

Sustainable Economic Growth for Essex Communities and Businesses

**Essex County Council Commissioning Strategy
2014 - 2021**

Version: consultation draft



Essex County Council

Ownership and responsibilities

Roles and responsibilities

Lead commissioner(s):	Paul Bird: Director of Commissioning for Transport and infrastructure Tim Coulson: Director of Commissioning for Education and Life Long-learning	
Supporting Commissioner(s):	Dominic Collins – Head of Commissioning, Future Development Adam Bryan – Head of Place Partnership Integration Tim Rignall - Head of Commissioning, Economic Growth and Development Chris Stevenson – Head of Commissioning, Connected Essex & Integrated Transport Pete Cook – Head of Commissioning, Education and Lifelong Learning	Major Infrastructure (non-transport) SELEP and partnership relations Enterprise and innovation Major infrastructure (transport) Skills
Other key contacts:	Richard Puleston: Director of Strategy and Communications Alastair Gordon: Head of Policy and Strategy (Place) Sharon Spicer: Senior Policy and Strategy Advisor Tom Day: Head of Commissioning Support Anna Hook: Commissioning Support Manager Denise Murray Head of Finance Place Karen Williams Head of Funding and Investment	

Version control

Version number	Date	Author	Comment & nature of update
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0.2	17 March	Sharon Spicer	Early draft to inform discussions with commissioners
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Executive Summary

This Commissioning Strategy sets out the strategy for achieving the outcome of “Sustainable Economic Growth for Essex Communities and Businesses” and will provide a focus for Commissioners in targeting resources and subsequently for customer operations in shaping service delivery.

The baseline

- The population of Essex is forecast to grow by 71,000 in the period up to 2021. To sustain economic growth and support economic prosperity an additional 33,000 jobs will need to be created by 2021.
- While there are many strengths in the Essex economy there is a need to improve economic resilience by diversifying the economic base and securing growth in key opportunity sectors.
- Historically wage levels in Essex have been low so it is important to ensure that people within local communities have the skills and competencies that they need to be able to access and benefit from these opportunities.
- There has been insufficient supply of housing in Essex to meet household growth and enable economic growth. To address this 34,000 additional homes will need to be provided by 2021.

The outcome

ECC, working with partners, has a key role to play in delivering sustainable economic growth for Essex communities and businesses. This role is focussed on:

- Enabling factors – those strategic elements that must be firmly in place to support employment and housing growth;
- Embedding factors – elements required to ensure that growth is sustainable and impacts directly on the communities of Essex.

Turning the curve

Employment growth will be targeted in both existing core employment sectors (financial services, construction, manufacturing, tourism and logistics) and opportunity growth sectors (advanced manufacturing, low carbon & renewables, logistics, life sciences & healthcare and digital, cultural & creative).

To support this employment growth and ensure that the labour market functions new, good quality homes will be provided which meet a range of needs.

Growth will be focussed in locations along four growth corridors:

- A120 Haven Gateway
- A13/A127 Thames Gateway South Essex
- A12 and Great Eastern Mainline
- West Essex M11 (London-Stansted-Cambridge)

To enable growth through this strategy we will focus on a number of priority actions:

- Generating a stronger skills base
- Ensuring relevant physical infrastructure is in place
- Delivering quality new homes to meet local need
- Maintaining a relevant business support offer and structures
- Raising aspirations for growth locally
- Improving the inward investment offer
- Improving partnership working

To embed growth we will focus on the following strategic actions:

- Ongoing improvement of business space
- Developing effective innovation capacity
- Establish effective supply chain networks
- Improving the quality of the environment
- Increasing economic participation and reducing inequality

Together these actions form our Commissioning Strategy framework.

Purpose and structure

In February 2014, Essex County Council (ECC) adopted a new Corporate Outcomes Framework – a statement of ambition setting out the seven outcomes that would guide its activity to 2018. This framework includes an outcome of “Sustainable Economic Growth for Essex Communities and Businesses”. This outcome is defined by twelve indicators which help to explain what the outcome will look and feel like if it is achieved. These indicators are set out in full on pages 10 -12.

The purpose of this Commissioning Strategy is to set out ECC’s strategy for moving from the current baseline position to the desired outcome. The strategy will provide a focus for Commissioners who will be looking to target resources, capacity and capability (internal and external) at activities, projects and services which will deliver the change required to turn the curve.

It should be noted that:

1. The strategy has been prepared to cover the period 2014-15 to 2020-21, but reflects ECC’s aspirations to sustain economic growth over the longer-term. It has been prepared to this six year timescale to align with the Single Local Growth Fund regime introduced by HM Government and the new programme of Structural Funds from the European Union. Both of these provide the opportunity to access funding for key activities that support the delivery of this strategy over and above core budget activities.
2. The strategy is designed to be a working document that will be reviewed regularly and which will guide the work that we and our partners do on an ongoing basis.
3. This strategy is a core element of the Strategic and Resource Planning Framework and has been shaped to reflect the principles of Outcomes Based Accountability. It is organised as follows:
 - **Page 3** provides an executive summary
 - **Page 5** sets the context for the strategy and why it is a priority
 - **Pages 6-9** outline the baseline position and highlight key challenges to be addressed by the strategy

- **Pages 10 to 12** set out the indicators that ECC will use to track progress towards the outcome and future trends we wish to see within Essex
- **Page 13** presents the commissioning strategy framework
- **Pages 14 -15** identify the sectors in which we will be looking for employment growth
- **Pages 16 – 20** give an outline of each of the growth corridors
- **Page 21 – 22** outline the issues we need to address to ‘turn the curve’ and secure these future trends within Essex. This section focuses, specifically, on where ECC and partners need to affect change and the issues we need to tackle
- **Pages 23 – 33** set out the high-level action plan through which ECC Commissioners propose to deliver growth. This action plan is organised into a series of the six work streams:
 - Major infrastructure
 - Enterprise and innovation
 - Skills
 - Housing
 - Connectivity
 - Lobbying and influencing
- **Page 34** considers the key risks to the delivery of the strategy and how these will be mitigated
- **Pages 35 – 37** summarise the key financial implications of the strategy

Sustainable Economic Growth for Essex Communities and Businesses

Essex County Council has a strategic role to play in achieving sustainable economic growth for Essex Communities and Businesses. That role requires a focus on activities that both enable growth and embed it ensuring that the benefits of growth are realised by local communities and businesses.

1. Essex has many economic strengths and is home to a number of global companies. The County has much to offer to businesses and investors, including through our location as a gateway to London, Europe and the rest of the world. However, our economic performance is mixed and there are particular challenges that need to be addressed to secure sustainable economic growth.
2. ECC and its partners have key roles to play in this, particularly in terms of creating the right conditions for growth, either through the exercise of our statutory responsibilities (e.g. as highways authority through the management and provision of transport infrastructure) or by exercising our general competence through interventions which address specific areas of market failure. In some cases where we are exercising our statutory responsibilities, the impacts will be county wide. Where we are targeting specific areas of market failure, the impacts will initially be more localised.
3. Economic growth is vitally important in enabling the public sector to respond to the current financial challenges, both nationally and locally. By increasing economic participation and reducing unemployment and dependency we will reduce pressure on the public purse. By attracting jobs and housing growth we will also generate increased income for ECC and our public sector partners.
4. Furthermore, financial circumstances are an important factor in residents' overall satisfaction with their local area and with their district council and ECC (Essex residents survey 2013). Those who are struggling financially are among the most critical about life in Essex, whether it be the local area, the performance of local councils, possible financial problems and perceptions of safety and anti-social behaviour. We also know that unemployment has a serious detrimental impact on all aspects of physical and mental health, not just on the person who is unemployed but on their whole family.
5. ECC is therefore committed to delivering sustainable economic growth for the county. This includes activities across a breadth of areas, from supporting residents to raise their aspirations and achieve their ambitions through education, training and development; to securing investment for the county so that we can create the jobs and housing needed for healthy and prosperous communities. The growth envisaged will lead to pressures elsewhere, such as the additional numbers of school places needed, and the impact across all outcomes will need to be taken into account.
6. While we recognise that ECC cannot deliver economic growth on our own, the authority has a crucial role in driving this agenda and maximising opportunities for future growth. We will do this by intervening where we can add most value and taking action where the market is not currently operating effectively. In this Commissioning Strategy we set out how we will do this by:
 - Ensuring our infrastructure is maintained and used efficiently and investing in key new infrastructure;
 - attracting investment in jobs and growth;
 - supporting our businesses with the potential to create higher value added jobs to grow;
 - enhancing the key skills of our workforce;
 - creating effective delivery mechanisms to support the delivery of major infrastructure projects; and
 - lobbying Government to secure support and resources for Essex.
7. The indicators that we will use to measure the success of this Commissioning Strategy are aligned to the plans outlined in our Economic Plan for Essex – a multi-partner expression of Essex's plans for growth; and the Strategic Economic Plan – the Plan through which the South East Local Enterprise Partnership seeks to negotiate a Growth Deal with HM Government and secure funding through the Single Local Growth Fund.

Strategic analysis and insight – the story behind our baseline position

This section sets out Essex's baseline position with regard to the outcome – sustainable Economic Growth for Businesses and Communities across Essex – and its supporting indicators. In doing so, it draws on data on past trends, available insight into the drivers of these trends and anticipated future trends. This section also addresses the policy context – local and national decisions that shape local activity – and the existing activity/provision upon which ECC and partners will build in order to secure further progress.

