oxford Growth Corridor. In addition, it is expected that North Essex will have a diverse and thriving economy, a great choice of job opportunities across many sectors, and growing prosperity and improving life-chances for all its citizens, today and into the future.

The establishment of three new Garden Communities is the central component of this vision and, in turn, the essential foundation for these communities is the growth of the local economy. The authorities intend that for each new household in the area, there will be an additional job created – a total of 43,000 new jobs.

The Prospectus states that achieving this vision is contingent upon significant infrastructure investment. This infrastructure will comprise transport improvements including the upgrading of the A12 from Chelmsford to Colchester and the realignment of the A120 from Braintree to Colchester. It will also include investment in digital infrastructure, innovation, education and skills, community services and facilities, green spaces, homes and energy. The local authorities have undertaken a wide range of studies to test this vision. Our report reviews these documents and is structured as follows:

- Section 2 introduces the vision for the Garden Communities vision and requirement for employment growth;
- Section 3 sets this vision in the context of the uncertainty regarding medium term prospects for the UK economy;
- Section 4 looks at the work to date to construct the “Greater Essex growth story;”
- Section 5 considers the studies on the North Essex Growth corridor;
- Section 6 considers the economic scenarios constructed for the Garden Communities;
- Section 7 reviews the findings of employment land studies for the three districts;
- Section 8 sets out the key conclusions about the prospects for the proposed scale of employment growth in North Essex and the Garden Communities; and,
- Section 9 summarises the key messages for an economic narrative for North Essex to inform the future development of an economic development programme.

¹ NEGC Garden Communities Prospectus, NEGC, Oct 2017

² NEGC Garden Communities Charter, June 2016,
https://www.braintree.gov.uk/downloads/file/5787/garden_communities_charter

2. The North Essex Garden Communities

The local authorities have included a vision for the growth of North Essex within Section 1 of each of their Local Plans. It is set out in the Plans as follows:

North Essex will be an area of significant growth over the period to 2033 and beyond, embracing positively the need to build well-designed new homes, create jobs and improve and develop infrastructure for the benefit of existing and new communities.

Sustainable development principles will be at the core of the strategic area's response to its growth needs, balancing social, economic and environmental issues. Green and blue infrastructure and new and expanded education and health care facilities will be planned and provided along with other facilities to support the development of substantial new growth; while the countryside and heritage assets will be protected and enhanced.

At the heart of our strategic vision for North Essex are new garden communities, the delivery of which is based on Garden City principles covered by policy SP7. The garden communities will attract residents and businesses who value innovation, community cohesion and a high quality environment, and who will be provided with opportunities to take an active role in managing the garden community to ensure its continuing success.

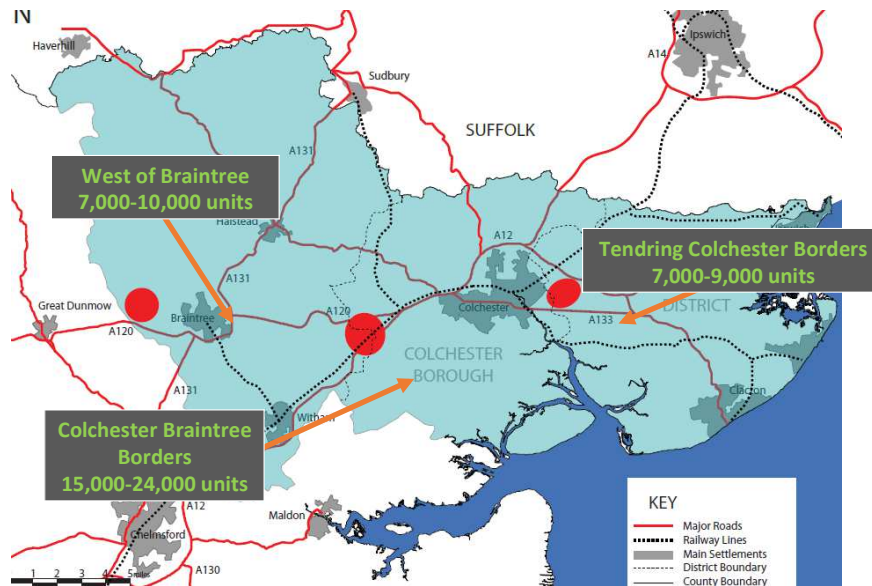
Residents will live in high quality, innovatively designed, contemporary homes, accommodating a variety of needs and aspirations, located in well-designed neighbourhoods where they can meet their day-to-day needs. There will be a network of tree-lined streets and green spaces, incorporating and enhancing existing landscape features and also accommodating safe and attractive routes and space for sustainable drainage solutions; and leisure and recreation opportunities for both residents and visitors of the garden communities.

Suitable models for the long-term stewardship of community assets will be established and funded to provide long-term management and governance of assets. All Garden City principles as specified in the North Essex Garden Communities Charter will be positively embraced including new approaches to delivery and partnership working and sharing of risk and reward for the benefit of the new communities.

The Garden Communities and employment growth

The local authorities have also prepared a Charter and a Prospectus that goes further in establishing a vision for the Communities. Both documents set out that North Essex is a strategic belt of towns and villages along the A120 between key economic engines – London Stansted Airport in the west, Colchester and the University of Essex in the middle, and the ports of Felixstowe and Harwich in the east. The A12 and Great Eastern Main Line railway provide the key connections to London and to the rest of East Anglia, with links via the A14 to the Midlands. To the west the links are the M11 and the main Cambridge railway. London

and Cambridge will be within an hour of North Essex with the planned infrastructure improvements. The area is already well connected to the container port at Felixstowe, and has direct access to the growth areas of Cambridge, Milton Keynes and Oxford, and to the rest of the country through the A14, M1, A1 and M6. The location of the Communities is shown on the diagram below.



Colchester will be a the key centre of economic, social and cultural life in North Essex, and existing towns and villages will be complemented by the three new Garden Communities on Tending/ Colchester Borders, Colchester/Braintree Borders, and at West of Braintree. They are currently preparing separate Development Plan Documents to ensure that each of these new Garden Communities will have a distinct character, defined by geography and a close relationship with the landscape, and will be an amazing place to live and work, and to spend leisure time.

The authorities propose that these Garden Communities will help create locations for entrepreneurship and business development, generating well-paid jobs that add to the overall prosperity of North Essex.

The Garden Communities will also help to strengthen and diversify local economies to provide more jobs and to achieve a better balance between the location of jobs and housing. This will help to reduce the need to travel and promote sustainable growth. Some of the employment growth will be to serve the increase in population: in retail, personal services, community facilities, and public services jobs including health and education. Other jobs will be in a range of sectors related to the growth potential of the area, and this is discussed further in later sections of this report.

For these sectors, employment growth in the area will be dependent on the availability and quality of land and premises for businesses growth and expansion. The local authorities

commissioned a study to look at the demographic profile of the Garden Communities and to develop scenarios for employment growth in order to look at the employment land requirements. The report, by Cambridge Econometrics and SQW³ is summarised in Section 6.

The consultants concluded that assuming political commitment and proactive delivery on the part of local authorities, Garden Communities have the potential to deliver one job per household, in line with the North Essex Garden Communities Charter, and to support employment growth in surrounding areas. Due to their locations, each of the Communities offers different opportunities for employment growth. This relates to their proximity to Braintree and Colchester town centres, their position on the transport route between London Stansted Airport and the Harwich ports, and access to the University of Essex. This means that although it is premature to be too definitive about the Garden Communities, each will have unique characteristics.

The local authorities commissioned AECOM to prepare full feasibility studies for the Garden Communities and these were published in 2016 as a series of documents including a companion baseline compendium (Volume 1)⁴, a further report on the Colchester area (Volume 1 Part 2)⁵, a report on Opportunities and Constraints (Volume 2)⁶, and Concept Options and Evaluation (Volume 3)⁷.

Tendring/Colchester Borders Garden Community

The proposed site for this Community is on the border between the two Districts of Tendring and Colchester. It will provide 2,500 homes by 2033 (as part of an eventual total of 7,000-9,000 homes). There will also be land allocated for employment, along with convenience shopping, community, health and cultural provision, primary schools, a secondary school and other community facilities. There will be a new country park around Salary Brook. The proximity of the University of Essex will lead to the development of an innovative, contemporary and technologically enabled community. It will be linked to Colchester and the University through walking, cycling and rapid public transport. There will be a wide range of job, skills and training opportunities both within the community and near to the University and Knowledge Gateway, within B1 and/or non B class employment space, and provision for B1, B2 and B8 businesses to the north of the site close to the A120.

³ North Essex Garden Communities Employment and Demographic Studies – SQW and Cambridge Econometrics, April 2017
http://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/NEGC_EmploymentAndDemographic_FinalReport_280417%20.pdf

⁴ NEGC Feasibility Study Volume 1, Baseline Compendium, AECOM, June 2016
<https://www.tendringdc.gov.uk/sites/default/files/documents/planning/planning%20policy/Baseline%20Compendium.pdf>

⁵ NEGC Feasibility Study Volume 1 Part 2, North of Colchester Area, AECOM, June 2016
<http://www.colchester.gov.uk/CHttpHandler.ashx?id=21628&p=0>

⁶ NEGC Feasibility Study Volume 2, Opportunities and Constraints, AECOM, June 2016
<http://www.colchester.gov.uk/CHttpHandler.ashx?id=21628&p=0>

⁷ NEGC Feasibility Study Volume 3, Concept Options and Evaluation, AECOM, June 2016
<http://www.colchester.gov.uk/CHttpHandler.ashx?id=21629&p=0>

Colchester/Braintree Borders Garden Community

This Community will be to the West of Colchester, on the Braintree border. It will provide 2,500 homes by 2033 as part of an eventual total of 15,000-24,000 homes. The Community will provide B1 employment along with a district and neighbourhood centres with convenience shopping, community, health and cultural provision, along with community facilities. It will also contain a new country park. It will integrate with the existing community of Marks Tey and maximise the opportunities provided by an improved railway station. It will also improve local connectivity through a green gird layout, providing recreational opportunities as well as connections to the surrounding countryside, while remaining physically and visually separate from Coggeshall, Stanway and Feering.

It will provide for B1 and/or non-B class employment generating uses around the railway station, so as to encourage a wide range of types of employment. It will require improvements to the local road infrastructure including bus priority measures, foot and cycle ways, and improved public transport links. The Community will also contain a community park, allotments, a new country park, and sports and play facilities. In common with the other Communities, very high speed broadband will be provided and many of the homes will include specific spaces to enable working from home.

West of Braintree Garden Community

The West of Braintree Garden Community will also provide deliver 2,500 homes within the Plan period as part of an overall total of 7,000-10,000 homes. It is to the west of Braintree itself, and has the potential for future expansion into Uttlesford District to provide a further 3,500 homes.

There will be community facilities in neighbourhood centres, as provided within the other communities, and again, a community park, allotments and a new country park as well as leisure facilities. Provision for a wide range of job, skills and training opportunities will be created within the Garden Community. This may include space for B1, B2 and B8 businesses in employment parks in the southern part of the community close to the A120 as well as in locations to provide for a wide range of local employment opportunities.

