

## **South Essex Productivity Strategy – Summary**

**This document lays out four programmes that will deliver an additional £2bn of economic activity within the area, which represents a 15% increase within five years.**

These programmes will:

- Put South Essex at the forefront in the use of data to drive economic activity
- Retain our highly skilled knowledge workers to work and live in our communities
- Deliver innovation and change across our vibrant small enterprise community
- Support innovation and development in our key sectors
- Leverage our unique connectivity to deliver prosperity for our population
- Deliver life long learning and support for our population by preparing them for the opportunities brought about by the changing nature of work
- Deliver new inward investment to transform our high streets into places of culture, commerce, retail and housing

These programmes are straightforward and pragmatic, building on good practice in the area and proven examples from across the world to deliver this transformation.

South Essex is unique – it is home to three major ports, an international airport and all of the area is within 60 minutes of central London. South Essex supports the success of London through its ports, residents and businesses. South Essex is made up of distinctive places and communities – the application and implementation of this strategy will reflect and respond to this distinctiveness.

The Association of South Essex Local Authorities long-term inclusive productivity strategy will position the area as an economic leader for 2050 and beyond. This will also form the South Essex contribution to the South East LEP Local industrial strategy and shape delivery within the Thames Estuary. South Essex will be a place that is known as forward thinking, dynamic and aspirational - providing transformational opportunities for residents, businesses and communities.

The delivery of the productivity strategy will reflect the focus of our growth corridors and the development plans of our individual places. This strategy provides the opportunity to deliver a significant step change in the economic performance of the area.

### **Background**

An independent report for Greater Essex by Dr Andrew Sentance published in 2017, identified that of the four corridors of Greater Essex, South Essex is the largest with 36% of Greater Essex GVA – (£12bn of the Greater Essex £33bn). The South Essex economy is important to London and to the rest of the UK.

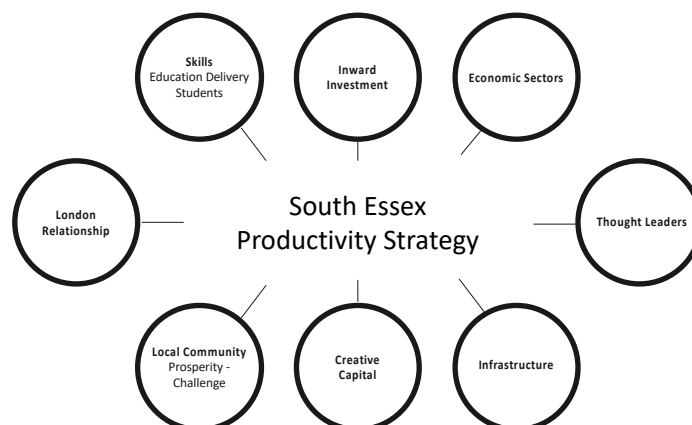
The area has particular employment concentration in four areas – Logistics, Construction, Health and Advanced Manufacturing and whilst the pattern varies across the area micro and small companies dominate the landscape with around 90% of enterprises employing less than nine people. This is combined with a long-term skills challenge with 8-12% of the population with no qualifications and in some places only 24% with NVQ4+ (Higher Education equivalent). The Centre for Cities report that the mix of skills and jobs make some parts of our area particularly open to the impacts of AI and Automation with 19-29% of the current working population likely to see significant declines.

We recognise that we have a unique connectivity offer with access to London and the world (through our Ports, Airport and associated business links). The London opportunity is significant with London based property companies seeing the city 'expanding' East (and West) accelerated by Cross Rail, Lower Thames Crossing and technology change on the C2C Network. London will always provide a draw for employment and drive outflows of 'employees' from South Essex, but technology disruption and the increasing importance of the user experience is driving appetite for flexible space in tech-enabled buildings in rich 'social' environments.