Job growth, productivity and demographic change

8. Essex already has a large economy, supporting over 600,000 jobs and 60,000 businesses and with a total output valued at £30bn per year. However, levels of productivity continue to lag behind the national average.
9. Essex will experience substantial demographic growth between 2014 and 2021:
 - growth in the overall population of around 71,000 (4.9%) ;
 - growth in the working-age population of 13,000 (1.4%); and
 - growth in the number of households of some 33,000 (5.5%).
10. To support this level of growth Essex will need to secure:
 - a net increase of 33,000 local jobs by 2021 – further growth will help exert downward pressure on unemployment and net commuting; and
 - a net increase in dwelling stock of 34,000 homes – it is estimated that a further 18,000 further homes would be required to tackle currently unmet demand.
11. This level of job and housing growth is not currently visible within Essex. Overall employment levels remain lower now than in 2009 and rates of house building are slow.
12. Demographic projections also suggest that the working-age population will grow at a substantially slower rate than the general population. This means a smaller proportion of the population will be required to support a larger number of 'economically inactive' residents. Without increases in the productivity, we risk a long-term reduction in living standards and a sustained squeeze on revenues that fund public services.
13. Essex has the potential to overcome this 'productivity challenge'. The county's dynamic business community and the opportunities afforded by Essex's links to London and international gateways (London Gateway, Tilbury and Haven Ports; Stansted and Southend Airports), position the county well for the medium-term.
14. A historic deficit in local employment opportunities means that many communities across Essex are reliant on out-commuting – particularly to London. An estimated 64,000 (net) commute out of Essex to work on a daily basis. While this results in higher salaries flowing back into the Essex service economy it can also lead to challenges for local businesses who struggle to recruit suitably skilled employees and places a strain on transport infrastructure.
15. Increases in local employment have been driven by traditional core sectors. In many cases these sectors are vulnerable to economic changes or tend to support low value-adding jobs. Strengthening the resilience of the Essex means diversifying the economic and identifying and exploiting growth opportunities.
16. Median earnings amongst those working in Essex are consistently below those of comparator counties. This presents a challenge for Essex's relative prosperity, particularly in recent years as increases in the cost of living have placed ever-greater pressure on household budgets.

Strategic analysis and insight – the story behind our baseline position

Essex's Business Community

17. Essex has a relatively high number of businesses in relation to our population. The vast majority of Essex business are micro businesses – nine in every ten businesses has fewer than ten employees (and the majority have less than five) and only 1% of Essex businesses employ over 100 people. Evidence suggests, however, that it has become harder to set up and sustain a small business in Essex in recent years. The number of business start-ups has reduced, from almost 7,000 per year in 2007 to 6,540 in 2012. Business closures have also increased from 5,700 in 2007 to 6,200 in 2012.
18. The fact that Essex's business community is dominated by SMEs is a challenge for increasing productivity. To address this it is important that support services help small businesses to innovate, to commercialise new ideas, to access development finance, to explore new markets (including export markets) and to attract investment.
19. The growth of the business community in Essex is of direct financial interest to ECC and district/borough councils through its impact on NNDR.

Skills

20. While skills levels in Essex are improving, they remain below the national average. Only 27% of working age people have degree level skills compared to 34% nationally; 49% have A Level or equivalent compared to 55% nationally; and 69% have GCSE or equivalent compared to 72% nationally.
21. This 'skills deficit' is reflected in lower value-add employment, lower productivity levels and lower earnings. It also has a direct impact on businesses' ability to recruit and retain employees with the right skills.
22. Skills gaps reported by local businesses include leadership and management, marketing, technical, literacy and numeracy skills. Recruiting people with specialist industry related qualifications is also a key issue, often leading people to recruit from outside of Essex. Moreover, feedback from employers suggests that training is not always appropriate, with sector related courses

not meeting the needs of their company.

Transport Infrastructure

23. Economic growth in Essex is currently constrained by the capacity of key transport corridors within Essex – (the A12/Great Eastern mainline; the M11/West Anglia mainline; the A120 and the A13/A127). Journey time reliability (JTR) on Essex roads has been under increasing pressure over the past ten years due to factors such as increased trade in goods through key ports and airports, increased car ownership and relatively limited use of alternative forms of transport.
24. National government policy changes – and the letting of short-term rail franchises – has militated against securing greater private investment in Essex's rail infrastructure during a period when rail travel has seen record growth with passenger demand expected to increase by a further 75% over the next 30 years.
25. Travel choices are a key factor influencing congestion and JTR. Take up of walking, cycling and public transport is relatively low in parts of Essex with substantial potential for growth.
26. Increased and improved broadband coverage will support businesses and attract investment to Essex. It also has the potential to increase opportunities for home and remote-working, reducing the demand on travel networks at peak periods.

Housing

27. Housing is of fundamental importance both for the wellbeing of residents but also for the effective functioning of the local economy. Labour markets function more efficiently when there is ample supply of good quality housing for rent and for sale in all segments of the local market.
28. Issues that we need to address in term of housing are considerable and complex when People commissioning issues of need are also considered. In terms of economic growth however there are three key issues:

Strategic analysis and insight – the story behind our baseline position

- An insufficient supply of housing to meet household growth. Between 2008 and 2011, in common with most of the rest of England, housing completions in Essex were well below the levels dictated by the Regional Plan. An objective assessment of housing requirements suggests a target annual build rate of between 6,500 and 7,000 homes per annum this compares to a current completion rate of around 4000 homes per annum. If current rates can't be increased then this would lead to a shortfall of between 16,000 and 24,000 homes over the next eight years.
 - These shortages mean that for many people, housing is simply too expensive. Over the past decade, average house prices have increased much faster than average earnings. In most communities in Essex, there are severe shortages of affordable housing.
 - Land is not being brought forward for development by house builders even though local planning authorities have allocated this land. It is important to recognise that in some areas, such as Basildon, housing completions are running at a high rate but development is constrained by lack of available development land and the impact of the Green Belt rather than private sector reluctance. In both cases, the end result is a shortage of housing, though the root causes mean that different approaches are needed in different areas.
29. We recognise that the wider planning environment has a significant impact on development– affecting businesses directly as well as through the supply of housing. It is therefore important that we improve our understanding of the planning environment in Essex and how it can better support growth.
- Policy context**
30. ECC's Cabinet has expressed a firm commitment to supporting and sustaining economic growth across Essex, working with key partners and with HM Government. Our most important partnerships in securing economic growth are those we have entered locally with Essex's District, Borough and City Councils around our key growth corridors; Higher Education Institutions (the University of Essex and Anglia Ruskin University); and at sub-national level through the [South East Local Enterprise Partnership](#) (SELEP).
31. SELEP has recently submitted its [Strategic Economic Plan](#) (to support its case for SLGF investment) for the period 2015-2021. Over summer 2014 a growth deal will be negotiated with Government and SLGF monies devolved to the SELEP in April 2015. SLGF funds will need to be supported with local public and private sector investments to introduce programmes and activities that unlock growth.
32. The County Council's umbrella transportation strategy is contained in its third Local Transport Plan (LTP3) that was adopted formally in July 2011. The Local Transport Plan Strategy to Support Economic Growth has been developed to strengthen and emphasise those parts of the LTP3 which support the ECC outcome of sustainable economic growth for Essex's communities and businesses, the delivery of the new Economic Plan for Essex (EPfE) and the delivery of the priorities identified by SELEP within its SEP.
33. In terms of geography, the economy of Essex is not bounded by administrative boundaries. Activities that support and promote the economic health of Essex will not be limited to the area covered by the administrative boundary of the county council. Economic activity taking place in areas that neighbour ECC's administrative boundary will benefit many residents and many businesses. To this end ECC must work with partners to support delivery of economic ambitions and where appropriate support the employment or training of residents.
34. Whilst it is also true that within Essex, economic activity does not recognise boundaries there are four relatively distinct economic geographies which are recognised. By identifying the key economic aspects and opportunities within these geographies we will be able to identify a series of activities and projects which will help us to deliver and sustain economic growth.

Strategic analysis and insight – the story behind our baseline position

Resident/customer views

35. The economy continues to be the most important issue facing Great Britain today, according to the latest polls by Ipsos Mori. In particular concerns over the cost of living, low wages and poverty/inequality are continuing to rise.
36. Locally 46% of Essex residents are concerned about their own current financial situation (Essex residents survey 2013). One in four residents said they only earned enough to meet basic expenses at best. One in five residents was also worried about the chance of redundancy or unemployment in the near future. Financial concerns are also higher in certain locations (e.g. Harlow) and population groups (e.g. tenants, BME communities, disabled residents, those with children and lone parents).
37. Confidence in the economy is crucial for business growth and the Essex Employer and Business Survey (2010) provides an insight into the views of business. The three factors considered most important were mobile phone coverage, the road network and high speed broadband (71%). Energy costs (49%), followed by increasing competition (44%) were also identified as the issues that were most likely to be impacting on the performance of Essex businesses.
38. Half of all Essex-based businesses identified skills gaps within their current workforce (49%). Gaps regarding school/college leavers and graduates having the appropriate skills and attitude to work were the most common, followed by gaps in communication skills and advanced IT or software skills.
39. The survey also highlighted differential impacts across our growth corridors; for example the high cost of local housing was mentioned as a factor affecting business performance more in Uttlesford than in any other district, while local traffic congestion was mentioned significantly more in both Colchester and Harlow.
40. The transport network is a crucial factor for Essex businesses and residents, and investment is required to improve key road and rail networks. Consultation with local businesses, members of the public and other local partners during

the preparation of the 2011 Local Transport Plan highlighted the following:

- Supporting the economy is the most important role for the LTP
- Condition of highways and pavements is a priority
- Congestion affects productivity and discourages investment in Essex
- Improved links to London are considered to be important, especially rail links
- Ports and airports are drivers of the economy, but need infrastructure to support their growth
- Links to the rest of the UK are essential for the economy of Essex
- There is a need for higher quality more reliable bus services

The curve we need to turn

This section sets out the indicators through which we will judge our impact on the economic growth of Essex and illustrates the desired future trend for those key indicators.