The need for interventions to support employment growth

In their studies, AECOM emphasized that it was important to take account of the weaknesses, and the strengths, of North Essex. In particular, they concluded that Tendring District suffers the most acute economic challenges in the area, under-performing in the sub-region and the wider area. It will require significant economic investment and implementation of an economic strategy to prevent the District's economic prospects from stagnating. On the other hand, Braintree is the most economically successful area within the corridor, with the most ambitious and optimistic forecasts for growth. Braintree District has a stronger focus westwards and southwards, and especially linked to the road network, given a relatively high proportion of business activity in warehousing and logistics, which rely on these linkages. Colchester Borough has some strong economic assets and performs well nationally on a number of indicators, but suffers from skills shortages. Population growth is

already outstripping employment growth, emphasising the need to consider the balance between population and employment growth in the new Communities.

There are, as set out in later sections of the report, significant economic opportunities in the North Essex Growth Corridor. However, in order to ensure that the potential for employment growth is realised, the efforts of the local authorities to support economic development will need to be co-ordinated, and framed within a clear economic strategy.

3. The wider economic context

There is considerable uncertainty about the future of the UK economy. Many independent business leaders, analysts, including the Governor of the Bank of England, Mark Carney warn that Brexit and the uncertainty around it “is weighing down the economy.”⁸ Until Britain’s future relationship with the European Union is settled, it is difficult to make forecasts of growth rates even in the near future, let alone further in the future. It is, however, worth stepping back to consider global change a little further in order to gain some insight into what might be some of the drivers of change in the longer term, and their consequences for the economy.

Immediate and long-term economic trends

In fact there have been some conflicting signals in relation to the UK economy since the Brexit vote. PWC in their July economic outlook⁹ reported that economic growth had held up better than expected in the first six months following the Brexit vote, but growth slowed in the first half of 2017. The likelihood is that UK growth will continue to slow over the next year, as business investment continues to slow. Other factors influencing the position are the weaker pound and a consequent potential boost to exports, and a continuing slowing of house price growth in the short term. In the slightly longer term, however, PWC conclude that the strongest housing price growth is likely to be in outer London boroughs and commuter belt towns and cities outside London.

PWC have also recently published a report on a number of likely longer-term changes in “*The Long View – How will the economic order change by 2050?*”¹⁰. The key findings of this report are:

- The world economy could more than double in size by 2050, assuming broadly growth-friendly policies and no major catastrophes;
- Emerging markets will continue to be the growth engine of the global economy. By 2050 the E7 economies could have increased their share of GDP to almost 50% with China and India being the largest two economies;
- A number of other emerging markets will become world leaders, with Mexico becoming larger than the UK and Germany in PPP terms;
- The EU27 share of world GDP could reduce to less than 10% (smaller than India);
- UK growth could outpace the EU average after the impact of Brexit has passed; and,
- Today’s advanced economies will continue to have higher average incomes, but the gap will close by 2050.

⁸ Independent, Thursday 3rd August 2017 <http://www.independent.co.uk/news/uk/politics/brexit-uncertainty-mark-carney-uk-eu-economy-future-wages-eu-single-market-customs-union-bank-a7874956.html>

⁹ UK Economic Outlook, PWC, July 2017 <http://www.pwc.co.uk/economic-services/ukeyo/pwcukeyo-summary-report-july-2017.pdf>

¹⁰ The Long View: How will the global economic order change by 2050? PWC, Feb 2017 <https://www.pwc.com/gx/en/world-2050/assets/pwc-the-world-in-2050-full-report-feb-2017.pdf>

Global drivers of economic change

Other reports have looked into some of the drivers of these global trends over the coming years. The EU, in a report on Global Trends to 2030, identified 3 global revolutions shaping the world. These are:

- An economic and technological revolution: the convergence of technologies and the proliferation of tools available to large populations transforming economies and societies. The report predicts huge opportunities increases in productivity and welfare, and individual empowerment, but potentially also increases in unemployment, inequalities and the impoverishment of the middle classes in developed countries;
- A social and democratic revolution: more empowered and better connected people will be more creative, more dynamic and less wedded to life-time jobs, but also more demanding and critical. Pressure will increase for greater accountability and transparency at different levels of government;
- A geopolitical revolution: Asia's rise will continue, and lead to an increasingly multi-polar world. New actors with different values will increasingly drive globalisation.

The report suggests that these revolutions will make the world more complex and insecure, and suggests that the EU should promote innovation, combat inequality and enhance the international role of the EU. The priorities for the economy should be to push for an economic renaissance through innovation and the mobilisation of public and (and with) private investment. The promotion of innovation, and new patterns of consumption, work and communication will be reliant in part to a rethinking of education to tackle skills mismatches, digital illiteracy and premature school dropout. While Britain may not be a part of that body, these revolutions will clearly impact just as much on the UK.

National drivers

With these revolutions, and challenges in mind, and turning back to the UK, IPPR has looked at the forces driving change over the coming decade in *Future-Proof: Britain in the 2020s*¹¹.

The trends the IPPR identifies include the continuing globalisation trends highlighted above, along with technological transformation, and also include:

- A demographic tipping point, as the UK population grows and ages, and becomes more diverse;
- The aftershock from Brexit, putting the country on a lower growth and investment trajectory, and migration becoming more controlled; and,
- The shock of the Anthropocene – climate change, biodiversity degradation and resource depletion may force either a collective democratic politics of restraint; or systemic degradation and rising inequality.

¹¹ Future Proof: Britain in the 2020s, IPPR, Dec 2016 <https://www.ippr.org/files/2017-07/future-proof-dec2016.pdf>

The report notes that the technological and cultural changes likely over the coming years will transform how we work and reshape how businesses organise themselves. They will also force change in how and where we work, communicate and consume. Work is set to become more insecure, more polarised and more people working freelance. The analysis of big data may lead to new models of ownership, economic activity, and wealth creation.

While the impact of any of these changes can be discussed or disputed, they can help to identify some of those current challenges that are likely to continue, and some pointers for increased intervention at the local and sub-regional level, as well as on the part of governments and supra-national institutions. These might include, for our purpose, interventions around increasing innovation, rethinking skills provision, planning for people to live and work in a different way, and encouraging and supporting private sector investment, and increasing emphasis on some key sectors such as renewable energy and digital industries, and an understanding that the service sector will continue to grow, with a surge in creative and caring work. All of these should be considered in relation to a future economic strategy.

Industrial Strategy Green Paper

It is also pertinent to consider the relationship between local action and government policy, and therefore the ability to seek access government support, including grant funding. Productivity improvements are central to current Government regional policy. The Government's recent Industrial Strategy Green Paper, *Building our Industrial Strategy*,¹² seeks to improve living standards and economic growth by increasing productivity and driving growth across the country in the context of Brexit. It emphasises the need to improve productivity and support key growth sectors, where there is a comparative advantage. It also emphasises the need to close the gap between the most and least productive places in the country.

The government's *Industrial Strategy* has supporting work done by UK universities to increase the take up of innovative technologies and processes in order to boost productivity. The University of Essex is responding to this through working with other universities in the region, along with research institutes and industry to support businesses to take advantage of the opportunities available. They aim to deliver innovation support in Digital Creative, Artificial Intelligence and Biotech, which are all sectors in which the East of England region has significant expertise. Essex University will lead the work in relation to the Digital Creative industries, and this is discussed further in this report when we consider the specific sector strengths of the North Essex growth corridor in Section 6.

The need for a local vision and strategy

In such an uncertain world, the vision and policy direction of local leaders can be critical. Identifying current strengths and building on opportunities to develop in line with global

¹² Building our Industrial Strategy, Green Paper, HM Government, 2017
https://beisgovuk.citizenspace.com/strategy/industrial-strategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf

economic drivers, national policy and local policy will help to bring organisations and programmes together to co-ordinate their efforts to support growth. Those areas that have a long-term vision, and implement programmes designed to encourage investment, will have a better chance of harnessing the impact of wider social and economic changes.

It also helps focus on priorities, and therefore increases the impact of local interventions. In the context of a revision of the South East Local Enterprise Partnership's (SELEP) Economic Strategy, it will be important for the North Essex authorities to be clear on their own economic vision for the area to secure SELEP investment in local economic priorities.

This means that understanding current economic strengths and opportunities is vital. There has been a significant amount of work done by the Essex County and North Essex local authorities over recent years to help determine economic priorities for the area on the basis of trends and forecasts, and we will review these in the next section.

4. The Greater Essex Growth Story

Essex County Council, with her twelve district and borough council and two unitary council partners, make up the “Greater Essex” discussed in this report. These equal partners work together to enable significant housing and employment growth over the coming decades. To inform the development of their growth strategies, they have commissioned a number of economic studies. The most relevant of these for our purposes are two reports prepared by Regeneris in 2015: *Developing the Greater Essex Growth Story*¹³, and *Greater Essex External Economies Commission – Economic Linkages*¹⁴.

In addition, the government announced in 2015 that it would prepare regional Science and Innovation Audits (SIAs) in order to promote a new approach to regional economic development. These would enable local partners to identify their strengths and to put in place mechanisms to realise their potential. *The East of England SIA*¹⁵ is the third of the reports; key messages are summarised below.

The Greater Essex Growth Story

In the growth story report (for which a thorough baseline study of the economy was carried out), Regeneris suggest an overarching framework for a growth strategy for Greater Essex. Greater Essex, which includes the County of Essex and the two unitary authorities of Southend and Thurrock. Within this area, four economic “corridors” were described, including Haven Gateway. This includes the three North Essex districts promoting the three Garden Communities, (Braintree, Tendring and Colchester) along with parts of Suffolk and we discuss this in more depth in the next section.

Regeneris describe a number of key assets as the foundation for the growth of the Haven Gateway. Three are particularly important for the Haven Gateway corridor: London Stansted Airport, the Harwich Port cluster and the University of Essex. In addition, anticipated population/housing growth is also a key asset.

London Stansted Airport

London Stansted is the only airport in the South East with immediate capacity for significant growth. With a current planning application to support 35m passengers per year (up from 20m currently), there is capacity to increase this to 45m passengers per year by 2030. This could create an extra 10,000 jobs and £4.6bn in additional economic activity¹⁶. The airport is already successful in the leisure and tourism markets but future plans focus on attracting more business customers and increasing the number of long-haul flights. The growth of both of these areas could provide a catalyst for growth across the East of England, attracting

¹³ Developing the Greater Essex Growth Story, Regeneris Consulting Ltd, July 2015

¹⁴ Greater Essex Economic Linkages report, Regeneris Consulting Ltd, July 2015

¹⁵ East of England Science and Innovation Audit, BEIS, Sept 2017 <http://www.gcgp.co.uk/wp-content/uploads/2017/09/EoE-SIA-REPORT-Final-14.09.17.pdf>

¹⁶ Economic Impact of Stansted Scenarios, Oxford Economics, Nov 2013 <http://lsc.co/wp-content/uploads/2013/07/OXFORD-ECONOMICS-STANSTED-FINAL-REPORT-November-2013.pdf>

inward investment and supporting key sectors. London Stansted is also the third largest handler of freight, and there is potential to grow this market as well. The proposed growth relies on investment in the M11, and access to the Haven Ports through the A120.