The programme has captured many 'voices' from across industry, thought leaders and the "community" to create an integrated, coherent and straightforward statement of the Productivity Strategy. Ensuring

that as many people as possible have a voice has created a richer product. Engaging people in the process, allows them to respond to the challenges presented and work together to deliver and implement a shared ambition.

Communities engaged:



### Main areas of focus

The productivity strategy has identified five key forces driving future productivity that will directly affect the planning for South Essex.

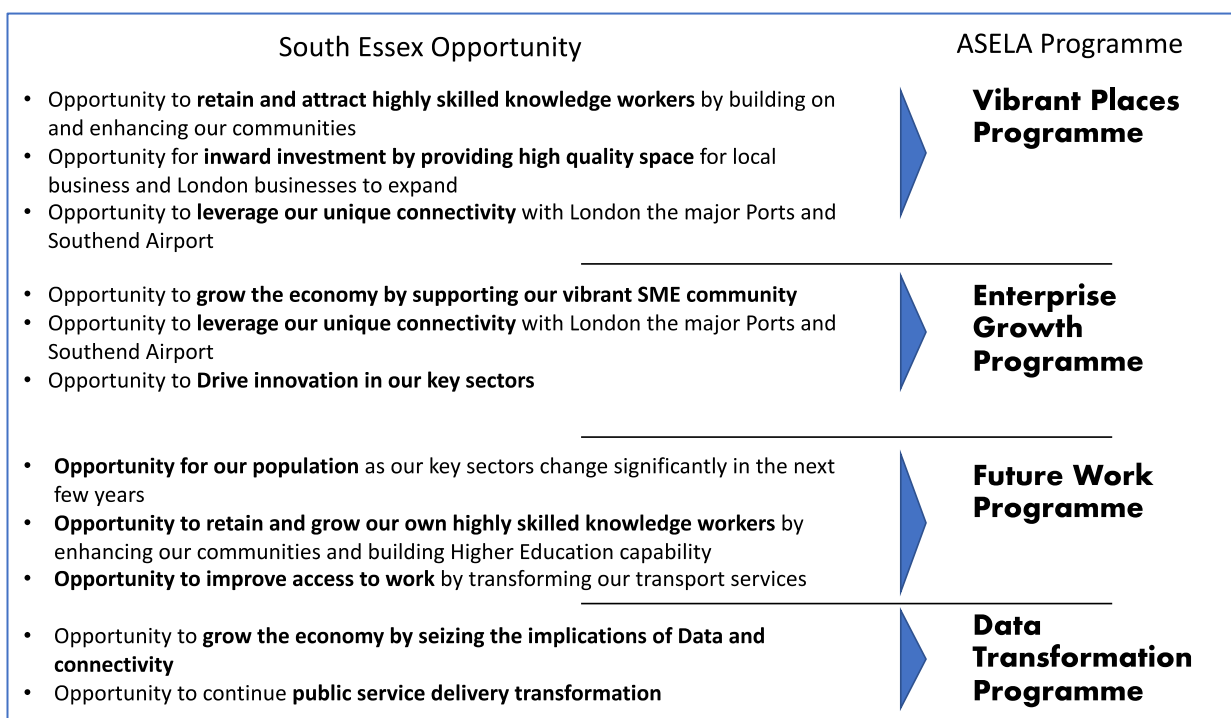
- **The nature of work has changed.** Experts expect rapid and sustained change for employers and employees with the old definitions of work and career completely forgone. Longer working lives, Multiple careers, jobs and periods of skills development will be the norm. Critical thinking, creativity, team work and collaboration will be the vital skills of the future.
- **High skilled knowledge-based work will be the key drivers** of future economic activity. High skilled workers will seek areas of high job, culture, education and entertainment density
- **Connectivity between people, businesses, markets and knowledge is increasingly important.** Proximity matters and access to local and international markets will drive future growth.
- **Lower skilled workforce will continue to face significant challenges,** but critical new skills can allow them to cope and prosper in periods of rapid change. Low skilled opportunities are difficult to retain unless based around clusters of higher skilled employment.
- **Innovation happens between multiple individuals, organisations and sectors.** Diversity and collisions between people and companies and between sectors are critical to driving innovation.