41. In interpreting the data below, it is important to recognise that these are indicators of progress towards our desired outcome, rather than measures of the performance of the different projects and programmes advanced by ECC and its partners. This reflects the fact that, compared to the scale of private investment and trade flows within the Essex economy, local public sector spending on economic development is very small. We should not, therefore expect to see significant variations in these high level indicators as a direct result of our interventions.
42. In order to support performance management, and inform judgement of the impact we do have, each of our projects, programmes and interventions will be supported by a suite of performance measures which, taken together, will look to the quality and impact of our own interventions. This approach is consistent

with the principles of outcomes based accountability – the methodology upon which ECC's Strategic Planning Framework is based.

43. The purpose of the analysis summarised below is not to set hard targets for each outcome indicator, but to establish an agreed standard to help us quantify what good performance looks like from the outset and to help us quantify (and take action to manage) progress towards our goal.
44. Recognising the paucity of local economic data, ECC's Place Commissioning function, with support from ECC's Strategy team have commissioned Cambridge Econometrics to baseline the position for key indicators at 2014, establish seven-year projections and provide regular updates on changes in the local economy. This intelligence will allow us to make evidence-based judgements on where progress is being made and where further action is required.

Tables 2-13: indicators to track progress against our outcome

Indicator	Projected trend			
EG1:a Job growth – over the next seven years we want to see the number of jobs in the Essex economy increase in line with, or faster than, our demographic projections	After 1 year	After 3 years	After 5 years	After 7 years
	xxx jobs	xxx jobs	xxx jobs	xxx jobs
Indicator	Projected trend			
EG1b: Job growth in key sectors – over the next seven years we want to see the number of jobs in Essex increase in line with , or faster than, our demographic projections	After 1 year	After 3 years	After 5 years	After 7 years
	xxx jobs	xxx jobs	xxx jobs	xxx jobs
Indicator	Estimated planned house building			
EG2: Housing growth – over the next seven years we want to see levels of house building that keep pace with in Essex consistent with the full delivery of partners local development plans.	After 1 year	After 3 years	After 5 years	After 7 years
	xxx new homes	xxx new homes	xxx new homes	xxx new homes

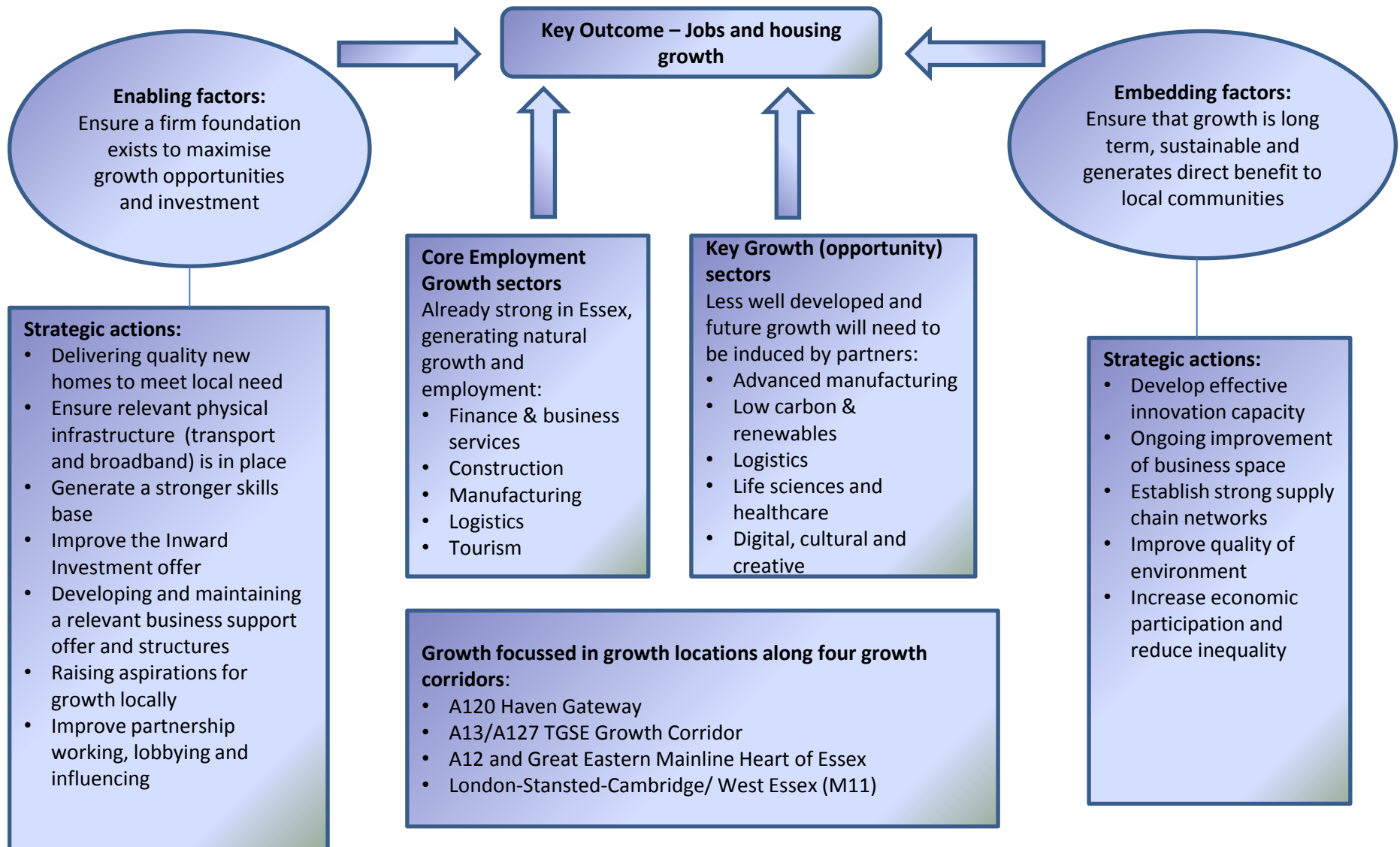
The curve we need to turn

Indicator	Desired future trend			
EG3: Supply of fit for purpose business premises - we want to see businesses in key growth sectors reporting that they can access fit for purpose premises in Essex	After 1 year	After 3 years	After 5 years	After 7 years
	Year on year increase on baseline position			
Indicator	Desired trend			
EG4: connectivity and journey time reliability on priority route network (PR1) – we want to minimise the impact that increased traffic volumes have on journey time reliability	After 1 year	After 3 years	After 5 years	After 7 years
	Minimal reduction in JTR from baseline position			
Indicator	Desired trend			
EG5: Number of bus and/or community transport journeys – over the next seven years we want to minimise the reduction in bus journeys in Essex	After 1 year	After 3 years	After 5 years	After 7 years
	Minimal reduction in baseline position			
Indicator	Projected trend			
EG6: Median earnings - we want to see increases in the median earnings of those working in the Essex economy increase in line, or faster than, our independent projections	After 1 year	After 3 years	After 5 years	After 7 years
	£xx per year	£xx per year	£xx per year	£xx per year
Indicator	Desired trend			
EG7: coverage of superfast broadband – we want to maximise the coverage of superfast broadband for businesses and communities across Essex	After 1 year	After 3 years	After 5 years	After 7 years
	90%	xx%	xx%	99% coverage
Indicator	Desired trend			
EG8: Sustainable business start-up rates – we want to see more business start-ups surviving after 1, 3 and 5 years	After 1 year	After 3 years	After 5 years	After 7 years
	Increased survival rates at 1, 3 and 5 years from baseline position			

The curve we need to turn

Indicator	Desired trend			
EG9: Essex businesses in key sectors can recruit suitably skilled people	After 1 year	After 3 years	After 5 years	After 7 years
	Fewer businesses reporting skills gaps from baseline position			
Indicator	Desired trend			
EG10: the percentage of working age people in employment - we want to see an increase in the number of residents in employment	After 1 year	After 3 years	After 5 years	After 7 years
	Increased employment levels relative to baseline position			
Indicator	Desired trend			
EG11: Business rates growth – over the next seven years we want to see sustained increases in the NNDR tax base	After 1 year	After 3 years	After 5 years	After 7 years
	Tax base increases at an average rate in excess of xx%			

Sustainable Economic Growth for Essex Communities and Business - Commissioning Strategy framework



Employment Growth

Employment is at the heart of the strategy and the overarching objective is to achieve a significant increase in net employment by focussing on growth that is available in the county's main employment sectors (core sectors) whilst also stimulating growth in a series of opportunity sectors. Overall this employment growth will come from three main sources:

- Expansion of enterprises already present in Essex. This is most likely to be the source of employment growth for 'core sectors'.
- New inward investment from incoming operators and occupiers from either domestic or international sources. This could be relevant to core and opportunity sectors.
- New business starts which are likely to be very small or micro in scale.