Harwich Port

Harwich is one of the UK's largest and most experienced port complexes in the offshore renewables industry, with 260 turbines, more than any other UK North Sea Port. The ports have been involved in lay-down, installation, operations and maintenance for offshore wind installations. It is well located at the centre of Europe's offshore wind activity, providing the sheltered conditions necessary to support development and operations, and with good access to the Southern North Sea Gas projects. The ports provide services to operators in offshore wind and decommissioning as well as the land and development opportunities for manufacturing, installation, logistics and servicing. The energy sector supply chain consists of over 1200 businesses, and long experience servicing nuclear, oil, coal and renewable installations. This has supported development, construction and operations. There is also a training centre with an engineering focus, the Harwich Energy Skills Centre, and a range of other projects supporting the supply of skills for the industry and supply chain¹⁷.

University of Essex

The economic impact of the University is huge. It has been estimated to bring £478m to the region. There are 11,530 students attending the Colchester Campus, and their contribution to the economy is £38 million per annum. The University provides over 2,000 jobs in the area, and indirectly another 2,000¹⁸.

A new £10 million Innovation Centre is currently being built and is due to open in spring 2018. Workspace is now being used for businesses developed by University alumni and academics, building on the University's research expertise in data science, and a number of external businesses. The Research Park and Knowledge Gateway is an 11.8 ha site on the university campus with the potential to provide 37,160 sq m commercial accommodation. It now incorporates Parkside Office Village, with starter units and a Games Hub, and Essex Business School.

Opportunity Growth Sectors

The report identifies four key opportunity sectors that could support wider growth in the area's economy, providing employment and driving business growth and innovation:

- **Low carbon and renewables:** Statistically, there are particular strengths in Tendring which has a higher degree of specialisation compared to national levels (LQ 1.2) linked to the already acknowledged strengths in offshore renewable energy. Data also suggests that Colchester also has some specialisms in this area, indicating that the A120 is becoming a genuine low carbon corridor. The sector is a priority growth sector for the UK economy and is at the heart of government policy relating to reducing emissions, driving innovation and the provision of higher value added jobs.

¹⁷ Invest Essex website: http://investessex.co.uk/uploads/pdf/Harwich_Offshore_WEB.pdf

¹⁸ University of Essex 2015-2016 Economic Impact Report <https://www.essex.ac.uk/economic-impact-report>

- **Life sciences and healthcare:** Colchester has particular concentrations of employment (LQ 1.2) with particular strengths in healthcare, which has seen increasing employment over the last 5 years (17%). There are emerging opportunities around care and assisted living in both Colchester and Tendring linked to University of Essex strengths and the aspirations for the Knowledge Gateway Business Park. Anglia Ruskin University (ARU) is developing a Med Tech Campus at a number of locations for the medical technologies sector and linked to this, there is potential to support new technologies and innovation in care and assisted living in Colchester and Tendring, which in itself would drive productivity improvements in the sector.
- **Logistics:** There are particular strengths in Tendring (LQ 1.7) with specialisms in advanced logistics and warehousing and logistics support, these are mainly centred in Harwich. Braintree also has strengths in the logistics sector (LQ 1.1), which is as a result of the town strategic location next to the A120, A131 and A12, providing good links to Felixstowe, Harwich and London Stansted Airport; and,
- **Digital, cultural and creative:** In Colchester there has been significant employment growth over last five years (34%) in these industries, driven by creative and cultural services as a result of both population growth and increasing demand.

As we will see in the next section of the report, in addition to these new opportunity sectors, North Essex also has strengths in other sectors.

Population and housing growth

Population growth is another key economic driver. It helps increase the available workforce, and has the opportunity, in the growth areas of North Essex, particularly within the Garden Communities, of providing an additional workforce with higher levels of skills, including younger workers moving from London or other areas, looking for lower-cost housing. This increased population provides an increased local market for retail, leisure and culture and other services, and also supports public sector growth (schools, health centres, community facilities and services).

Science and Innovation Audit

The East of England SIA describes the region as the home of a world-class innovation ecosystem. It has innovation strengths in relation to four sectors, Life Sciences, Agri-tech, Advanced Materials and Manufacturing (AM&M) and ICT. The region has grown some of the world's most influential businesses – ranging from ARM Holdings and HP Autonomy to MedImmune. It also continues to attract substantial investment in “*the next generation*” of early stage businesses: it is, for example, estimated that over £500m has been invested in Life Sciences companies on Babraham Research Campus over the last two years alone. In addition, the region is attracting the interest of the corporates. Major recent investors include Huawei, Google, Apple, Microsoft, AstraZeneca and Pfizer. While the region stretches across a far bigger area than North Essex, the Districts within which the Garden

Communities will be accommodated is in the centre of this area, and in reach of the key innovation assets.

The partners involved in the SIA include universities, Local Enterprise Partnerships, BT, TWI, Stevenage Bioscience Catalyst and Rothamsted Research. These partners have committed to building up the region's innovation capacity through "accelerating the process of convergence". This means reducing, or dissolving the boundaries between disciplines and institutions. Researchers, entrepreneurs, clinicians and investors will work alongside industry to enable and accelerate a process of translation, which will be fuelled – across the piece – through the creative and extensive use of data. Universities will produce graduates and post-graduates and work with businesses locally to support their employment, as well as attracting a wider talent pool. They will also continue to network across the area through existing academic and industry networks and support investment from within the area, and from London and elsewhere. University science parks and Adastral Park, including the University of Essex Knowledge Gateway will nurture business, encourage open innovation and provide an input into the region's networking strengths.

While emphasising their current sector strengths as being Life Sciences, Agri-Tech, ICT and Advanced Materials and Manufacturing, these are seen within the context of the innovation networks and the ability of the partners to generate cost savings, increase productivity, use new technologies, big data, introduce environmentally efficient responses, and take advantage of disruptive innovations.

Economic Linkages

Regeneris produced a second report in 2015 to support proposals for greater devolution to local areas to intervene for the benefit of the growth of the Greater Essex economy. Regeneris examined linkages between Greater Essex and the global economy. This included the number and composition of foreign owned business and the volume of international trade facilitated by the ports and airports. It also included domestic and foreign investment enquiries by comparison with neighbouring regions.

The findings suggested that despite strong international links, through ports and airports, Greater Essex arguably underperforms in terms of the value and quantum of international links. The proportion of foreign owned companies (8%) and turnover (26%) is well below the national average. Only 6-7% of Greater Essex companies are estimated to currently be exporting. Kent performs better at attracting and retaining inward investment. The work of Invest Essex in attracting investment would be strengthened by a more coherent approach to economic growth in the area as a whole, addressing skills, land availability, and connectivity, to provide a stronger overall offer. This in turn would be strengthened by the availability of employment space within the new Communities.

Regeneris note that development of offshore expertise at Harwich and activity to the east of Colchester, is leading to the emergence of significant groupings of low carbon activity. This would be enhanced with the emergence of Bradwell as a nuclear power facility.

Furthermore, Colchester is Greater Essex's most significant growth town of the last decade and as such has become an economic hub in its own right. Strategic collaboration is already well established across the county boundary to Suffolk and New Anglia LEP through the Haven Gateway Partnership and through the University networks.

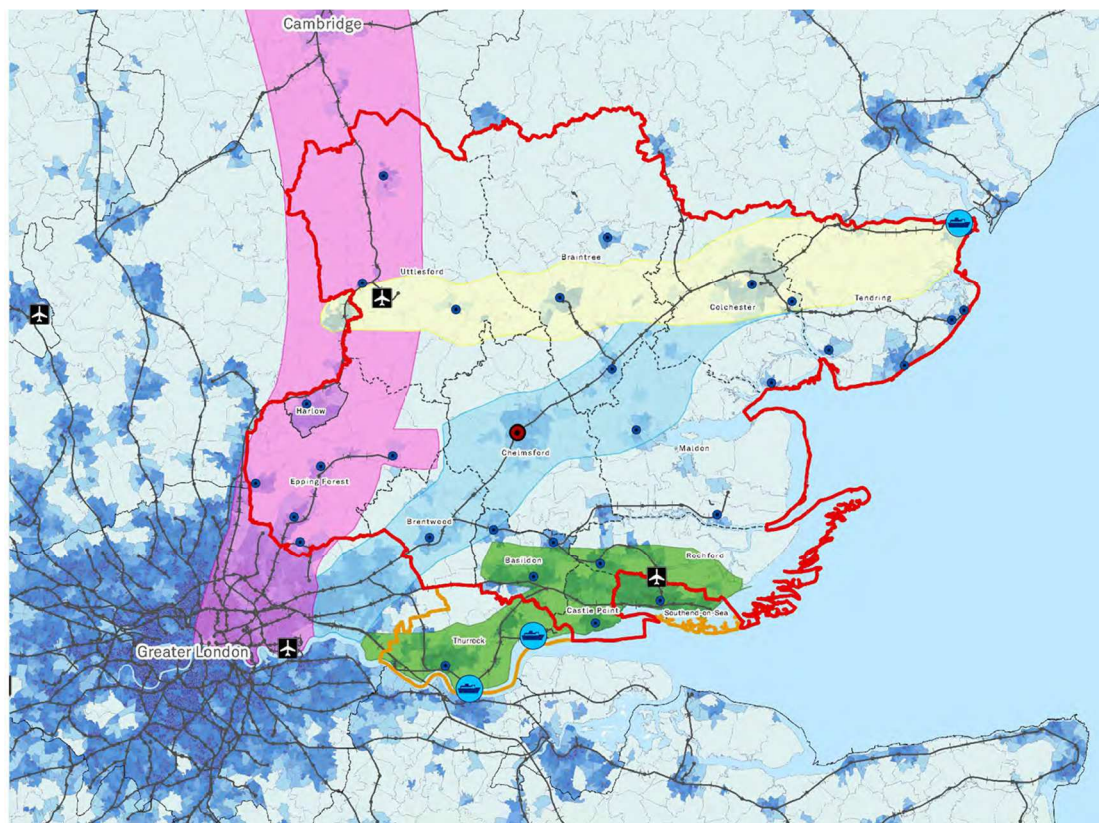
The Regeneris paper points out that currently GVA in Greater Essex and the Haven Gateway is low in relation to both London and the national average. It identified the following principal linkages:

1. Commuting - 184,000 people commute out of Greater Essex to neighbouring regions, 80% of these commute to London. Over a quarter of commuters to London, travel to the City;
2. The key core economic sectors that connect Greater Essex with its neighbours are traditional sector strengths: Construction and Manufacturing. These sectors have close ties and similarities to Outer East London and North Kent. The key opportunity sectors identified by partners in Greater Essex are Advanced Manufacturing and Life Sciences. Links and similarities also exist within Haven Gateway between Tendring and Suffolk Coastal in terms of Logistics and Low Carbon activities;
3. The value jobs of which Greater Essex residents commute to could be in the region of £10bn pa. This is a shared benefit for London and Essex assuming that a reasonable proportion of this is captured in the area. In some respects much of Greater Essex is functioning within a loosely defined London city region, something which has been adopted by a number of companies in who classify their Greater Essex operations as in London;
4. The ports in Greater Essex and routes from Felixstowe supply vital goods into London. Greater Essex ports and Felixstowe combined import 21% of all UK goods outside of the EU and export 34%. As noted above, London Stansted is also the third largest handler of air freight in the UK; and,
5. Greater Essex has strong global links due its ports and international airports, which make it extremely accessible. The improved performance and growth of University of Essex provides strong academic links, infrastructure and sector specific talent. Healthcare, Life Sciences and Low Carbon and Advanced Manufacturing represent genuine national strengths.