The opportunities for South Essex are clear:

Opportunities for South Essex	Implications and Impact
<b>Opportunity to grow the economy</b> by supporting our vibrant SME community	~90% of enterprises are micro or small. Our SME community could be more innovative and productive
<b>Opportunity to grow the economy</b> by seizing the implications of Data and connectivity	We can use public sector data sets and access to develop and foster new businesses and improve public service delivery
<b>Opportunity to retain and attract highly skilled knowledge workers</b> by building on and enhancing our communities	Our town centres can retain and attract High quality, skilled knowledge workers but we need a rich mix of culture, social and business focussed local centres
<b>Opportunity to leverage our unique connectivity</b> with London the major Ports and Southend Airport	The ASELA area provides a unique set of connectivity – globally through our Ports and Airport and with good and improving connections to London
<b>Opportunity for inward investment</b> by providing high quality space for local business and London businesses to expand	We can seize on the advantage of London growth to attract new business and drive local improvements in place and community
<b>Opportunity for our population</b> as our key sectors change significantly in the next few years	Logistics, Construction, Advanced Manufacturing and Health are key employment sectors and likely to experience fundamental change in the next few years
<b>Opportunity to improve access to work</b> by transforming our transport services	Local geography and historical connections can restrict access to work and skills development

The ambitions of this strategy are rooted in the intention to drive productivity in South Essex whilst ensuring that the people who live there are able to both contribute to and benefit from that growth. In response to these challenges, opportunities and response from the community we have developed four compelling, practical and important programmes that will deliver on the promise of South Essex for all its residents and businesses.

The rest of this paper provides details on each of these programmes, their focus, the practical steps involved in their delivery and the impact these programmes will have.



These programmes will deliver clear impact across the entire area. Our initial analysis suggests a combined impact of £2bn in additional GVA.

## Vibrant Places Programme

We will reimagine our town centres as places of culture, entertainment, commerce, retail and housing. Building on the excellent work already underway a cross area initiative will allow us to bring forward investment to deliver the highest quality places. Acting as the showcase for the area as we look to London and beyond for new investment and workers. This programme will support local initiatives focused on delivering the broader productivity objectives attracting high quality work, skills and infrastructure for our population.

It is clear from our analysis that highly skilled knowledge workers increasingly require a mixed environment that includes;

- Many different types of employer;
- A rich social experience of restaurants, coffee shops and bars;
- Access to culture and a clear focus on culture;
- Combined in a high quality built environment.

This is not only true for highly skilled workers; these environments will support and grow our local businesses - with opportunities for local entrepreneurs, small and large businesses. We will be able to encourage and support the best in a mixed economy of differing skills. Exactly the rich economic culture the area contains.

We will establish an appropriate inward investment agency that will have the clear objective to retain (and attract) high skilled knowledge workers by increasing the underlying quality of our town centers and improving prosperity across our area by supporting a mixed economy of High, Medium and Low skills.

Programme elements will include:

- **Secure** private and public sector investment to provide fit for purpose assets – Places, Residential, Commercial and Retail
- **Attract** occupancy of these assets with the right mix and quality of tenants
- **Deliver** a high-quality user experience for the target market
- **Support** local community inclusion and value creation
- **Enhance our cultural identity and offer** through 'South Essex Creates' - A 10-year culture investment plan supported by a new 'Chief of Arts and Culture'.