Supporting growth in core sectors

Existing core sectors, collectively, provide a strong platform for ongoing employment growth. There are, however, a number of issues to be considered in taking these sectors forward:

- The need to facilitate continued employment growth by delivering or promoting the main components for growth in terms of sites and premises, skills, market access and well established supply chains.
- Enabling the internal diversification of these sectors through access to a flexible, high quality skills base, to R&D and innovation services as well as effective managerial capacity.
- Establishing a sub-regional and regional level 'critical mass' in certain activities in order that they form a core component of a broad geographic economy.

Supporting growth in opportunity sectors

Growth in core sectors must be fully complemented by the growth and development of a number of sectors which offer additional sources of new employment and which simultaneously contribute to the twin goal of economic diversification. A number of interventions will be required to support growth of these 'opportunity sectors'. Key components of a sector strategy for each target sector will involve the following components:

- *A specific investment marketing offer* – It is important that Essex develops a positive marketing offer for both core and opportunity sectors. Key activities will need to include detailed sector intelligence, identification of potential investor segments, pre-emptive skills development activity and development of tailored marketing messages.
- *Premises/property* – premises, property and land for initial location, relocation and expansion is critical for business and employment growth.
- *Transport issues* – all sectors to some extent rely on the movement of goods and services on to national and international markets. Road congestion has a significant impact on the perception of the county.
- *Staff training and recruitment* – it is fundamentally important that skill levels are improved.

Employment Growth

- Innovation – supporting innovation within existing businesses will be critical to generating an increase in higher skilled employment.
- *Business support* – it is important to ensure that available business support is effectively penetrating businesses in target sectors.
- *Improving operations* – Developing new approaches to actually doing business will be important.

Opportunity Growth Sectors

The following opportunity sectors have been identified:

Sector	Role in the Essex Economy
Advanced manufacturing	The advanced manufacturing sector in Essex consists of an estimated 960 companies with a combined GVA of £1.7bn. It employs some 21,900 people (c.1.6% of the jobs in Essex) but accounts for 6.7% of Essex's total outputs.
Low carbon & renewables	This is a significant sector across Essex, with a growing demand for low carbon and environmental goods and services to meet the UK's carbon reduction target of 80% by 2050. Based on research commissioned by the BIS in 2010, these sectors already account for almost £3bn in business turnover per annum, across 1,348 companies, and employing almost 20,000 people in Essex.
Logistics	The logistics sector in Essex accounts for approximately 1,800 firms, employing 17,800 people with an annual GVA of around £1.2bn. The sector is heavily dependent upon Essex's seaport and airport connections, and access to South East markets and Europe. Essex is the site of the largest combined deep sea container port and logistics park project in Europe (DP World/London Gateway) and the UK's third largest airport for freight and fourth largest for passenger travel (Stansted).
Life Sciences & Healthcare	This is the key sector in Chelmsford, Colchester, Harlow, Southend and Tendring . In 2014 there are estimated to be 59,000 jobs in the sector in Greater Essex making it the largest of the opportunity sectors. There has been an increase of 9,000 jobs over the period 2001-11, the majority of which have been in Basildon (3,800) and Chelmsford (2,700). Projections show that an additional 13,000 jobs can be created in the sector over the period 2014-25 supported by growth in Basildon, Chelmsford, Harlow and Southend.
Digital, Cultural & creative	Basildon has the largest Digital, Cultural and Creative sector in Greater Essex accounting for 9% of the district's total employment. It is also Brentwood and Epping Forest's largest key sector. Over the period 2014-25 the sector in Greater Essex as a whole is projected to increase by 2,400 jobs , with largest growth in Basildon, Chelmsford and Colchester.

Growth Corridors

Through the development of the Essex Economic Growth Strategy and more recently the Economic Plan for Essex, four growth corridors have been identified, namely:

- A120 Haven Gateway
- A13/A127 TGSE Growth Corridor
- A12 and Great Eastern Mainline Heart of Essex
- London-Stansted-Cambridge/ West Essex (M11)

These corridors collectively form the locations for housing and employment growth and they will each play a unique role in securing growth. These roles are based on location characteristic, local economic history and linkage to surrounding areas. Each corridor will be subject to a detailed master planning exercise which identifies sites for development and priority options for physical, economic and social improvement. Critically these corridors will provide a mix of housing which will allow new and existing residents to stay and grow in the county.

In each of the corridors there are developments and investments that need to be made to provide the impetus for growth and these are identified in the following sections.

Growth Corridors: A120 Haven Gateway

The Haven Gateway Growth Corridor includes the districts of Braintree, Colchester and Tendring, linking Harwich International Port in the east to Stansted Airport and the M11 in the West via the A120. Employment growth will be targeted in the following sectors: low carbon and renewables, life sciences and healthcare, advanced manufacturing and logistics. Growth will be focussed on growth locations in Braintree, Colchester and Tendring.

In Tendring there is a natural clustering of activity in the **low carbon and renewables** and **logistics** sectors, particularly around Harwich which is one of the UK's largest and most experienced port complexes in the offshore renewables industry. Proposals to designate Harwich as a Centre for Offshore Renewable Engineering (CORE) location and Assisted Area Status for Tendring provide significant opportunity for further investment and as a result there will be significant additional growth beyond 2021. Key opportunities include the potential of offering operations and maintenance support to the renewable sector from Harwich and its surrounding area. This includes potential development at Gas House Quay as well as developments at Pond Hall Farm and Horsley Cross (Tendring Europark) and longer term plans to develop the port at Bathside Bay (a consented container terminal). In support of this, the development of an Energy Skills Centre in Harwich is currently underway.

Braintree provides the opportunity for significant growth. The second phase of Skyline 120 will create a further 1,100 direct jobs and over 1,000 indirect jobs and stimulate further housing and employment development in the corridor. Witham is a significant housing and jobs growth location with a further 900 houses and 2,000 jobs to be delivered in Maltings Lane/ Lodge Farm, including a 5 hectare Business Park. There is an opportunity to develop incubation and enterprise facilities to stimulate jobs growth through the development of an Enterprise Centre. Panfield Lane is a mixed use development which will include 600 new homes and a new employment site with the potential to create 2,800 jobs. There is also a concentration of **manufacturing** firms along the A120, with a noticeable cluster around Braintree. This, and other sectors, will be supported by the development of a STEM training centre at Braintree college.

Colchester will also accommodate significant future growth, with development planned for the town centre and the Northern Gateway which will be developed as leisure/sporting hub with the potential to create 3,500 jobs and 300 homes. Development of the University of Essex Knowledge Gateway will deliver a world class resource to support the use of data analytics and data science creating high value jobs. Further opportunities in this corridor include the **digital, culture and creative** sector, which has a significant cluster in and around Colchester. In support of this focus, a new digital incubation centre for the creative industries in the heart of Colchester is proposed. As a key retail and employment centre, Colchester's town centre is also of importance, as is the potential of its Stanway growth area. The development of a STEM training centre will help raise local skill levels.

As the only key east to west route cutting through Essex, the A120 as a gateway route is recognised not only by the Highways Agency (which has recently completed a Route Based Strategy across half of its length) but also by the three local authorities, who are working with ECC to establish selected sites as "Enterprise Areas" along the A120.

Housing growth in this corridor will mostly be delivered in Colchester and Braintree, whilst Colchester and Tendring are working closely together in recognition of the potential land available for housing on their border.

To facilitate this growth investment is needed in key road and transport infrastructure including the A120 and A12.

Growth Corridors: A12/Great Eastern Mainline (Mid-Essex)

The Mid- Essex growth corridor runs through the centre of Essex linking London to the Haven ports and the key urban centres of Brentwood, Chelmsford, Colchester and Maldon. The corridor has strong links with the London labour market, supporting substantial commuter flows to and from the capital. These links will grow and strengthen as Crossrail is completed, when new services will stop at Brentwood and Shenfield, both of which will benefit from planned improvement works to facilitate these new services.

As a key growth location, there are significant growth initiatives and new business developments within the City of Chelmsford, supported by city centre public realm improvements. As the Essex home of the Anglia Ruskin University, Chelmsford is a major centre for higher education. ARU have ambitious plans to develop its strengths in the **life sciences and healthcare** sector, through the hosting of one of its three Med Tech Campuses in Chelmsford. The Chelmsford Campus already hosts the Medical Business innovation centre (MedBIC) and a further innovation centre is currently in delivery. The Anglia Ruskin MedTech Campus is an exciting and ambitious project to position Essex as a leading location for the development of the medical technology sector through a package of tailored business support and the development of three MedTech business parks in Chelmsford, Harlow, and Southend. In Chelmsford a site to the north of the city centre is being master planned which has the potential to create over 3,000 jobs.

In addition, there is a strong **finance and business services** focus within the city, providing employment growth opportunities within a well established sector.

Chelmsford is also a key city for housing growth in Essex. Whilst current delivery is high, plans are also developing further for an area in Northern Chelmsford, with a linked new railway station (Beaulieu Park) and business park. The city centre is also a key focus. With retail developments progressing (John Lewis and Waitrose) and further central housing sites (Chelmer Waterside), a key focus of activity for ECC is the delivery of an integrated transport package in and around the city centre.

Brentwood and Maldon also make significant contributions to the Essex economy in a number of sectors, notably **financial services, advanced manufacturing and life sciences**. There are particular challenges and opportunities linked to the future of the Bradwell power station site, currently in a de-commissioning phase. As such, the development of the local labour market in high-tech and **advanced manufacturing** industries is of interest here. One such development is of an employer-led STEM & Enterprise Skills Centre in Maldon which will support this by providing training and apprenticeships in STEM sectors. Additional growth plans include the Causeway regeneration programme and, relative to the district's size, a significant numbers of new homes.