Regeneris make a number of recommendations arising from this analysis that should be considered in a wider economic strategy, and these are incorporated in recommendations at the end of this report. In the next section, we review further evidence relating to the more locally specific economic priorities of the North Essex Growth Corridor.

5. The North Essex Growth Corridor

North Essex provides one of the four key growth corridors within Greater Essex, as shown in the diagram below, taken from the AECOM Infrastructure Study published earlier this year¹⁹:



The North Essex local authorities, along with Essex County Council and the Partnership have commissioned two economic reports to assess the growth potential of the area. Between them they provide a framework for economic growth over the coming years. The reports are: *“Growth Sectors and Innovation in the Haven Gateway”*, Final draft report, August 2017, SQW; and *“Energy sector review”*, March 2016, Nautilus Associates. We summarise the key findings below.

Braintree and Tendring Districts and Colchester Borough Councils form three out of the four Essex Districts within the Haven Gateway Partnership. The Partnership, set up in 2001 also covers four of the Suffolk District Councils and seeks to leverage the growth potential of key economic assets. These include: the Haven Ports cluster of Felixstowe and Harwich; London Stansted Airport; BT's international research establishment at Adastral Park; and the University of Essex. Furthermore, the Partnership is advocating investment in the strategic transport links, which connect the Haven Gateway to the rest of the country - particularly the A12, A14, A120 and strategic rail network.

¹⁹ Greater Essex Growth and Infrastructure Framework, AECOM, Feb 2017
<https://www.essex.gov.uk/Documents/GIF.pdf>

Growth Sectors and Innovation in the Haven Gateway

In this report, SQW examines the area's scope for increasing innovation in relation to the sectors identified as priorities by the Haven Gateway Partnership. These sectors are advanced manufacturing, construction, creative and digital, health and life sciences, low carbon and renewables and ports and logistics. These match closely with priorities for the North Essex authorities.

The consultants suggest that 40% of employment in the area currently falls within the definition of these sectors, and thus the economy of the area is very diverse. One of the key points made in the report is that sector boundaries are becoming increasingly fluid, and innovations made by businesses in one sector frequently have applications within others. As technologies are developed to create new types of business platforms and products, sector boundaries have become blurred.

The economy does not demonstrate significant levels of innovation, and productivity is low. However, the consultants identify the University of Essex as a key driver of growth and innovation for the future. A new £10 million Innovation Centre is currently being built and is due to open in spring 2018. As mentioned in the previous section, the Knowledge Gateway workspace is now operating and allows staff to build on the University's research expertise in data science. The University has also provided a focus for Innovate UK funding over recent years, and this should increase significantly over the coming years as the new Innovation Centre starts to operate.

Of course the University is also a major employer and a significant driver of the local knowledge economy. It has been undergoing major expansion, and is planning to increase student numbers by 50% by 2019 over its 2013 intake, with further expansion after that. The presence of the University in Colchester, with the significant numbers of students and staff will help drive the expansion of the service sector and potentially creative and media industries, in and around Colchester. It will therefore provide one of the key drivers related to employment growth within and around the new Garden Communities.

The consultants concluded that largely due to the presence of the University of Essex, Colchester is an important economic hub and driver of employment growth within the Haven Gateway. However, innovation infrastructure is still in its early stages, and its potential to support an increase in productivity and growth in key sectors in the area will have to be seized in order to make the transition to a higher value economy that the partnership is looking for.

In relation to the Garden Communities, SQW suggest that these new population centres should be seen as economic drivers in their own right. They should contain centres for enterprise and innovation, with links to other centres of innovation such as the University, and steps should be taken to ensure that the construction sector is equipped to respond to the demands they will make on it.

The report made a number of recommendations, and critically, suggested that innovation capacity and potential needs to be promoted across business sectors. Digital and low carbon technologies will impact across the economy, for example. Business to business networking and collaboration will be critical to increasing the impact of innovation and business support.

Innovation in Digital and Creative Industries

Essex University is the lead university partner in a programme designed to boost innovation in the East of England funded through the Higher Education Funding Council. In Colchester the New Creative Business Centre and ultrafast gigabit broadband connectivity have recently come on line, and this could act as a catalyst to boost digital innovation in the area. The creative sector is characterised by small and micro companies and, these small businesses frequently lack capability for innovation without the sort of support that the university can provide. They also tend to cluster around focal points where support is available. In addition roll-out of the University of Essex's Gameshub initiative will harness student and graduate expertise to form new start-ups using seed corn funding TechEast will provide links to clusters in the East of England whilst the Digital Catapult will provide access to a wider network to support delivery. Further information about the programme is available in the bid document²⁰.

Energy Sector Review

Given the importance of the energy sector for the industries associated with the Harwich ports cluster, Nautilus was commissioned by Essex County Council to look at the areas of opportunity and market growth across the energy and low carbon sectors and specifically to look at those areas that have the potential for growth and inward investment and identify how to support this economic growth opportunity. This work included direct industry engagement, which was used to identify constraints and potential supportive interventions to support growth in the sector.

Energy generated from renewables has increased year on year, and now provide 19% of the UK's electricity, half of which comes from wind. By 2020 it is expected that wind, wave and tidal energy will meet 25% of the UK's electricity needs. The Committee on Climate Change predicts that by 2030 renewables should provide 50% of the UK's power needs.

The energy sector, as defined for the Nautilus report includes:

- Oil and gas
- Low carbon electricity
- Low carbon heat
- Waste processing, energy from waste and biomass
- Energy efficiency products
- Low carbon services
- Other sub-sectors - low emissions vehicles

²⁰ East Anglian Daily Times, 12 October 2017 <http://www.eadt.co.uk/business/east-of-england-universities-awarded-4-7m-in-challenge-to-improve-links-with-business-1-5233572>

In the Haven Gateway area, the number of businesses in these sectors increased by 21.6% between 2011 and 2015. When the report was written there were 410 businesses providing 2,347 jobs. While these are relatively small numbers, the sector has the potential for significant growth. Nautilus looked at capital investment planned in the sector over the coming years, up to 2020 and 2030.

The greatest opportunities for future investment are within the offshore wind energy sector, where 63% of national capacity is off the East Anglian coast. Nautilus report that Harwich offers an ideal location to support assembly, installation, operations and maintenance activities for new and existing wind farm projects. Harwich International Port has already demonstrated an existing supply chain and expertise in marine engineering operations that can support activities at the leading edge of delivering offshore wind. It was used for the installation of Gunfleet Sands wind farm and the Greater Gabbard project - the third largest wind farm in the world. More recently, it was the installation port for the first round of turbines for London Array, the world's largest operational wind farm. Brightlingsea was used to support the installation of the Gunfleet sands demonstration turbines, which are currently the largest capacity operational offshore wind turbines in the world. Businesses in Essex view offshore wind as the primary opportunity for them in the near future. It is worth noting that in the two years since the report was written, the costs of installing wind energy have reduced significantly as the technology and production matures and the opportunity has increased due to those efficiencies.

The potential expansion of Harwich International Port, currently a container port, has the potential to offer additional land, which could build on the experience the port already has to offer. It could maximise its opportunities in relation to its location, allowing some manufacturing in addition to installation, service and assembly of Round 3 wind farms.

The businesses surveyed were generally very positive about the prospects for growth in the sector in the coming years, and particularly those working in Offshore Wind. They recognised the location benefits in relation to London and transport routes, and were positive about the potential for supporting cluster networks and relationships. Concerns related to a lack of support for investment and a lack of marketing activity. 67% of businesses mentioned promotion of the sector in Essex as a weakness, with market uncertainty also featuring as a challenge.

In addition to the offshore wind opportunities, offshore oil & gas decommissioning offers significant opportunities in Essex. In light of the past two years' events, thirteen oil and gas projects are currently undergoing decommissioning talks. This will be an expanding industry in itself. Further opportunities are likely in the nuclear sector.

There are already examples of successful interventions designed to support and grow the renewables sector in Essex. In April 2014 a pilot programme with input from Essex County Council and Tendring District Council delivered a supply chain promotion project with particular focus on Harwich, with additional support from European funds. The pilot

programme aimed to co-ordinate the disjointed approach to the energy sector from businesses within Essex. It was a small project, but supported 31 businesses to diversify into the energy industry, 46 businesses looking to move into or invest in Essex, 9 businesses accessing funding for investment including 1 businesses being awarded £1m grant through GROW: Offshore Wind. Nautilus make a number of recommendations for interventions that will be needed if the opportunities within the energy sector are to be realised, and these are summarised in Section 10 below.

Conclusions

Earlier in the report we highlighted the point made by a number of consultants, including AECOM in the feasibility studies carried out for the Garden Communities, that if the Communities are to act as a catalyst for economic growth, there needs to be concerted effort on the part of the local authorities to facilitate and promote growth. In this section we looked at some of the key economic studies related to the North Essex growth corridor, in order to start to identify priorities for such a strategy. In the table below we summarise the key points from this review.

SWOT Analysis of the prospects for economic growth in North Essex

<p>STRENGTHS</p> <p>Location in relation to London and key international transport hubs at London Stansted Airport and Harwich Port.</p> <p>Commuting opportunities for residents - access to London and ability to serve London's labour needs</p> <p>Key sector opportunities in:</p> <ul style="list-style-type: none"> • Life Sciences and Healthcare, • Advanced Manufacturing, • Low Carbon and Renewables, • Logistics, • Construction, • Digital, Cultural and Creative Industries <p>University of Essex – as innovation hub, local employment generator, business start generator and catalyst for growth of digital and cultural industries.</p>	<p>OPPORTUNITIES</p> <p>Creation of the Garden Communities – boosting the working age population and providing a new and more highly skilled workforce</p> <p>Local authority control of development land in Garden Communities can be used to ensure new opportunities for small-scale businesses and mixed uses.</p> <p>Growth of London Stansted Airport and local growth of supply chains</p> <p>Development of the Harwich Ports cluster and low carbon energy cluster</p> <p>University of Essex expansion – increased student and staff numbers, increasing the spread of digital technologies and boosting business growth and innovation</p> <p>Relatively low house prices and low cost base for businesses</p> <p>Essex Skills Board – coordinating and directing improvements to skills infrastructure</p>
<p>WEAKNESSES</p> <p>Low productivity --low skills levels and skill shortages</p> <p>Lack of marketing and promotion</p> <p>Low levels of investment</p> <p>Availability of business premises</p> <p>Congestion on key routes eg A120</p>	<p>THREATS</p> <p>Low levels of global economic growth impacting on demand for goods and services</p> <p>High level of uncertainty due to Brexit resulting in reduced levels of investment nationally</p> <p>Potential for reduced growth in the absence of infrastructure improvements, particularly road and rail.</p>

6. Economic Scenarios for the Garden Communities

In recognition of the critical role that employment will play in the Garden Communities, the Local Authorities commissioned Cambridge Econometrics and SQW to suggest a likely demographic profile for each Garden Community to inform future service provision planning, and also to develop scenarios for future employment growth²¹. The analysis provides a critical component of the economic framework for the Garden Communities. In this section of our report we summarise this work, and consider its implications for the economy of North Essex.