The initial actions for this programme are straightforward:

- Establish the inward investment agency
- Create plans based around our growth corridors and rooted in local initiatives
- Create an Investor Prospectus (for Private Investors etc.) Working with local master plans and community initiatives
- Develop and deliver marketing to Investors with particular focus on London – To secure funding and potential occupants
- Develop and deliver an Inward Investment plan – To secure occupancy
- Establish 'South Essex Creates' - A 10-year culture investment plan with a new 'Chief of Arts and Culture' to enrich the environment for the new occupiers

Programme	Note	Impact Metric	Potential Impact	Impact
<b>Vibrant Places Programme</b>	<ul style="list-style-type: none"> <li>• Raise the average salary of the region by encouraging the retention of high skilled employees</li> </ul>	<ul style="list-style-type: none"> <li>• Bring forward investment in high quality commercial property and spaces in our town centres</li> <li>• Raise mean average salary</li> </ul>	£50+ million investment in commercial space	<ul style="list-style-type: none"> <li>• <b>Deliver inward investment,</b></li> <li>• <b>Raise average incomes</b></li> </ul>

## Enterprise Growth Programme

We will make our entire business community more effective and efficient. We will create more economic value through our marvellous micro, small and medium sized enterprises, as well as support our key large employers.

Delivering productivity change for our business community involves a number of critical elements from training through access to technology to appropriate technical support. However, core to this is accessibility – can the business find out about the services available and then access them in an effective and timely fashion. To address this challenge in Boston (USA) the local authority works through the business support community – e.g. local marketing, accounting and technical support businesses - to deliver change. Providing them with access to skills programmes, open innovation opportunities and networks and sometimes appropriate funding that they then deliver and develop for their clients. Working with the local business community in this way is highly effective. Activity like this is going on in pockets within our area. This activity can be targeted and reinforced to meet the needs of our diverse segments of small enterprise with activities that support:

- Increasing efficiency, accessing technology, improve exports, recognising skill levels, access to training, succession planning, increasing innovation and open innovation
- Clusters of segments – logistics, advanced manufacturing, construction, creative sector based, seasonal, London focused

Our larger businesses in key sectors want the opportunity to build local support and the local supply chains. We can help make this happen through supporting open innovation and collaboration allowing small businesses to seek opportunities to support larger businesses and sectors.

We must not stand still but build on our existing capabilities and experience. As construction moves from a trade-based business to an advanced manufacturing environment we are well placed to bring skills we have in both sectors together. Working with leading companies and our academic partners we will bring these sectors together to develop new ways of working. This programme will have the clear objective of improving the productivity and effectiveness of our Small and Medium sized enterprise and driving growth in our key business areas. Across our area we have a wide range of businesses of all sizes supported by an existing network of collaborative forums. Our programme will build on and enhance this collaboration.

Programme elements will include:

- **Support** local business growth through effective organisation of private sector business support with access to skills and potential
- **Bring together** private funding, local business support companies and solutions to meet local SME needs
- **Encourage** open innovation with spin outs between large local business and local entrepreneurs
- **Engage** Academic partners and local key sector organisations to map the ecosystem/ supply chain and understand the development of construction as Advanced Manufacturing
- **Establish** procurement and sourcing frameworks to encourage local solutions

The initial actions for this programme will involve:

- **Establish** a private sector focused Business Support Group based on the Boston model of using commercial intermediaries (Accountants, Marketing, Legal etc.) as the connector to the small business community
- **Review** current business support activity and explore how to focus on this activity
- **Engage** Academic partners to research the ecosystem and explore the implications of Construction as advanced manufacturing
- **Support** the creation of a small early stage investment fund

Programme	Note	Impact Metric	Potential Impact	Impact
<b>Enterprise Growth Programme</b>	<ul style="list-style-type: none"> <li>• Encourage SMEs across region to recruit one new member of staff</li> </ul>	<ul style="list-style-type: none"> <li>• Increase productivity by the equivalent of one person for every Micro and SME businesses</li> </ul>	>23,000 Micro and Small businesses across the region	<ul style="list-style-type: none"> <li>• <b>The economic equivalent of ~23,000 New Jobs created</b></li> </ul>

## Future Work Programme

We will increase the skills base of our community and help them develop the skills they need throughout their lives. We will help them acquire new skills or improve their existing capacities whilst reinforcing the critical 'soft' skills that will drive future economic performance. The area has significant skills challenges that will only be exacerbated by technology change and the overall economic moves to more reliance on skilled staff. We are well positioned to innovate through this change, adapting to future skills and technological needs and focusing on other emerging sectors of growth including the creative and cultural sector and health services.