Growth Corridors: London-Stansted-Cambridge (M11/West Anglia Main Line)

The west of Essex forms part of the London-Stansted-Cambridge Corridor (LSCC), connecting London, Stansted and Cambridge, via the M11 and the West Anglia Main Line. The Corridor has enormous growth potential building on connections with London and local strengths in the **digital and creative** and **life sciences sectors**, particularly around Stansted Airport and in Harlow.

In this corridor growth will be focussed in Harlow. Harlow Enterprise Zone (EZ) has the potential to create 5,000 jobs in the life sciences and healthcare sector. Important elements of the EZ project are in development, including highways improvements and the refurbishment of the Nortel complex. The EZ's success is also dependent on further support including the development of the ARU Med Tech campus and the establishment of a Med Tech innovation centre. Inward investment activity will need to target investors from the life sciences and healthcare , advanced manufacturing and digital, creative and cultural sectors. Central to the success of the EZ, and to the unlocking of sites for several thousand homes, is the delivery of Junction 7a on the M11.

The significant **advanced manufacturing** sector in Harlow will also be supported through the development of the Harlow Manufacturing and Engineering Centre, which when delivered will provide state of the art facilities to meet the skills requirements of existing businesses and those investing in the corridor. This sector will be further supported through the opening of the first University Technical College to open in Essex, in Harlow in September 2014. An avionics hub will be developed in North Weald.

The advanced manufacturing sector will be supported by the development of the Harlow Manufacturing and Engineering Centre providing state of the art facilities and equipment to deliver continuous learning in support of local businesses in this sector and will support employers through the establishment of a Group Training Association.

In Stansted Airport, the LSCC has a key economic asset with significant potential to catalyse growth across the corridor and beyond. The airport is an important component of the Essex economy and a major employment hub, currently employing 10,900 workers, over half (59%) of whom live in Essex. Stansted Airport is a major freight transport asset as well as being the fourth busiest airport in the UK by passenger numbers. It has significant growth potential in the logistics sector with an operational capacity to handle up to 45 million passengers per annum. However, whilst currently operating at less than half its potential operational capacity, the airport has much growth potential and plans to deliver over the next 10 to 15 years. The surface access impacts of a growing Stansted therefore need careful consideration and investment. This includes not only road but also rail transport, with improvements to the West Anglian Main Line a key area of need, not just for Stansted but for the economic growth of the corridor through to Cambridge.

Considerable housing growth is possible in Harlow (approaching 20,000 homes), however this growth is currently constrained through transport/highways (J7a) and boundary issues (with East Herts and Epping Forest).

Growth corridor: A13/A127 South Essex

The districts of Basildon, Castle Point and Rochford, along with the unitary authorities of Thurrock and Southend, form Thames Gateway South Essex (TGSE) which is part of Thames Gateway, the largest regeneration opportunity in Europe. Along this corridor the A13 links the key port infrastructure of Tilbury and London Gateway with London and wider strategic road networks, while the A127 corridor connects the capital to the manufacturing hub of Basildon, and to Rochford, Southend, London Southend Airport and surrounding employment areas.

The corridor is home to Basildon the innovation capital of Essex and TGSE and to support this it is planned to open the South Essex International Innovation Growth Hub. To remain a competitive location for growth, it is recognised that Basildon must continue to innovate and offer new and modern facilities and support for entrepreneurs and SMEs to develop technologies and benefit from the leading worldwide companies that are based in the district. This will in turn strengthen the economy through the creation of high value jobs and maintaining a local supply chain.

Basildon also has the largest concentration of employment in Essex and one of the largest concentrations of **advanced manufacturing** businesses in the South of England, including in the area of **low carbon and renewables**. In order to sustain and build on this position, significant effort is required to support the development of the existing local labour market, particularly in high skilled roles, by both up-skilling the local workforce and attracting talent into the area. ECC has been working with Prospects College, and local schools, to support this need. There are ambitious plans to redevelop the town centre and railway station including the relocation of South Essex College's Basildon Campus from Nethermayne to Basildon town centre, with a particular focus on supporting the **health sector**, and a resulting release of land for new housing.

London Southend Airport has undergone a transformational regeneration programme and is now an award-winning international gateway. The land on which the airport and the surrounding commercial estates are located spans the political boundary between Southend and Rochford. Accordingly, the authorities have jointly commissioned a Joint Area Action Plan (JAAP) which contains detailed proposals for the development of London Southend Airport and surrounding area to deliver new jobs and a high end business park. The new Saxon Business Park will be home to one of the Anglia Ruskin **Med Tech** campuses.

The transport package supporting the JAAP area includes site access, junction improvements and a range of sustainable transport measures.

Elsewhere in TGSE the development of London Gateway, the expansion of the port of Tilbury, High House Production Park at Purfleet and the creation of Thames Enterprise Park on the former Coryton Oil refinery site, along with other opportunities across South Essex as a whole, provide the opportunity for employment growth in a range of sectors and associated supply chains, including our key sectors of **advanced manufacturing, logistics, low carbon and renewables, digital, cultural and creative, and life sciences and healthcare**.

Securing Growth - Issues to address in order to turn the curve

This section sets out the issues that ECC and its partners will need to focus activity and resources on if it is to secure progress towards the outcome as measured by the indicators on pages 10 to 12. These issues are reflected in the enabling and embedding factors that need to be addressed to sustain a 'turn in the curve' as articulated on slide 13.

To enable growth we will:

- *Generate a stronger skills base* - commission skills programmes that emphasise employability; give employers a greater role in influencing the skills system - closing the gap between the needs of business and the choices learners make; influence young people's perceptions of careers relating to STEM; and increase provision and facilities in the county to enable delivery of the skills programmes.
- *Ensure relevant physical infrastructure is in place* – economic growth requires that key components of physical infrastructure are in place including quality access infrastructure that facilitates the effective and efficient movement of goods and people; strategic employment sites in key locations that offer business and investors sound opportunities for future growth and development; and housing sites in key locations.
- *Deliver quality new homes to meet local need* - work with partners to develop a joined up housing strategy to determine overarching housing need; and develop a more proactive relationship with developers and housing associations to better understand the barriers to investment and development. Ensuring that the wider planning system is responsive to the need for job and housing growth.
- *Maintain a relevant business support offer and structures* – the business support offer and associated delivery arrangements should be configured specifically to encourage business growth and diversification. This includes diversification across sectors as well as within sectors. There is already a significant volume of business support available to businesses in Essex. A key requirement is that this existing infrastructure is utilised as effectively as possible while developing new support which adds to extends existing delivery.
- *Raise aspirations for growth locally* – the development of improved aspiration is key to successful economic development and employment growth. There is a role here for targeted marketing of opportunities emerging from the growth agenda and how these can be taken advantage of by local people. There is also an opportunity to tie learning processes to the needs of target sectors. This might include initiatives in schools to encourage young people to consider careers in target sectors.
- *Improve the Essex offer to attract inward investment* – in terms of growing employment a broad range of components must be in place to attract investment by employers new to Essex and also to encourage re-investment by existing employers. These include development ready sites; appropriate infrastructure; adaptable premises and business space; quality skills base; and high quality business support. Other enabling and embedding factors will seek to improve the offer which will need to be marketed to target markets and individual investors.
- *Improve partnership working* – a number of key partners and partnerships will play key roles in the delivery of this strategy.

Issues to address in order to turn the curve

To embed growth we will focus on the following strategic actions:

- *Ongoing improvement of business space* – it is important to ensure that on an ongoing basis a relevant range of business space is available in Essex. This should allow firms to locate or start up in the area, to develop and expand further and ‘move on’ to other types of space as required. There is a need to ensure that when gaps become apparent in the range and usage of different types of space that steps are taken to fill that gap either through direct action or by encouraging developer interest.
- *Developing effective innovation capacity* – The twin goals of employment growth and economic diversification require that existing and new businesses create more diverse functions and develop new products and services. The development of greater innovation capacity across Essex’s business base will involve direct outreach support to firms so that they are able to identify and fully exploit key areas for research, innovation and product development.
- *Effective business processes* – It is important to ensure that existing and incoming businesses are able to identify and access strong supply chain networks. To this end continually engaging with key employers will help to understand whether their needs are changing over time. In this way it will be possible to adapt services as time goes by. For example, in a sector undergoing a form of business orientation a reshaping of local business support or skills development infrastructure will help business to maintain market position.
- *Improving the quality of the environment* – Access to quality environments (urban and rural) is important on a number of fronts. Quality environments are conducive to improved health of local communities, acting as a positive influence on economic activity. Quality in natural and built environments is also a key factor in an effective inward investment offer. As such it is important that both urban and rural environments in Essex and the public realm components of these environments are maintained and enhanced.
- *Tackling unemployment and deprivation in communities.* – economic growth is more likely to be achievable and have long lasting benefits where local communities are equipped to take advantage of opportunities. This requires that communities do not face unnecessary barriers to participation. This effort should build upon existing activity and utilise existing infrastructure for delivery of both mainstream and specialist support services to communities as well as the expertise and skills of the voluntary and community sector.