Demographic scenarios

The demographic scenarios were developed on the basis of assumptions around the timing of the building of the settlements, gender and age profile, and migration. The analysis notes that the most likely scenario for each settlement assumes the existing local authority planned build-out rates, to reach 2,500 dwellings by the end of the plan period (2033), and continuing to rise at the same rate until completion. Under this scenario, population is estimated to peak at: just over 32,000 inhabitants by 2056 in the West of Braintree Community; just over 43,000 by 2071 in Colchester Braintree Borders, and; just over 20,000 by 2051 in Tendring Colchester Borders.

Importantly, for employment growth, once the settlements are completed, the age profile of the population in the Garden Communities is projected to be relatively young. We would assume from this profiling, combined with the vision and ambitions for the Garden Communities, that the population will be drawn, at least in part, from the increased numbers of younger and highly skilled people moving out of London because of the cheaper housing and the higher quality environment.

This in itself will help to raise the level of skills in the area, and make the area more attractive to employers/inward investors. In addition, as school outcomes improve, the skills profile of the wider population improves overall. This suggests that the growth of the population and the Garden Communities in particular will help drive an improvement in the level of skills in the area over time.

Economic modelling framework and travel to work

The consultants set out a framework for developing the economic scenarios. This was based on a discussion of five key considerations, as set out in the table below:

Key considerations	Issues
1. How is employment generated?	New employment may be population-driven (i.e. responding to increased local demand) or it may

²¹ North Essex Garden Communities Employment and Demographic Studies, Cambridge Econometrics and SQW, Apr 2017
http://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/NEGC_EmploymentAndDemographic_FinalReport_280417%20.pdf

	support production or services oriented to wider markets
2. What is a realistic employment catchment area for each Garden Community?	Some new employment will be created within each Garden Community and some will be accessed by Garden Community residents. But given the Communities' proximity to existing centres, there is likely to be some travel to work in neighbouring towns
3. How is the nature of employment likely to change over time?	While employment forecasts are quantitative, there will also be qualitative change (for example in relation to home or remote working). This will have implications for future employment land provision
4. How can trend-based future growth be balanced with aspirational growth?	The Garden Communities reflect aspirations for higher-value employment and greater productivity. But achieving these aspirations will rely on 'other things happening' and may require a broader range of interventions.
5. How does the development of the Garden Communities relate to the wider economic development of North Essex?	The Garden Communities could provide employment opportunities for existing North Essex residents and may build on the opportunities presented by existing local institutions. This may (for example) have implications for the development of local transport systems.

Source: SQW

The scenarios are based on this analysis and it is therefore key to the integrity of the conclusions. Some of the assumptions used in this analysis are based on common sense: eg employment within the Garden Communities will be related directly to serving the needs of the population within them. Other assumptions depend on whether the Garden Communities attract companies serving wider markets.

As pointed out in the analysis discussed in Section 4 of this report, younger, higher skilled workers are choosing to live in locations such as the proposed Garden Communities (rather than within London) where they can enjoy lower house prices, a higher quality environment, but still gain access to London for some part of their working week. As employment growth in key opportunity sectors requiring higher skills increases in and around North Essex, employers in these sectors will also be able to draw on these higher skilled individuals, thereby reducing commuting further as employment opportunities in the area develop and increase. The Communities will themselves have the potential to help drive employment growth, and therefore strengthen the local economy.

In this context, commuting will continue to be important for Garden Community residents. However, the objective of the local authorities is to reduce the need to travel and promote sustainable growth. The Local Plans state that their objective is *"to strengthen and diversify local economies to provide more jobs; and to achieve a better balance between the location of jobs and housing, which will reduce the need to travel and promote sustainable growth"*. Cambridge Econometrics and SQW identified an employment catchment area for analysis, and this is important because of the Garden Communities' vision. From this perspective, the development of the Garden Cities must:

1. Result in employment growth within their boundaries;
2. Help support new and more diverse employment within North Essex; and,
3. Help reduce the need to travel and promote sustainable growth.

This analysis reinforces the need for a coherent economic growth strategy for the North Essex authorities.

The achievability of the scenarios depends on many different factors, some of which are very difficult to influence, but as the consultants argue, the likelihood of achieving them will increase if there is a proactive economic growth plan in place across North Essex.

Scenarios

Taking into account current travel-to-work patterns and proximity to existing centres, the consultants identified two geographical areas for their scenario modelling. The local authority Districts of Braintree and Colchester Borough are used as proxies for the analysis.

Three scenarios are examined, and within these, the growth prospects for a number of important sectors are considered. The logic of the scenarios is as follows. **Scenario 1 is the baseline scenario.** It takes account of current trends and on the basis of an ageing population and uncertain economic environment. This is a very conservative projection, assuming contraction or slow growth in manufacturing and logistics, and modest growth in service industries, construction and IT.

Scenario 2 builds on the baseline and **adds the economic impact from dualling of the A120** between Braintree and the A12, which currently constrains development. Under this scenario, the area can capture an increase in manufacturing and logistics related to development at the Ports, and improved access to Colchester from London Stansted.

Scenario 3 is based on a more interventionist approach to transformation of the North Essex economy, and builds on the previous scenarios. In the west of the area the scenario takes into account the potential impacts of London Stansted Airport's *Sustainable Development Plan* published in 2015.²² This estimates that expansion could generate an additional 10,000 jobs with further growth in logistics, finance and business services and in various manufacturing supply chains. It also assumes that there could be further growth arising from the continued expansion of the Cambridge economy, and other developments on the M11.

²² Stansted Airport, Sustainable Development Plan Summary 2015 <http://mag-umbraco-media-live.s3.amazonaws.com/1027/summary-sdp.pdf>

For the east of the area, scenario 3 assumes growth arising from the continuing expansion of the University of Essex, including the Knowledge Gateway business park, the consequent growth in retail and services within Colchester itself, and the development of the port at Harwich. Importantly, Scenario 3 allows for a change in the sectoral composition of employment growth in the area, and this would make a transformational change to the North Essex economy.

Nevertheless the employment impacts used within the models remain conservative to account for the uncertainty associated with them. While Scenario 3 is more ambitious, and requires the local authorities to develop and implement a clear economic strategy to support growth, it is also conservative. This is because the trend growth rate used for the baseline was lower than has been achieved within recent years.

Results of the modelling

Cambridge Econometrics and SQW provide a summary table, copied below, setting out the scale of employment growth resulting from their modelling. It should be noted that these figures assume a match in the rate of growth of employment with housing, so that over the plan period the employment growth required would match the housing built by 2033, with continuing growth thereafter.

The table shows the employment output of the modelling in scenario 3 (described as 3a for the western part of the area, and 3b for the East). This will result in 5,400 new jobs created in the west, and 10,400 in the east within the Local Plan period, when there are envisaged to be 2,500 new homes in each of the three Garden Communities, with further growth forecast by 2050. For each of these two geographies, the table identifies the numbers of these jobs, and the percentage, that will be accommodated within the Communities themselves, and then provides the ratio of jobs to homes.

The consultants conclude that the Garden Communities could account for a significant component of the additional employment growth in North Essex. Critically, from the point of view of the Local Plan proposals, **all three of the communities are profiled, within the third scenario, to achieve more than one job per house within the Local Plan period.**

The final figures resulting from the analysis do not include construction jobs because of the assumption that they will be temporary jobs. However, as the consultants point out, given the timescales associated with the construction of the Garden communities we would argue that the construction jobs will make a considerable additional increase on the total jobs estimated.

	By 2033	By 2050
West of North Essex – jobs created under transformational scenario (Scenario 3a) in excess of BAU baseline	5,400	8,300
NEGC 1 (West of Braintree Garden Community)	2,913	7,752
• West of Braintree – jobs created (excluding construction jobs) NEGC jobs (excluding construction jobs) as % of total increment	54%	94%
• West of Braintree – jobs (excluding construction jobs) per house	1.17	0.83
Central East of North Essex - jobs created under transformational scenario (Scenario 3b) in excess of BAU baseline	10,400	23,700
NEGC 2: (Colchester/Braintree Borders Garden Community)		
• Colchester Braintree Borders – jobs created (excluding construction jobs)	2,914	8,799
NEGC jobs (excluding construction jobs) as % of total increment	28%	37%
• Colchester Braintree Borders – jobs (excluding construction jobs) per house	1.17	0.95
NEGC 3: (Tendring/Colchester Borders Garden Community)		
• Tendring Colchester Borders – jobs created (excluding construction jobs)	3,880	9,747
NEGC jobs (excluding construction jobs) as % of total increment	37%	41%
• Tendring Colchester Borders – jobs created (excluding construction jobs) per house	1.55	1.28

Source: SQW/Cambridge Econometrics

All three Communities are likely to facilitate significant jobs growth both for jobs related and unrelated to population growth in the three Communities. They also have the potential to directly accommodate both these types of jobs, not just those providing direct services such as retail and community services to the residents. If there is significant additional employment growth not related to direct service provision, it will be necessary to identify the land to accommodate it. This could be within the communities, or elsewhere within the districts or wider area. Critically, if the land for employment growth were not identified, the growth in employment would have to be elsewhere, and therefore would not contribute to meeting wider sustainability goals of the Garden Communities concept. Where the growth can be accommodated is therefore an important question, and we examine this further in the next section of this report.

7. Locations for growth in North Essex

The three scenarios discussed in Section 6 clearly demonstrate the potential for significant employment growth in North Essex over the coming decades. The next question to consider is where this growth might take place. This will relate to existing employment centres, employment land supply, the quality and quantity of workspace, and new opportunities for growth.

In this section therefore, we review the evidence on the availability of employment land from the recently completed Employment Land Reviews. Then we consider the allocation of employment land within the draft Local Plans, We then turn to the question of the extent to which the workspace required for business growth currently exists. Finally, we review the evidence covering existing sites with capacity for additional space along the North Essex growth corridor.

Employment Land Review – Tendring

Tendring District Council's Employment Land Review was provided by Aspinall Verdi, and published in May 2016²³. It found that Colchester dominates the office, and also the industrial and warehouse market in the North East of Essex, and in this area there is a good level of take-up; however, the supply of accommodation is limited. There is the potential for Tendring to capitalise on the higher levels of demand and predicted growth, by bringing forward sites that can provide new floor space to the west of the District.