This programme has a clear objective to recognise and respond to the new reality of work – Multi employers, multi jobs, lifelong learning, the impact and opportunities of AI and automation - by providing effective access to training and skills development. We must also recognise the challenges of our area by providing effective, flexible connections and access to work.

We will empower our communities and businesses to shape their own skills and travel solutions.

To grow our own Higher Skilled knowledge workers and act as a catalyst for development we will bring forward plans for a Higher Education Institute. Across the area we have a mix of skills providers that already work together, providing the glue, scale and capabilities for us to deliver this programme.

Programme elements will include:

- **Develop** a single skills interface for both business and individuals
- **Engage** skills providers, local business service providers and employers to develop solutions that meet local needs
- **Develop a career pathway solution** – advice and support at all stages of life
- **Deliver local transport solutions** to meet flexible needs of employers and employees (particularly to address local bottle necks around peninsula and islands)
- **Ensure** innovation in the delivery of public services through capturing the best of local service delivery
- **Bring forward plans** for a higher education institute in the area to drive innovation, respond to business need for skills and provide a focus for high quality development

The initial actions for this programme will involve:

- **Engage** the local leading skills providers to develop a 'Skills Interface' - providing a clear and easy to use way for business and our communities to access and shape the skills available
- **Engage** the skills providers and business to develop an effective 'life long' careers pathway
- **Repurpose** the Growth Hubs to support skills development and career pathways
- **Bring forward** plans for a Higher Education Institute
- **Develop** a 'transport service' alongside a commercial partner to meet local needs
- **Encourage** 'Skills innovation commitments' – based on the Gothenburg model working with large local employers to drive skills innovation ('this is what we need – if you get the skill we will employ you' - similar to the checkout to truck driver model currently used by Tesco and South Essex College)

Programme	Note	Impact Metric	Potential Impact	Impact
<b>Future Work Programme</b>	<ul style="list-style-type: none"> <li>• Reskill population to grasp opportunities of AI and Automation</li> <li>• Support average salary rise</li> </ul>	<ul style="list-style-type: none"> <li>• 300,000+ economically active in the region</li> <li>• &gt;20% of the population currently in jobs in occupations very likely to be impacted by 2030</li> </ul>	~60,000 jobs changed by AI and Automation  Additional benefits from University not calculated	<ul style="list-style-type: none"> <li>• <b>~60,000 people reskilled</b></li> </ul>

## Data Transformation Programme

We have the opportunity to create a world leading data initiative leapfrogging our competitors to combine data from across our area to support existing major business, boost our small business sector and act as the platform for continued public sector transformation. There are many examples from across the world of areas seizing the data initiative to drive considerable economic benefit – achieving 10-15% overall growth. Our focus on utilization of data will underpin our ability to evolve our economy, we will maximise use of the data available to us, for example our public sector data, to provide us with the intelligence we need to grow

Working together across the area will allow us to bring together large data sets and sufficient scale to support the delivery of proven solutions and the development of solutions designed to meet the particular needs of our area.

Data transformation will allow:

- Our key sectors to more effectively manage their supply chain and access appropriate resources
- Our small businesses will see opportunities to improve their services, access resources and develop new solutions
- Our economy to be more efficient and innovative by encouraging open innovation and collaboration
- Support the transformation of the public sector by focusing resources more effectively and delivering new solutions in new ways

We must recognise and respond to the critical nature of the underlying data and information flows across our area. Effective data strategy is not 'just' the roll out of effective and widely available Gigabit connectivity but it is the use of the infrastructure and the data available to transform how we deliver services and how business and our community operate.

