



Haven Gateway Partnership

Braintree District Council
Overview & Scrutiny Meeting
1 February 2017



Introduction to Haven Gateway

- Established in 2001 to reflect the important geography of the Haven ports
- Focussed on economic growth around the Haven Ports and the A12/A14 and A120
- Genuine public/private sector partnership
- Private sector partners
- Public sector partners
- Vital cross-border working with Suffolk enabled by members and geography



Economic Growth Principles

- For an economy to grow you need to create an environment where businesses can make money:
 - A range of employment accommodation
 - A skilled workforce
 - Good infrastructure – increasingly including broadband
 - A permissive planning authority
 - A strong and accessible supply chain
 - Good housing stock and supply
- For an economy to grow sustainably, you need focus on core sector strengths as determined by the market
- Where there is market failure, the public sector has to make focused interventions that are not permanent in nature



Terms of Reference

- The Terms of Reference for the Overview & Scrutiny are broad
- It is important to determine what the objectives of the work is:
 - To increase NNDR post-2020?
 - To increase productivity?
- It is important to ensure there is clarity to determine the priorities for the Local Authority
- Increasing NNDR is not the same as increasing productivity necessarily – one can be a scatter-gun approach, the other requires focus

National Context - Industrial Strategy



- The Government launched its Industrial Strategy Green Paper on 24th January 2017.
- It fundamentally seeks to address the UK's productivity 'problem'
- The Government will seek to achieve this via 10 'pillars':
 - Investing in science, research & innovation
 - Developing skills
 - Upgrading infrastructure
 - Supporting businesses to start and grow
 - Improving procurement
 - Encouraging trade and inward investment
 - Delivering affordable energy and clean growth
 - Cultivating world-leading sectors
 - Driving growth across the whole country
 - Creating the right institutions to bring together sectors and place



Industrial Strategy & Braintree

- The Green Paper has identified the East of England as the 4th best in terms of productivity
- This hides the Essex picture – within the ‘old’ East of England, Essex is 5th out of 6 counties (£18,500 GVA per capita compared with the highest £25,800 GVA per capita)
- The Braintree statistic is worse still – 11th out of 14 Local Authorities in Greater Essex (£17,400 GVA per capita compared with the highest £28,000 GVA per capita)
- In order to access funding to redress this, Braintree and Essex must highlight this differential



Essex Economic Commission

- The Essex Economic Commission released its first report on 30th January 2017
- It highlighted within it the poor productivity of the Essex economy compared with other localities in the South East
- Sectors with high productivity rates – usually high-tech sectors – are growing in Essex but the impact is not yet filtering through
- There are pockets of economic inactivity in Essex
- Essex is projected to grow at 2% pa for the next 20 years, on par with the UK
- This will not meet its target of being the fastest growing outside London – 3% pa is required to meet this target



Braintree Economic Statistics

- GVA contribution is £2,723.3m (£500m increase since 2013)
- Working age population 94,400 (1.4k increase since 2013)
- Unemployment 1,100 (1.2k decrease since 2013)
- Net out-commuting -13.9% (2.1% decrease since 2013)
- Good comparative NVQ1 figures (88.7% vs 84.9% UK)
- **BUT** low NVQ4 figures (27.4% vs 37.1% UK)
- Low access to senior roles (6.4% vs 10.4% UK)
- Low access to professional occupations (12.3% vs 19.9% UK)
- Potential growth sectors strong in Braintree:
 - Construction
 - Logistics
 - IT, Digital & Creative Industries
 - Advanced Manufacturing & Engineering
 - Health and Social Care



Challenges & Opportunities

- Low productivity levels
- Ageing population and reduction in working age population
- Lack of good quality office space available
- Low skills attainment levels
- Sectors with real high-tech growth potential
- Supporting sectors showing some strength
- Tourism offer that, if exploited more, could raise the positive profile of the District
- Supportive Local Plan and Local Authority for growth
- Proximity to London and Cambridge – both overflowing
- Proximity to Stansted Airport – growth opportunities
- Research intensive university nearby



Inward Investment

- To secure Inward Investment, basic economic development principle applies – companies locate where they can make money
- They need primarily office accommodation, a supply chain, good infrastructure and skilled workforce if the business plan is strong
- There needs to be a positive awareness of the locality to attract interest and a positive Local Authority
- **But** creating some packages as an incentive for companies can lead to itinerant companies that leave the locality when the incentives are withdrawn



Home-Grown Growth

- The growth of existing companies is the most sustainable form of economic growth
- They can be more loyal to the area and workforce
- The supply chain they rely upon tends to have grown around them
- In order to grow, companies need:
 - Skilled workforce
 - Quality accommodation
 - Good infrastructure
 - Accessible supply chain



Public Sector Intervention

- Public sector intervenes where there is market failure
- Intention is to reverse market failure
- Therefore intervention is temporary by nature – the public sector withdraws when market failure is reversed
- The public sector has a temporary role in intervening in, e.g. Provision of quality accommodation
- The public sector has, however, a permanent role in the provision of skills
- The public and private sectors have a role in provision of good infrastructure
- The private sector has the role in providing an accessible supply chain

Conclusion



- There are fundamental principles in economic development to achieve growth
- But to achieve sustainable growth, focus is required.
- There are defined roles for the public and private sectors
- There are occasions when the public sector has to address market failure
- This should only ever be a temporary measure



Thank You

Any Questions?

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