The consultants advise that the Local Plan also needs to bring forward more employment land, close to the A12/Western A120 and Colchester. The scale of the market in Colchester is greater and a proportion of such demand could be satisfied in the West of Tendring. For office space, well-located sites that can provide good communications and a quality environment are needed which can provide an attractive option for larger occupiers and established businesses. Locations close to the A12 will be attractive and therefore the western part of the District is an important location. Proximity to the University of Essex Colchester Campus and the Knowledge Gateway is an important consideration.

Highly accessible sites at West Tendring need to be identified, which would come to the market in the medium to long term. These will enable Tendring District to bring forward attractive employment use development opportunities to capture both demand from Colchester and indigenous demand. Sites close to the University could provide a competitive advantage.

Aspinall Verdi suggest that the area has potential to accommodate employment use as follows:

²³ Tendring Employment Land Review, Aspinall Verdi, May 2016
http://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/Tendring%20Employment%20Land%20Review%20%282016%29.pdf

- The area is close to the University of Essex and is well placed to capture demand for office development, in a high quality location/setting. The office development may include managed workspace and business centres and would be aimed at capturing demand from businesses looking for accommodation up to 1,858 sq m and sub-divisible to smaller units if needed;
- The area to the north and close to junctions with the A120 development of office, industrial and warehouse accommodation could be considered in a business park environment. Office accommodation would need to be separated from the industrial and warehouse accommodation; and,
- Provision should also be made for smaller scale offices and light industrial (B1c) accommodation to serve local needs and demand. This might be considered as being part of local centres and, for example, could be on the upper floors of commercial premises.

The Employment Land Review recommends a range of interventions to support the development of appropriate employment space. Supply is limited for both industrial/warehouse and office accommodation and this should be addressed.

Employment Land Review – Braintree

The Braintree Employment Land Review was carried out in 2015 prior to the feasibility work for the Garden Communities, as they have not been referenced within the report.²⁴ The review identified a shortfall in both office and industrial employment land. The analysis identified a net requirement for office floor space of around 60,000 sq m up to 2033, and of up to 11 ha of industrial and warehousing land.

Employment Land Review - Colchester

The Colchester Employment Land Needs Assessment was carried out by Nathaniel Lichfield and Partners for Colchester Borough Council and published in January 2015²⁵. As with the Braintree Employment Land Review, the Colchester Employment Land Needs Assessment does not make any mention of the Garden Communities proposals. It suggests that for Colchester, the most significant demand is for office space. The report states that provision should be made for better quality office accommodation in order to meet business demand. This review was based on the bulk of new demand being accommodated within Strategic Employment Zones at the Knowledge Gateway, Stanway, and the Northern Gateway. If all of this land was allocated the analysis suggested that there could be a surplus of employment land provision.

²⁴ Braintree Employment Land Needs Assessment, AECOM, Aug 2015
https://www.braintree.gov.uk/downloads/file/5296/local_plan_2014_evidence_base_employment_land_employment_land_needs_assessment_aug_2015

²⁵ Colchester Employment Land Needs Assessment, Nathaniel Litchfield and Partners, Jan 2015
<http://www.colchester.gov.uk/CHttpHandler.ashx?id=16831&p=0>

Employment land allocations

Having worked through the employment growth scenarios, the consultants look at the implication for the local authorities in terms of employment land requirements for accommodating the economic growth. Because of all the uncertainties discussed earlier in this report, it is not possible to comprehensively plan for the land and premises requirements of each sector in individual community on a 30-year timescale. However, the extent to which the employment growth profiled in each of the scenarios is accommodated within the Garden Communities themselves is at least in part determined by the availability of employment land and the availability, cost and condition of premises. It will also, clearly, vary by sector, and some provision for warehousing and distribution may be more appropriately located elsewhere in the districts.

Cambridge Econometrics and SQW relate the sectoral composition assumptions to space requirements, taking into account home working, and arrive at suggested employment space requirements for office, retail, industrial and warehousing space.

Taking the West of Braintree Community first, the consultants note that the Draft Local Plan for Braintree²⁶ provides for B1, B2 and B8 businesses close to the A120, in addition to neighbourhood centres, health and community space, schools, and leisure facilities. The subsequent analysis of employment space requirements also identifies the need principally for office space, of 6,431 sq m by 2033 and 7,468 sq m by 2050, based on Homes and Communities agency space guidelines.

In the central, Colchester/Braintree Borders Garden Community, the Braintree Local Plan makes provision in Policy SP9, for B1 and/or non-B class employment generating uses around the rail station as part of mixed use urban development to provide for a wide range of local employment opportunities where appropriate, along with neighbourhood centre and community provision as with the West Braintree community. The Cambridge Econometrics and SQW analysis confirms the need for space for local services along with 6,858 sq m of office space by 2033 and 16,525 sq m by 2050. The scenario also generates demand for education, accommodation and arts-related space, as well as some space to accommodate construction industry requirements.

Finally, Section 1 of the Authorities' Local Plans provides, in the East of Colchester Garden Community for *"B1 and/or non-B class employment generating uses towards the south of the site in proximity to the existing University of Essex and Knowledge Gateway, to provide for a wide range of local employment opportunities where appropriate"*; and *"for B1, B2 and B8 businesses to the north of the site close to the A120"*. In addition, there is provision for a range of community infrastructure including schools (nursery, primary secondary), healthcare facilities and leisure amenities. The Cambridge Econometrics and SQW analysis also identifies the need for 11,276 sq m of office space by 2033 and 26,231 sq m by 2050,

²⁶ Braintree Draft Local Plan, June 2016

https://www.braintree.gov.uk/downloads/file/6454/publication_draft_lp_section_1_june_17

noting that in practice, some of these jobs might be accommodated at a slightly lower density in B1(b) R&D space.

Local Plan employment land overall provision

The local authorities have included in their plans an allowance for employment land in the Districts on the basis of the two standard models (East of England Forecasting Model (EEFM) and Experian 2016) which forecast total job growth for each of the local authorities based on past trends for the period 2013-2037.

In terms of specific B use land provision, each local authority has undertaken work to establish what quantum of employment land would be required within the Plan period to meet the demand identified below for additional B use employment land. These B use employment areas are distributed between each local authority area and based on achieving a sustainable balance between jobs and the available labour force through population growth.

The table below sets out the three authorities' employment land requirements for B-use employment land over the period 2016 – 33 for two scenarios baseline and higher growth. This provides flexibility to allow it to match the housing supply trajectory.

Hectares of B use employment land required:

	Baseline	Higher Growth Scenario
Braintree	23	43.3
Colchester	22.0	55.8
Tendring	20.0	38.0
North Essex	65ha	137.1

The employment forecasts for the three authorities factor in the longer-term aspirations for employment growth arising from the Garden Communities. But note that while job numbers can be expected to grow consistently, current trends point to overall lower requirements for additional B1 floor space. This reflects the growth of home working enabled by enhanced digital connectivity; the continuing decline of manufacturing with its need for large floor areas; and the prevalence of 'hot desking' leading to lower requirements for office floor space.

Noting again our observation that it is not possible to accurately predict the exact mix of employment space that will be required this far in advance of development, the explicit commitment of the three local authorities to providing this quantum of employment space in addition to the space that will be required for local services and facilities, would help to ensure that the vision for the Communities can be achieved.

Workspace supply

SQW and BBP Regeneration were commissioned by Essex County Council to assess the need for grow-on space across the county, based on the business needs in different areas within Essex, and advise how any gaps should be filled²⁷. The consultants note that the Haven Gateway (broadly the North Essex growth area) currently has the largest number of businesses and the greatest amount of industrial and warehouse space of anywhere in the county (although this doesn't necessarily translate into likely growth rates in the future).

The analysis shows that the biggest demand for space from businesses in the period examined (2015 to 2016) was in the 100 to 300 sq m bracket, although the largest increase in demand was for over 2,300 sq m. Demand for both industrial and office space was strong during the period considered. In Colchester and Braintree, along with the majority of sites in the county, take up of space in 2013-2016 was greater than the amount available in July 2016.

The conclusion of the study was that there is a shortfall of grow-on space across the county, both for office and industrial use, with currently only one year's worth of supply of industrial space being available, and 2.5 years' worth of office space.

The reason for this is essentially market failure. Development of grow-on space is not an attractive proposition for the private sector because returns on other types of development are higher than workspace, and the risks lower. There is also a shortage of employment land, and the focus on housing development has increased land values, making workspace even less attractive a proposition.

AECOM also noted in their Infrastructure Study, that the impact of permitted development rights is reducing the supply of office space as buildings are being converted to residential use. The consultants also found that the quality of available space is for the most part, poor. Much of the available industrial and office space is older, and growing firms broadly are looking for high quality space. This reflects a range of factors in addition to the building fabric, including digital infrastructure and parking. However, firms are also seeking flexible tenancies, and this is another factor making development less desirable. The issue does not appear to be related to cost, as businesses say they are looking for quality and amount of space available, although clearly the likely rents chargeable are insufficient to make the prospect attractive for developers.

Location of sites with expansion capacity

The AECOM Greater Essex Growth Infrastructure Framework report identifies key corridors for employment growth to support expansion of the Greater Essex economy over the next 20 years. AECOM identified sites from planning permissions, employment allocations in the adopted and draft Local Plans, and looked at existing sites with capacity for expansion. It

²⁷ Grow-on space feasibility study, SQW and BBP Regeneration, Oct 2016

only looked at sites with capacity for 1,000 sq m or more of additional employment floor space, so the picture is not complete and will be an under-estimate of the area's capacity.

Within the Haven Gateway corridor, it includes sites benefiting from access to London Stansted Airport, Harwich and Felixstowe, including the Tendring Europark Site at Horsely Cross, Harwich Supply Base and Energy, Skills Centre in Harwich, and Eastlink 120 site in Braintree, as well as key employment sites within the Knowledge Gateway. There is a clear match with the locations of the Garden Communities, with opportunities to the West of Braintree, West and East of Colchester.

Conclusion

The lack of available employment land and good quality workspace is a limiting factor on employment growth in North Essex. The development of new Communities incorporating employment space would result in a boost to the potential economic growth of the area. The plans currently in place provide for employment growth at locations in and around the Garden Communities. Development Plan documents are being prepared for each of the three Garden Communities, and at that point, land and premises will need to be identified to accommodate employment uses. It will be important to recognise that a full picture of final employment uses will not be possible to identify at that stage given the timescales proposed for development. This is because of the rapid changes in technology and ways of working. Nevertheless it is clear from the work done that the local authorities are aligning their plans with the analysis of economic strengths and opportunities within the area. They should also recognise the potential for the Communities to be both drivers and beneficiaries of economic growth over the coming decades.