Strategic Priorities

In pursuing the Commissioning Strategy framework, with a focus on growth locations and enabling and embedding factors, its aspirations have been summarised into six strategic priorities which will provide the focus for commissioning activity. These priorities are:

- Major infrastructure
- Enterprise and innovation
- Skills
- Housing
- Connectivity
- Influencing

The following pages detail the strategic actions which will be commissioned against each of these priorities. In this the first year of the new commissioning structure there are some areas where we will require further detailed work to be completed to ensure that the Commissioning Strategy, and the mandates which flow from it, remain focussed on the twin goals of housing and employment growth:

- We need to work with partners to prepare a master plan for each of the four growth corridors. These plans should build on the information provided on pages 17 – 20 of this strategy and identify a clear vision for growth, identify where the opportunities are and what we need to do to unlock that growth. They should also identify sites for development and consider other requirements such as skills and environmental improvements..
- We need to understand better the needs of our core and opportunity sectors and our coherent reaction to these across the priorities identified above. A key action, therefore, is to develop sector strategies for each of our key sectors, each of which will explore with the key businesses in those sectors what the skills, business support, infrastructure, connectivity and influencing requirements are to further develop within Essex.
- Within the county there is a clear requirement to develop new homes at a faster rate than they are currently being provided. Essex County Council needs to determine what its role will be in securing that growth so that it can commission appropriate actions and initiatives.

Strategic Actions (1 of 10)

The tables below set out, for each work stream; the key strategic activities that will help us deliver progress towards our desired outcome over the period 2014-2021. Our strategic actions are divided into two broad categories: conventional 'commissioning and influencing activity' to enable economic growth, and activity focused on 'enhancing delivery' mechanisms to secure enhanced outcomes over the longer-term.

Major Infrastructure Commissioning & Influencing		This work stream will see ECC and partners bring forward a £1bn pipeline of enabling infrastructure, using over £100m of ECC's own resources (up to £115m) to support the early stages of development and to bring forward a total of £1bn in investment from the private sector, public partners and HM Government.	
Commissioning influencing activities		Delivery Mechanism	Budget/resource issues
MI.1	Produce a master plan for each of the four growth corridors	External support will be commissioned to develop the master plans	EGS Capacity Fund
MI.2	Establish ECC's role in delivering housing growth across the county	In house: Policy support	Resourced through base budget for policy support team
MI.3	Delivery of key elements of the Highways and Transportation Programme (2014 - 2018); including Local Planning strategy development support; design and delivery of capital works to improve and extend the network; and strategic planning with partners in relation to national infrastructure.	In-house: Transport Strategy & Engagement team (TSE), Place Customer Operations, Essex Highways and private contractors	The total capital budget for the Highways and Transportation schemes aligned to this strategic outcome is £22.4m. Further developments beyond the Programme will be derived from SLGF resources to be committed in support of the EPfE. Given the constraints to public funds, innovative tools will need to be explored to supplement traditional funding sources. Infrastructure will ideally need to be designed to maximise its economic value and take account of the added-value that is generated. The alternative would be a shift from Predict and Provide on broad priorities to a more targeted approach, management of asset and demand.
MI.4	Negotiate with HM Government on the SLGF allocation to SELEP	N/a	Cabinet have delegated power to Cllr Bentley to negotiate as part of the SELEP team on the basis of a £115m maximum investment from ECC across the 6 year SEP period from 2015/16 to 2020/21 [the revenue impact of borrowing the full amount is £8m pa] .
MI.5	Development of project proposals already within the Local Transport Plan, EFPE and SELEP SEP project pipelines in readiness for delivery in 2015-16	In house through TSE and EG&D and in partnership with districts and other local partners	Resourced through base budget for in house operational teams and earmarked capital fund £3m for advanced scheme design.
MI.6	Identification of future projects for development pipeline (2015-16 – 2021) towards our target of £1bn infrastructure investment, based on the EPfE/SEP pipeline of £760m of enabling infrastructure projects.	In house: TSE and EG&D	Resourced through base budget for in house operational teams. Future delivery of projects to be resourced through LA capital investments (up to £115m for ECC), leveraging a further £645m in private and HM Government investment (dependent on the outcome of growth deal negotiations and other external funding opportunities) Officer support to be resourced through base budget for in-house operational teams.

Strategic Actions (2 of 10)

Major Infrastructure Enhancing delivery

In support of our work to deliver a pipeline of enabling infrastructure in Essex, and to ensure that this pipeline continues to develop and can be increased in scale and ambition over time, we proposed a programme of work to enhance deliver arrangements. This means working with partners to scope, design and develop a 'major infrastructure delivery unit'; develop a planning compact across Essex local authorities and establish a property partnership board to use public sector assets to incentivise private investment.

Activities to enhance delivery		Rationale	Financial Implications
MI.7	<p>2014-15 - Scoping, and securing agreement to the concept of a Major Infrastructure Delivery Unit with partners across Essex</p> <p>2014/15 – establish an Essex Developer Forum to proactively engage with private sector developers in order to fully understand their barriers to development and ECC's role in their resolution.</p> <p>2014-15/2015-16 - Developing an Outline Business Case and Full Business case for the creation of a major infrastructure delivery unit</p> <p>2015-16 – Launch of new Major infrastructure Delivery Unit</p>	<p>Mirroring practice currently employed in other areas of the UK, a MIDU has the potential to bring together skills, capacity and development experience from across the public and private sector in order to identify the key infrastructure investments required in support of growth, thus creating a single infrastructure plan for the county.</p>	<p>It is envisaged that in creating a new MIDU early revenue investment may be required . However, this would be in the context of maximising in-house ECC and partners capacity and the potential may exist for medium term efficiencies to be achieved via economies of scale and the creation of a more efficient delivery unit within ECC and across partners.</p>
MI.8	<p>2014-15 - Working with partners to scope and develop a planning compact building on the 'duty to cooperate' in existing legislation</p> <p>2015-16 – agreeing an Essex Planning Compact across Essex and exploring options for strengthening the planning compact</p>	<p>With a series of collective commitments in place, partners could deliver planning decisions faster, and with greater certainty. Partners could also share specialist expertise and to provide tailored support to customers bringing forward large planning applications that can unlock growth in homes and jobs</p>	<p>Earlier certainty and more effective decision making would yield efficiencies across partners; de-risking the proposal, reduce abortive cost , reduce overall costs of development and assist with leveraging secondary investment. These benefits could be aligned to participating parties to the development.</p>

Strategic Actions (3 of 10)

Enterprise & innovation
(Commissioning & Influencing)

This work stream will see ECC continue its work to support businesses across Essex, placing greater emphasis on our key sectors. Our work to support businesses will be delivered through the five programmes outlined below. Three of these programmes – business creation, innovation and inward investment have been supported with additional funding for 2014-15 under Essex's previous economic Growth Strategy. Without this additional resource, the programmes will make a contribution to the outcomes we seek, although this will diminish in line with resources.

Commissioning influencing activities		Delivery Mechanism	Budget/resource issues
El.1	Understand the needs of priority economic sectors (advanced manufacturing, logistics, life sciences and healthcare, digital, creative and cultural and low carbon and renewables) and develop coherent plans in partnership with the sectors themselves, in support of their growth and further economic success.	Commission external support	EGS Capacity Fund.
El.2	Business Creation: this programme aims to support business start-ups and innovative spin-offs to be successful and to position themselves for growth. Within this programme, ECC will run three business incubation centres (Clacton; Basildon; Ongar), using surpluses from the these centres to cover costs, make incremental improvements and invest in wider business creation programmes. (2014-15)	In house: ECC's enterprise and innovation service, which includes Invest Essex	Incubation centres are to generate a surplus of c£29k to be in line with their controllable budget. ECC's enterprise centres do generate income that funds the totality of their running costs, delivers a surplus for ECC and allow for investment in wider business creation programmes on an ad hoc basis and with commissioner agreement.. For 2014-15 additional funding of £131k has been made available to support business creation work through the terms of ECC's previous Economic Growth Strategy. There is no certainty that this will continue in 2015-16 and beyond. Whilst ECC will benefit from growth in business rates revenues, this will potentially increase short term budget pressures should alternative funding sources not be identified;.
El.3	Innovation: this programme aims to enhance business productivity through innovation. At the heart of the programme is mentoring scheme under which business mentors are assigned to clients over a period of 6-9 months to provide advice and support. Wider activities include networking, support for private sector funding bids, and supply chain development activity. (2014 – 15)	In house: ECC's enterprise and innovation service, which includes Invest Essex	The Innovation programme is supported by a core budget of £136k. For 2014-15 additional funding of £163k has been made available to support business creation work through the terms of ECC's previous Economic Growth Strategy. There is no certainty that this will continue in 2015-16 and beyond which will potentially increase budget pressures.
El.4	Increasing exports programme: this programme provides support for Essex companies looking to enter and expand in international markets. It focuses on our existing relationship with China, supporting around two trade missions per year and supports companies to trade by providing market research and intelligence to local firms. (2014 -15)	In house: ECC's enterprise and innovation service, which includes Invest Essex	The Increasing Exports programme is supported by a core budget of £246k. However, income earned through the provision of consultancy services and trading support to the private sector and under agreement with Suffolk and Norfolk County Councils, means that ECC's Nanjing office is, in effect, self funding.
El.5	Inward Investment programme: This programme promotes Essex as a business destination, targeting lead generation towards companies in sectors and international markets where ECC has prioritised growth. The programme supports investors through an account management approach, providing services that draws on the wider offer to business.	In house: Invest Essex	This programme is supported by a core budget of £487k. An additional £166,000 was made available in 2014-15 under the terms of ECC's previous Economic Growth Strategy. There is no certainty that this will continue in 2015-16 and beyond which will potentially increase budget pressures.