Programme elements will include:

- **Work with public and private partners** to create a shared 'data' environment in which information is made available across the area to people, business, research and to support public policy
- **Work with commercial partners to bring forward area wide solutions** that will generate business efficiency and activity. E.g. smart travel planning and ticketing, Care access and monitoring, Crowd sourced logistics information, Energy management etc
- **Working with our academic partners** we will look to create world leading 'living labs' focussed on core areas for the area including freight, distribution and logistics. This will create new commercial opportunities and see a significant increase in research spend and patent applications.

The initial actions for this programme will involve:

- **Create** a data transformation team to bring forward investment and economic activity
- **Work with** Academic and public sector Partners to create an open data structure
- **Work with** commercial partners to develop and deliver area wide data services

Programme	Note	Impact Metric	Potential Impact	Impact
<b>Data Transformation Programme</b>	<ul style="list-style-type: none"> <li>• Support new business models based on wide data integration and support</li> </ul>	<ul style="list-style-type: none"> <li>• £12Bn GVA in the region</li> <li>• Lift in GVA from Data applications and access</li> <li>• Cisco analysis and case studies 10-15% growth</li> </ul>	10% growth in GVA across the region	<ul style="list-style-type: none"> <li>• <b>£1.2Bn in economic growth</b></li> </ul>

## Programme Delivery

We are developing a comprehensive action and resources plan and specifying a delivery team to ensure delivery of these programmes for the area. Proposals will be brought forward for consideration in Autumn 2019.

### Appendix:

The table below outlines how our challenges and productivity drivers read across into the Foundations of Productivity outlined in the Government's Industrial Strategy.

Foundations of Productivity	Current South Essex Challenges	Future Productivity Drivers
Innovation	<ul style="list-style-type: none"> <li>Lack of demand for innovation driven by Aspiration, skills and understanding of opportunities/benefits</li> <li>Lack of diversity across business</li> <li>Business isolation with few opportunities to interact</li> <li>Large SME Base with few breakthrough businesses</li> <li>Limited access to local 'capital' investment</li> </ul>	<ul style="list-style-type: none"> <li>Diversity is critical</li> <li>Encouraging access to innovation from local business to local business</li> <li>Encouraging collisions between different people and businesses</li> <li>Appropriate and timely support for business growth (education, access, money)</li> </ul>
Skills	<ul style="list-style-type: none"> <li>Variation in school performance</li> <li>Complex ecosystem of skills provision</li> <li>Pockets of very low skills</li> <li>Limited access to career planning and skills advice</li> <li>No advanced research base</li> <li><i>Limited provision</i> of higher level skills</li> </ul>	<ul style="list-style-type: none"> <li>Access to Core Skills</li> <li>Career planning and advice</li> <li>Raising skills levels for all</li> <li>Higher level F/HE Skills</li> <li>Easy access to Lifelong learning</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>Patchy/Poor Provision of base infrastructure</li> <li>Lack of clarity around infrastructure purpose</li> <li>Local challenges – islands and peninsula</li> <li>Poor gigabit fibre deployment</li> <li>Some challenges in Energy Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Managed and focussed infrastructure</li> <li>Transport services (getting people to work)</li> <li>Fibre network deployment</li> </ul>
Place and Business Environment	<ul style="list-style-type: none"> <li>Poor SME space availability</li> <li>180-degree Market and Resource access (due to Thames)</li> <li>Reliance on out of town business parks</li> <li>Limited space flexibility (supporting growth and contraction)</li> <li>No Thames focus</li> </ul>	<ul style="list-style-type: none"> <li>High quality, safe public spaces</li> <li>Culture and creative lead</li> <li>Symbiotic Education and Commerce</li> <li>Smart Town centres</li> <li>High street employment space</li> <li>A business support ecosystem of services, advice and finance</li> </ul>