8. Employment growth conclusions

Whether the economic growth assumptions in the Local Plans are realistic, and the ambition of one job per household can be achieved, depends on answers to four questions:

1. What are the prospects for economic growth in North Essex?
2. Are the scenarios used for employment growth modelling based on realistic assumptions?
3. Is there allowance made within the planning policies of the local authorities, for the required quantum of employment land?
4. If the employment growth planned for requires concerted intervention on the part of the local authorities to achieve it, do the local authorities have the capacity now and in the future, to deliver that?

Prospects for Growth in North Essex

This report has considered the wider economic context, along with the technological and social changes taking place in the country and across the world. In the context of a high degree of uncertainty, definitive employment growth projections for any distance into the future are not possible to make.

Nevertheless it is the case that there are a number of particularly significant assets in the North Essex growth corridor that can help to drive growth in the area. These are the:

- University of Essex;
- Haven Gateway ports;
- London Stansted Airport growth proposals; and
- Population growth and improvement in workforce skills;
- Employment space within the Garden Communities.

A number of challenges need to be overcome in order for this growth to be realised, and these include the delivery of infrastructure improvements, and improving the availability of skills in the workforce. The impact of the housing growth on the population profile will itself have a positive impact on the skills available locally, but additional interventions will also need to be delivered, and these have not yet been scoped.

Nevertheless, the opportunities are there to be grasped, and the local authorities have stated their commitment to realising them.

Realism of scenarios for modelling

Our assessment of the scenarios in the report is that they rightly took a conservative approach to the modelling given the uncertainty within the wider economic context. Nevertheless, in the light of the significant opportunities identified in the North Essex growth corridor, there is every reason to believe that there will be plenty of opportunity for

employment growth to take place at the scale the local authorities propose is required to achieve the vision for the Garden Communities.

Improvements in transport infrastructure will be required to facilitate employment growth at the speed and scale proposed. It is also the case that as the population grows, further transport – infrastructure and public transport routes – will be required, and put in place to support population movement.

The numbers of workers spending at least part of their working week at home is increasing dramatically. Recent research by the TUC²⁸ has found that home working grew by 19% between 2005 and 2015. This looked purely at those individuals who stated that they usually work from home. However, for our purposes, the analysis should be extended to include those people who regularly work from home, because over the scale of a new Garden Community it might be assumed that a significant additional proportion of workers spend at least part of their week working from home, so on any one working day there will be greater number of people doing this. In the East of England, 6.9% of people usually worked from home according to this study. The ONS reported, in 2014, that in the East of England people who worked from home and who use their home as a base from which to work, formed 15.2% of the working population²⁹.

On the basis of the trends and changes to working patterns discussed in Section 4 above, we would suggest that the 19% increase in home working over the decade to 2015 is likely to accelerate further over the coming decades. In addition, the figure does not take into account the far larger numbers of people who work for some of their working week at home.

Employment land availability

As discussed in section 8, the local authorities intend to make provision for employment growth at locations in and around the Garden Communities. Development Plan documents are being prepared for each of the three Garden Communities, and at that point, land and premises will need to be identified to accommodate employment uses. It will be important to recognise that a full picture of final employment uses will not be possible to identify at that stage given the timescales proposed for development. Significant changes in the UK economy are very likely over the period required for the Garden Communities. Nevertheless it is clear from the work done that the local authorities are aligning their plans with the analysis of economic strengths and opportunities within the area. They should also recognise the potential for the Communities to be both drivers and beneficiaries of economic growth over the coming decades.

²⁸ <https://www.tuc.org.uk/news/home-working-fifth-over-last-decade-tuc-analysis-reveals>

²⁹

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/005578homeworkersratesandlevelsiantomar2015>

Delivering a local economic strategy

Finally, it is clear from this report as well as every one of the key studies and feasibility reports cited, that an economic narrative and strategy is required to support economic development in North Essex. A number of recommendations for interventions have been proposed in each of the economic studies summarised in this report, and these have been used in the next section to start to provide a framework for an economic strategy.

While the authorities will need to develop their programme in more detail, and align with job growth with delivery of housing growth, it is important to emphasize that the local authorities are already implementing various economic development initiatives. As set out in Appendix 1, currently the three district councils are making strong commitments to promoting economic development and there is every reason to believe that this commitment will continue, and further support could be attracted through the Local Economic Partnership.

In addition to the work being undertaken by the local authorities and the Haven Gateway partnership, the University is already deeply involved in supporting businesses to establish and grow by taking advantage of new technologies and innovation. Furthermore, as well as the programme described in Section 6 around innovation in Digital and Creative Industries, the University is implementing other initiatives to support the government's Industrial Strategy. These include 'challenge labs' with businesses in anticipation of further funding to be released through the Industrial Strategy Challenge Fund.

Our overall conclusion is that employment growth at the scale described in the Local Plans of the three authorities is a realistic prospect. This is, however, dependent on: (1) major government investments in transport infrastructure, particularly the A 120 and mainline rail services; (2) the implementation of a concerted economic development programme; and (3) the delivery of the three Garden Communities. The local authorities, the University of Essex, clearly have the appetite to do this – and will need government to invest in transport infrastructure.

The final section of this report identifies some of the key propositions for the local authorities to include in this economic development programme.

9. Summary economic narrative and recommendations

Having concluded that there is a realistic prospect of achieving the scale of employment growth proposed by the local authorities, in this section we return to the SWOT analysis, and use that to provide a summary of the recommendations made in the reports we have reviewed. This can be used to provide a starting point for an economic development programme.

Resources will be required to implement all of these recommendations. Together, the three North Essex local authorities, the County Council, the University, and other partners may wish to consider whether some existing resources could be focused on the implementation of some of these proposals.

However, significantly more opportunities to accelerate economic development will arise when the local authorities decide to proceed with the implementation of the three Garden Communities. Local authority and public sector partner governance and co-ordination of economic interventions will be critical. The investments needed to deliver the three Communities can be financed through borrowing against the increase in land value arising from the development of the communities themselves. Investing in the economic development of the Communities will be key to their success, and should feature in the business plan for the new development agency being established under the auspices of North Essex Garden Communities Ltd.

Vision

The Prospectus for the Garden Communities identifies an economic vision for North Essex. North Essex will be an area of inclusive economic growth and prosperity, vital to the economy of the UK, with businesses capable of competing on a national and international stage. It will be spoken of in the same breath as the M4 Corridor, Silicon Fen and the Cambridge-Milton Keynes-Oxford Growth Corridor. North Essex will have a diverse and thriving economy, a great choice of job opportunities across many sectors, and growing prosperity and improving life-chances for all its citizens, today and into the future.

Summary economic narrative

The local authorities and their partners in North Essex are committed to delivering significant employment growth in the Garden Communities and along the North Essex growth corridor. North Essex is one of the four growth corridors in Greater Essex, linking the London Stansted airport growth cluster with the Haven Gateway ports, and encompassing the fastest growing creative and cultural, and innovation centre at Colchester. As London's growth continues to spread out into the wider south-east, North Essex, with its strong business and transport connections to London will be able to take advantage of this to stimulate and support its own business growth and productivity improvements.

Over the next thirty years three entirely new Garden Communities will provide a catalyst for this growth through providing a new highly skilled workforce, stimulating the construction industry and delivering major new transport and social infrastructure improvements.

At the same time, a programme of economic interventions will be developed in order to continue to grow and develop businesses in opportunity sectors. The University of Essex will enhance innovation and improve productivity across all sectors in North Essex, and help stimulate the growth of digital creative and cultural industries centred on Colchester. Harwich and Felixstowe ports will accommodate growth in the energy industries, and further stimulate growth in logistics. These developments will support the continued growth of life sciences and healthcare improvements for the wider area's population.

Recommendations for economic interventions

The recommendations for interventions set out below are taken, in large part, from those recommendations set out in the reports that we have referenced in earlier sections. They are structured in response to the challenges and opportunities proposed in the SWOT analysis in Section 5 under the headings set out below.

1. Innovation and skills

1.1 Innovation

The Science and Innovation Audit recommends a series of broad initiatives in a number of areas, and in particular proposes:

- An initiative to encourage technology transfer particularly for SMEs outside the main clusters; and,
- Crosscutting venture to build innovative capacity particularly among SMEs.

More specifically, SQW, in their report on Innovation in the Haven Gateway, recommended:

- Focusing more broadly across sectors, and paying more attention to supporting “innovation capacity and potential”;
- Use the existing innovation hubs as hubs for broader delivery of business support and networking to increase the spread of knowledge and expertise across sectors;
- But, in recognition that businesses and future business growth will be spread across North Essex, support other networking initiatives – physical or virtual;
- Actively promote national opportunities for innovation support to businesses, such as the Innovate UK grants, through innovation hubs.

Regeneris also emphasise the need for innovation and enterprise support to be incorporated into planning for the new Garden Communities.

1.2 Skills

The Science and Innovation Audit identified a need for skills promotion – especially data science and computer science. In addition, Regeneris, from their work across Greater Essex recommend that:

- Skills should be seen as a core priority area for intervention in Greater Essex and a fundamental element (as it is nationally) of increasing productivity. Specifically, this will mean continued support for University of Essex and ARU Med-Tech Campus as well as the development of plans to ensure that skills provision exists to support growth in opportunity sectors; and,
- In addition, there needs to be intervention to support uplift in basic skills in the county. This should incorporate an improved vocational skills offer through further education, through a strengthened curriculum developed through sector-focused employer input. Design of new schools and educational facilities within the new Garden Communities themselves will make an essential contribution to the enhanced skills infrastructure.

2. Sector-specific support

2.1 Construction

The scale of planned housing (and population) growth across the Haven Gateway over the next few decades should be seen as a driver (and opportunity) in its own right. Insofar as the construction process itself presents opportunities, Regeneris emphasise that steps should be taken to ensure that the construction sector locally is equipped to respond.

2.2 Health-care and life sciences

Regeneris recommend provision of softer business support, and support for new technologies and innovation in care and assisted living in Colchester and Tendring, although they note that further work may be required to understand the full scope of the potential, and identify the support required.

2.3 Energy sector

Nautilus make a number of recommendations for interventions that will be needed if the opportunities within the energy sector are to be realised, a number of which are also applicable to other sectors:

- A new promotion strategy focusing on the opportunities in the wider county and including a structured events campaign;
- Investing in the supply chain, and supporting supply chain businesses to engage with the sector through making commercial opportunities more directly available;
- Funding to support business investment and growth;
- The development of the Harwich Innovation Centre, as a focal point for the supply

- chain;
- New Enterprise Zones, focused on the sector's supply chains; and,
- Skills development through an integrated and collaborative partnership between employers and education providers.

2.4 Digital, Creative and Cultural Industries

In Colchester the New Creative Business Centre and Ultrafast gigabit broadband connectivity have recently come on line, and the University needs to work with businesses to harness this to boost digital innovation in the area through providing support to small creative businesses. The University is committed to doing this through its new innovation support programme, and will also harness student and graduate expertise to form new start-ups using seed corn funding.

We would also recommend an explicit approach to supporting creative and cultural industries by the local authorities in conjunction with the University.