Strategic Actions (4 of 10)

Enterprise and Innovation
(enhancing delivery)

At present, different partners across Essex typically work on a localised basis, which generates some highly effective local outcomes, but does not benefit from the scale which an Essex-wide perspective could bring. Going forward, partners in Essex – including the County Council, the District Councils, the University of Essex and Anglia Ruskin University – will work under one brand for Essex providing a joined-up and coherent service so that businesses understand where and how to access support. In doing so, we will work with business membership groups, particularly Essex Chamber of Commerce. We also recognise that there is a large ecosystem of private firms providing professional expertise and advice to companies already. Therefore, we will only seek to complement, and not to replace, existing provision in Essex.

Activities to enhance delivery		Rationale	Financial Implications
El.6	Tourism: Visit Essex provides promotional and marketing support for the Essex tourism industry, promoting Essex to tourists and business travellers through four campaigns per year.	Partnership: Visit Essex	Visit has an annual gross expenditure budget of £440k.
El.7	<p>2014-15: Developing an integration framework with universities and other stakeholders and scoping out engagement with DC and BC partners.</p> <p>2015-16: Integration phase 1 – enterprise and innovation support services across Essex are brought together are brought together under a single brand and provide a clear pathway for business to access services</p> <p>2016-17: integration phase 2 – enterprise and innovation support services are brought together through joint commissioning with partners and through an integrated delivery vehicle.</p>	The integration of business support services – to different levels – will give businesses a clearer pathway for accessing support and allow more effective promotion of the ‘Essex offer’ to key growth sectors.	The integration of activity under a common brand is unlikely to deliver substantial savings opportunities, but integration of delivery vehicles and the exploration of joint commissioning options with partners may highlight opportunities.
Review of commissioning activity - <i>Recognising that existing commitments are in place for 2014 – 15, we will begin a process of review to consider where there is a case for commissioning new activities, decommissioning current activities or exploring alternative delivery models.</i>		Rationale	Financial Implications
EIR.1	2014-15: Review of the impact of ECC’s work to support international trade in China, exploring options for expanding this work to focus on other BRIC countries	If ECC’s work to support exports is demonstrated to have a substantive impact on outcomes for the client population, then expansion of the authority’s work to other growth economies could make a greater impact still.	This could represent a cost pressure – in the short-term at least – but options for working with national partners (e.g. UKTI) and for generating consultancy income may help to mitigate these.
EIR.2	<p>2014-15: Review of Invest Essex activity to:</p> <ul style="list-style-type: none"> • ensure outcomes are clearly linked to the needs of the Essex economy; • explore existing and alternative delivery models; • further exploit opportunities for trading, income generation and self-financing; and • ensure appropriate engagement with partners and prepare for any potential integration with delivery partners. 	A clear evidence base on the relative effectiveness of different programmes and on opportunities that might arise from integration with partners will be vital in helping to shape integration activity.	Undertaking the review is unlikely to have direct financial implications, although decisions taken as a result of review findings will need to be assessed in financial terms.

Strategic Actions (5 of 10)

Skills
(Commissioning & Influencing)

Local partners want to see changes to the skills system that close the gap between employers and learners and give local businesses a greater role in influencing the local skills system. We also want to use the strength of our public-private partnership to improve the skills, unlock opportunity and enhance productivity across the labour market. It is the Greater Skills Evidence Base, combined with a suite of responses to it that are to be increasingly determined by industry, that will seek to ensure that future new jobs created have a readily available supply of local skilled people to fill them. In order to encourage a growing pipeline of talent which enters the labour market there are also a range of issues that need to be addressed with the schools system (including academies), which are covered in the commissioning strategy for Education, training and life-long learning.

Commissioning influencing activities		Delivery Mechanism	Budget/resource issues
S.1	<p>The Essex Apprenticeship Programme: This programme is designed to stimulate an uptake of apprenticeships and support young people into jobs. The programme has supported 2,763 young people into jobs in over 100 apprenticeship frameworks – a third of which were STEM-related. Of those completed as of March 2014, 79% sustained employment (often with further training).</p> <p>The need for ECC intervention has always been seen as a short term need, with the intention that ECC's support should be focused on changing attitudes within key industries where Apprenticeships numbers have been low, and in ensuring that there is an employer demand which training providers can respond to and invest in.</p>	Financial incentives and employer-led skills brokerage through the Apprenticeship Training Agency and Group Training Association; also partnering with district councils.	£1.030M Due to the progress that has been made we should begin considering a planned withdrawal from direct financial intervention as numbers grow. The potential may exist for medium term efficiencies to be achieved
S.2	<p>The STEM Industry Project: This project aims to raise awareness of, and demand to enter, STEM-related industries amongst young people. The aim is to ensure that young people can make informed training, qualification and career choices. This project has supported over 1,000 pupils at 12 schools to engage with key sector STEM businesses through company visits. Planned expansion to 18 schools in 2014/15 with proposed further increase to 36 schools by March 2016.</p>	The project is delivered through a range of Essex partners	£50,000 EGS (18 schools) £84,000 to increase to 36 schools
S.3	<p>The Skills for Economic Growth Project: This programme will co-invest with private sector through training grants of an average £2,800 to help business fill skills shortage vacancies. It is designed to fill the gap in local skills provision, boost employment and support business growth. The project was recommended by the ESB based upon successful delivery of its similar predecessor programme that delivered an economic return of £26 for each £1 of public money invested, with an estimated impact of £5.6million.</p>	Training provider partners; administered by the Skills for Economic Growth team.	£675,440 (Skills Investment Fund)
S.4	<p>The Greater Essex Skills Evidence Base: This programme develops an evidence base to accurately describe current and future skills and employment needs in Greater Essex. The information set out in the Evidence Base has led to investment in multi-disciplinary skills centre across Essex in a range of industries, including: environmental technologies; offshore wind and renewable; marine engineering; and aircraft maintenance.</p>	Essex Skills and Employment Board	£5,000
S.5	<p>Strategic Leadership: ECC undertake a pivotal strategic role in skills across the County and through the South East LEP, utilising the strength of the ESB and wider relationships with employers, partnership working with Providers and engagement with schools.</p> <p>ECC and the ESB will take a led role in the recommendations of Skills capital investment in Essex, through the LEP Local Growth Fund and activity for ESF commissioning (please see SA 6)</p>	Employability and Skills Team Essex Skills and Employment Board	Resourced through base budget for Employability and Skills Team

Strategic Actions (6 of 10)

Skills
(Commissioning & Influencing)

...continued

Commissioning influencing activities		Delivery Mechanism	Budget/resource issues
S.6	<p>Additional activities commissioned under European Social Funding, through the South East LEP:</p> <ul style="list-style-type: none"> • Employer-led Infrastructure & Information, Advice & Guidance (IAG): This programme will provide clearer engagement routes for employers to ensure a better match between supply and demand for skills and recruitment. Impact - 10,500 additional face to face IAG support for over 15s through the National Careers Service; and 2,750 young people engaged in projects promoting STEM Industry in Schools • Increasing apprenticeships & other vocational provision in priority sectors: This programme is designed to stimulate an uptake of apprenticeships and support young people into jobs through the use of employer-led skills brokerage and financial incentives. Impact - 3,500 additional apprenticeships targeting growth sectors • Up-skilling the workforce & SME Growth – supporting employer-responsive provision. This programme funds training targeted at growth sectors by offering financial incentives and retraining opportunities for adults wishing to acquire skills for key growth sectors. Impact - 1,650 bespoke higher level skills courses for SMEs; and 1,750 adult retraining courses in priority sectors to promote economic growth 	<p>Essex Skills and Employment Board; Essex Portal; Priority sector guilds; enhanced IAG.</p> <p>Financial incentives and employer-led skills brokerage through the Apprenticeship Training Agency and Group Training Association; also partnering with districts.</p> <p>To follow</p>	<p>£6.72m in total (from 2014-21) ECC contribution is £0.3m (there is no certainty that this will continue in 2015-16 and beyond, which will potentially increase budget pressures) . £3.36 million in EU funding from ESF, SFA; £2.67m in external funding (including £0.37m from private sector); and £0.4m from FEI.</p> <p>£17.04m in total (from 2014-21) ECC contribution is £0.4m (there is no certainty that this will continue in 2015-16 and beyond, which will potentially increase budget pressures) . £8.5million in EU funding from ESF, SFA; £6.4m in external funding; and £1.7m from FEI.</p> <p>£13.48m in total (from 2014-21) No ECC contribution £8.5million in EU funding from ESF, SFA; £4.0m in external funding (including £1.9m from private sector); and £2.7m from FEI.</p>

These programmes will drive forward the direction set by the Essex Employment and Skills Board to:

- create a balanced approach to training provision to better ensure the needs of employers and young people are met; particularly focusing on increasing the talent pool for and within STEM-related sectors; and
- increase participation of young people aged 16-24 in work, education and training through enhancing employability and basic skills, raising awareness of careers in key sectors, and stimulating apprenticeships and other employer supported vocational pathways.

Housing (Commissioning & Influencing)

This workstream will see ECC take a greater strategic role in relation to housing development in Essex. While Local Plans that set out the scale of housing required are prepared at a district level, ECC supports this process and is keen to ensure that we have a comprehensive understanding of the level of housing need and the plans in place to deliver it so that we are better able to work with partners to address barriers and promote development, particularly in our growth locations.