2.5 Advanced Manufacturing

Regeneris identify a need for direct support for advanced manufacturing in Braintree, linked to strengths in computers and electronics. They also note that further research may be required to identify specific opportunities, and also that the work of key firms and HEIs in supporting innovation and diversification in manufacturing needs more support.

2.6 Logistics

While we have not identified specific support for the logistics sector, clearly infrastructure improvements, and developments at London Stansted and the Haven Gateway ports, along with the dualling of the A120 will all provide a significant boost to the sector over the coming years.

There will also be developments introduced in the sector that will improve productivity – driverless vehicles are widely assumed to be one of the initiatives that will transform distribution over the coming decades. In addition, these improvements will impact on other sectors, such as construction and manufacturing, and we simply recommend that innovation and enterprise hubs recognise the importance of the sector and identify mechanisms for incorporating the sector in broader networking and innovation initiatives.

3. Land and premises

3.1 Land allocation

It is of course essential that the local authorities make provision in their Local Plans for employment land, and we have identified that they are doing that. It will also be critical to ensure that they:

- Incorporate a wide range of employment sites in Development Plan documents for the Garden Communities to respond to the demand for all types of business class

uses and to create “a whole lifecycle ecosystem” for businesses in these communities; and,

- Reserve specific sites for development of grow-on space.

In addition, where appropriate inside the Garden Villages, as well as across all three districts, local authorities should consider securing “growth funding” from government to:

- Acquire and service new employment sites for disposal to potential occupiers;
- Construct new, high quality, small and medium sized business units suitable for a wide range of industrial and office based activities on a speculative basis, on a joint venture basis with private developers when possible;
- Promote investment in non-traditional employment uses such as co-working spaces or managed workspace, at existing employment locations when demand from conventional industrial and office based uses is unlikely to arise; and
- Use Local Development Orders (LDOs) to enable rejuvenation of existing employment areas.

3.2 Workspace

SQW and BBP identified that there is a problem with insufficient workspace for growing businesses and made a series of recommendations for interventions that would help to increase the supply of appropriate workspace. There are a number of alternatives listed below, and while they may not all be feasible, local authorities should consider which of these interventions they could make:

- Work with operators of existing start-up facilities to bring forward development of grow-on space;
- Consider financial incentives, such as rent guarantees and empty space rates relief or interest-free loans to the private sector to encourage development and address market failure;
- Where Councils own land appropriate for developing workspace, gifting this land to developers for that purpose, or developing directly;
- Use business rates retention as a way of securing loan funding to fund the development of grow-on space; and/or,
- Land acquisition for workspace development.

4. Infrastructure

4.1 Transport

Regeneris identified a number of potential improvements to transport infrastructure that are needed in order to transform the North Essex corridor (and Greater Essex) in relation to employment growth potential:

- Further investments into London Stansted Airport (will help improve international links and should support increased inward investment);

- Ongoing improvement to rail infrastructure - particularly Greater Anglia Main Line improvements;
- Dualling of the A120; and,
- Development of Harwich port cluster, which in turn would require further road and rail improvements.

If the economic potential of the area is to be realised, the transport infrastructure improvements – in particular to road and rail, are essential.

In addition to these improvements that will be critical for the new Communities and to support employment growth, continuing improvements to local transport infrastructure will be important for the residents of each of the three Districts so that they can access new facilities and employment opportunities.

4.2 Digital infrastructure

The Science and Innovation Audit identified the need for a “Smart Enabling technologies test-bed” – an infrastructure project to achieve high speed and high capacity connectivity.

Delivery Capacity and Governance

Each of these high level recommendations needs to be translated into a detailed action programme. While the local authorities and their partners across North Essex are now demonstrating their capacity to deliver economic development programmes, it will be necessary to strengthen this capacity. Further discussions with the Local Enterprise Partnership around priorities and resources will be necessary as South East LEP produce their next strategy. In addition, consideration of governance capacity at the sub-regional as well as regional level will need to be factored in. As Development Plan documents for the Garden Communities themselves, and the business plan for North East Garden Communities Ltd, are prepared, investment in delivering these recommendations should feature prominently. This will be key to the success of the Garden Communities.

APPENDIX 1: CURRENT DISTRICT COUNCIL ECONOMIC ACTIVITIES

The three district councils who are promoting the North East Garden Communities are currently very active in terms of economic development and all three have dedicated teams to deliver activity. This is also supported by the work of Essex County Council in their provision of economic development.

Braintree

Braintree District Council is concluding its consultation process for its new Plan for Growth which highlights the activities the Council will be undertaking, in partnership with other public sector bodies and the business sector, to grow the district's economy through its economic development team. To that end, it has already established the Braintree District Education and Skills Board which brings together representatives from businesses within the area's key economic sectors, skills providers working in the district including schools and the Borough Council to identify the interventions required to drive up skills attainment within the area and provide a skilled workforce for business.

Braintree District Council has also invested in new premises for businesses including the Springwood Enterprise Centre, which has been leased to Ignite Business with rental income re-invested into business support activity. This business support activity will soon be targeted at Braintree's growing sectors to ensure they are fit for purpose for the digitisation that is happening in the economy and so they can become leaders in innovation over time.

Braintree District Council is investing in grow-on units in the vicinity of the Springwood Enterprise Centre and is in the initial stages of repeating such investment in Witham. The Local Authority is also seeking to invest in Eastlink 120, a new business park, to ensure that the employment land is retained in the district. Working with the Haven Gateway Partnership, Braintree District Council is a Delivery Partner in the proposed Innovation Centre, which forms a central component of the I-CONSTRUCT ERDF bid currently being written for Full Business Case submission. The Innovation Centre will be located in Witham and will provide innovation business support and space to SME's, start-ups and entrepreneurs as well as researchers from larger companies to come together and identify innovative construction methods as well as innovation that can be incorporated into the design of new homes, eg Internet of Things. The construction sector is a key economic sector for the Braintree district and as such will be supported to grow and embrace innovation.

Colchester

Colchester Borough Council has invested in economic development and growth for a considerable period, and has recently taken a sector led approach to support and development within the Borough. Focusing on the key growth sectors has meant the Council has been able to develop 37 Queen Street, a Creative Business Incubator in the centre of the Town, which in itself was a driver for a further development and investment in the Ultrafast Broadband delivery within the town centre supporting all businesses within the town. Both projects will bring additional external funding from ECC and SELEP.

Understanding of the Key growth sectors has also enabled projects to be developed and funding secured from Central Government Sources for the development of a decentralised heat network within the Borough's Northern Gateway development, a destination development for residential, leisure and employment.

The Council's Commercial focus has also driven the launch of the inward Investment Campaign; Colchester Ultra Ready, which in 2016 saw the launch of its supporting website, Annual Economic Report and goes on to publish articles and, blogs and reports which support the Borough's desire for growth, and enticing businesses to stay and move into the Borough. Further, the Council is developing its Digital Strategy demonstrating its vision to take ultrafast further to become the most connected place in the East of England by 2020

The Enterprise Grants have also provided funding to many Not for Profit organisations who support the delivery of training for businesses and individuals who gain skills and knowledge to re-enter the jobs market, become an entrepreneur, launch a new business or understand the next steps in the business journey. Furthermore, in 2017 the grants have been extended to include small grants to enable SME's and Micro businesses wishing to expand.

The Economic Development team works closely with many organisations, education facilities and businesses to make connections, improve networks and expand opportunities.

Tendring

The Local Authority also has a long-standing economic development team which is delivering the Economic Development Strategy for the district. Activity includes the Tendring SME Growth Fund, which is a £750,000 programme to support SME's in the district working in key sectors. The intervention rate is as high as 50% for grants up to £150k. The economic development team has a programme of business engagement through business breakfasts and newsletters to businesses highlighting issues such as training, funding and other current issues of interest to business. Tendring also provides advice to business on skills opportunities delivered by third-party organisations.

Tendring District Council is focusing, amongst others, on the key sector of Offshore Energy and is seeking to create in Harwich a Centre of Offshore Renewable Engineering. With Essex County Council, Tendring is actively pursuing the option of an Innovation Centre in Harwich dedicated to helping SME's grow, and responding to its designation as one of six national CORE locations.

APPENDIX 2: KEY DOCUMENT LIST

Local Plans

Colchester Borough Local Plan Publication Draft

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=23478&p=0>

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Braintree Employment Land Needs Assessment – AECOM, August 2015

https://www.braintree.gov.uk/downloads/file/5296/local_plan_2014_evidence_base_employment_and_employment_land_needs_assessment_aug_2015

Tendring District Local Plan 2013-2033

http://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/Publication%20Draft%20Consultation%20Document%20-%20200717.pdf

Tendring Employment Land Review – Aspinall Verdi, May 2016

http://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/Tendring%20Employment%20Land%20Review%20%282016%29.pdf

Garden Communities feasibility reports

NEGC Garden Communities Charter, June 2016,

https://www.braintree.gov.uk/downloads/file/5787/garden_communities_charter

North Essex Garden Communities Prospectus – NEGC, October 2017

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<https://www.tendringdc.gov.uk/sites/default/files/documents/planning/planning%20policy/Baseline%20Compendium.pdf>

NEGC Concept Feasibility Study - Vol 1 Pt 2 North of Colchester Area – AECOM, June 2016

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North Essex Garden Communities Feasibility Study Volume 2, Opportunities and Constraints

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http://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/NEGC_EmploymentAndDemographic_FinalReport_280417%20.pdf

Greater Essex, Haven Gateway and North Essex studies

Greater Essex Growth and Infrastructure framework – AECOM, Feb 2017

<https://www.essex.gov.uk/Documents/GIF.pdf>

Essex Growth Strategy Baseline and Sector Research – Regeneris, Feb 2015

Developing the Greater Essex Growth Story – Regeneris, July 2015

Grow on Space Feasibility Study - BBP and SQW, Oct 2016

Growth Sectors and Innovation in the Haven Gateway - SQW, Aug 2017

Greater Essex External Economies Commission – Economic Linkages – Regeneris, July 2015

Energy Sector Review – Nautilus, March 2016

Economic Impact of Stansted Scenarios, Oxford Economics, November 2013

<http://lsc.co/wp-content/uploads/2013/07/OXFORD-ECONOMICS-STANSTED-FINAL-REPORT-November-2013.pdf>

University of Essex, 2015-2016 Economic Impact report <https://www.essex.ac.uk/economic-impact-report>

East Anglian Daily Times, 12 October 2017:

<http://www.eadt.co.uk/business/east-of-england-universities-awarded-4-7m-in-challenge-to-improve-links-with-business-1-5233572>

Stansted Airport, Sustainable Development Plan Summary 2015 <http://mag-umbraco-media-live.s3.amazonaws.com/1027/summary-sdp.pdf>

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East of England Science and Innovation Audit, Department for Business, Energy and Industrial Strategy, Sept 2017 <http://www.gcgp.co.uk/wp-content/uploads/2017/09/EoE-SIA-REPORT-Final-14.09.17.pdf>

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Future Proof: Britain in the 2020s, Institute for Public Policy Research, Dec 2016 <https://www.ippr.org/files/2017-07/future-proof-dec2016.pdf>

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