Commissioning influencing activities		Delivery Mechanism	Budget/resource issues
H.1	Development of a clear understanding of housing need in Essex (to be reflected in Local Plans) based on the needs of all resident groups and the economic needs of the county.	In house: People and Place Commissioners, finance	Resource implications to be considered as a result of this activity, including an understanding of the impact on housing development on tax revenues
H.2	Development of a clear understanding of the barriers to housing growth and the role that ECC can play in addressing these, including activities to promote a coordinated approach to planning (link to MI.7 and MI.8)	In house: place Commissioners	Resource implications to be considered as a result of this activity
H.3	Development of strategic options to be considered by CCB and SCB in relation to ECC's wider engagement in housing. These plans will then frame commissioning work on housing across all outcomes.	In house: People and Place Commissioners	Resource implications to be considered as a result of this activity

Strategic Actions (8 of 10)

Housing (enhancing delivery)

ECC recognises that a significant barrier to growth in Essex is the stalled housing market. This workstream will deliver partnership projects that seek to remove some of the barriers to housing development, in particular by releasing land for development.

Activities to enhance delivery		Delivery Mechanism	Budget/resource issues
H.4	2014 -15 - Establish a property delivery unit to support the Housing and Public Sector Land Public Service Reform Project. This project will deliver more land to housing by working across partners to develop a financially sustainable model to bringing forward public sector land to address housing need.	Partnership: Whole Essex Community Budget Programme	2014-15 - £0.35m investment approved by ECC, with an additional £0.2m to be approved, for initial development of the model.
H.5	One Public Estate Programme: Essex is one of 12 pilot areas for this Government Property Unit/Local Govt Association sponsored programme, with the aim of helping local and central government asset holders to 'unblock' any barriers that may be preventing a more integrated approach to capital assets across a locality.	Partnership	£40,000 of funding has been allocated which is enabling progress through locality reviews and engagement with a range of partners

Strategic Actions (9 of 10)

Connectivity
(Commissioning & Influencing)

Connectivity is vitally important to our residents and also to our ability to attract businesses to locate in Essex. This workstream contains activities that will improve the capacity and reliability of transport within the county, and exploit the potential of telecommunications infrastructure as a means to prevent unnecessary journeys and improve connectivity for our business community.

Commissioning influencing activities		Delivery Mechanism	Budget/resource issues
C.1	<p>Essex Superfast Broadband (2013 – 2016)</p> <p>This programme will deliver significant improvements to broadband connectivity to Essex. When the current programme is complete it will enable over 87% of Essex premises to access superfast broadband services (>24Mbps download speed). The overall ambition of Superfast Essex is to extend the delivery scope further to reach 95% of Essex premises with superfast services by 2017.</p>	<p>ECC has contracted with BT to deliver the physical infrastructure improvements needed to the broadband network.</p> <p>There is a small team (approx. 7 FTE) working internally to facilitate this complemented by a team within BT. The programme is also actively engaged with a wide variety of stakeholders in Essex though the Superfast Essex Board, which helps guide delivery decisions.</p>	<p>Whole programme is worth £24.6M</p> <p>ECC has committed £6.46M over next three years & overhead/revenue costs</p>
C.2	<p>Delivery of key elements of the Highways and Transportation Programme (2014 - 2018) including:</p> <ul style="list-style-type: none"> highways asset replacement and maintenance programmes to ensure that roads in Essex have a good level of service to provide travelers with a network which is fit for purpose and well managed; management of the highway network to ensure the efficient and reliable flow of traffic; Managing the demand for travel; Travel Planning and promoting a blend of “Smarter Choices” to encourage the use of alternatives to the car; for specific and targeted projects examine how other forms of demand management such as access control and road tolling could contribute to achieve funding for large projects or contribute to access strategies for town centres; surface access strategies to ports and airports and station travel plans for large rail interchanges; improvements to passenger transport and bus operation support and information systems to encourage bus use; and forward planning, feasibility, design and delivery of capital works to improve and extend the network supporting the delivery of Local Plans and addressing network resilience . 	<p>In-house: TSE, Essex Highways and private contractors</p>	<p>The activities outlined are interrelated to the people in Essex experience a high quality and sustainable environment strategy, with Highways Maintenance capital and revenue funding incorporated there; thus secondary influence only applicable.</p> <p>Primary Influence and budgets are aligned to Integrated Transport outlined below: In 2014/15 revenue budgets are £34.2 M increasing to £36.1M in 2016-17. Further budget is anticipated within the capital programme and SLGF resource committed in support of the EPFE (see MI.1).</p> <p>There are a broad range of both capital and revenue activities and we should seek to achieve the best whole life value , optimise capital / revenue mix and explore options which provides long-term solutions for economic and demographic growth in a reduced base envelope.</p> <p>This may require further prioritisation of activity, with many co-ordination activities being revenue intensive.</p>

Strategic Actions (10 of 10)

Influencing (Commissioning & Influencing)

Economic growth is influenced by many factors, only some of which are within ECC's control. Therefore this work stream recognises the important activities that we must continue to engage in to work with local and national partners to secure a common approach and the resources to deliver this, and to influence policy and planning that will impact on our local economy.

Commissioning influencing activities		Delivery Mechanism	Budget/resource issues
I&L.1	Influencing local partners to increase investment in local infrastructure projects and focus on cross impacts of economic growth (Essex districts and boroughs, GLA, London authorities, Suffolk, Herts etc)	In house and through key advocates and interest groups	n/a
I&L.2	Influencing HM Government through negotiations on the Growth Deal, including the Single Local Growth Fund	In house and through key advocates and interest groups	n/a
I&L.3	Influencing within SELEP to secure resources for Essex	In house and through key advocates and interest groups	n/a
I&L.4	Influencing HM Government and their agencies' decisions on improvements to the existing network and Major National Infrastructure, including the Lower Thames Crossing, Crossrail, Crossrail 2, HS2, and ports and airports.	In house and through key advocates and interest groups	n/a
I&L.5	Influencing on county deal agenda	In house and through key advocates and interest groups	n/a
I&L.6	Influencing on Fiscal events (CSR2015)	In house and through key advocates and interest groups	n/a
I&L.7	Influencing bordering counties and London to reflect HM Government's focus on growth corridors	In house and through key advocates and interest groups	n/a
I&L.8	Further develop the link between this commissioning strategy and that of People have aspirations and achieve their ambitions through education, training and lifelong learning	In house and through key advocates and interest groups	n/a
I&L.9	Develop the link between this commissioning strategy and that of People in Essex enjoy good health and well being.	In house and through key advocates and interest groups	n/a
I&L.10	Develop the link between this commissioning strategy and that of People in Essex experience a high quality and sustainable environment.	In house and through key advocates and interest groups	n/a

The Public Services (Social Value) Act 2012 places a duty on ECC to consider improvements to the economic, social and environmental wellbeing of an area when buying and commissioning goods and services. Being a commissioning led organisation requires us to ensure that future procurements of goods/services deliver improved social value as well as best value. While the immediate financial cost of services, and quality considerations have traditionally been the focus of commissioning, progress in considering social value has already been made since the launch of the act, including updating our Invitations to Tender (ITT) documents to reflect SVA criteria. Our future challenge when commissioning activity identified through this strategy is to ensure SVA's ongoing consideration and that we are able to quantify social value so that it is contestable and comparable.

Risks and Mitigations

Key risks to the delivery of the Commissioning Strategy and subsequent achievement of the outcome should be identified, assessed and mitigated.

Risk No.	Details of Risk Event	Cause / Triggers	Impact / Consequences	Review period	Current Assessment of Risk			Risk Owner	Mitigation Approach	Mitigating Actions / Controls	Review period	Control Owner	Controlled Assessment of Risk			
					Current controls in place				Treat Tolerate Transfer Terminate					With ALL controls in place		
					Impact	Likelihood	Risk Rating							Impact	Likelihood	Risk Rating
1	SLGF resource envelope secured through Growth Deal with government is less than anticipated	SEP does not provide a compelling case for investment to Government	Essex would not be able to deliver against our pipeline or would need to identify additional investment to do so.		3	4	12	Paul Bird	Tolerate	Different funding scenarios have been modelled and prioritisation of projects has taken place. ECC will continue to develop the EPfE to ensure we are in a strong position to negotiate positive outcomes for Essex from the Growth Deal. In addition we will work to identify alternative financing routes.			2	2	4	
2	Partners in Essex do not support the 12 point plan articulated in the EPfE and SEP	Political tensions between partners, lack of engagement	Essex would not be able to deliver the full ambitions of this strategy and the EPfE/SEP		3	2	6	Paul Bird	Treat	Ongoing engagement and dialogue with districts, sub-regional partnerships, HEIs and Essex Business Board to ensure commitment to the ambitions of the strategy			3	1	3	
3	Investment and activities planned to achieve the outcome fail to have the impact on economic growth expected	Global, national and local external factors impact on the Essex economy	Growth in the Essex economy is restricted, impacting on all other indicators		3	2	6	Paul Bird	Tolerate	Manage expectations of Members, partners and residents in relation to the level of influence that ECC has over the outcome and the related indicators			2	1	2	
4	New businesses do not invest/locate in Essex and/or existing businesses relocate outside of the county	Essex fails to maintain/enhance its reputation as a business destination, amongst public and private investors	Economic growth, and specifically job creation, is restricted, impacting on all indicators		3	2	6	Paul Bird	Treat	Activities within this strategy, and that of the EPfE and SEP will help to promote economic opportunities in Essex. We will continue to review and respond to feedback on the appetite for investment in Essex e.g. through GEBB and other stakeholders.			2	1	2	
5	ECC and partners have insufficient resource, capability and capacity to deliver planned activities	Local financial pressures impact on staff and budget resources	Ability to deliver against programmes of activity would be reduced and/or delayed		3	3	9	Paul Bird	Tolerate	Continue to monitor ECC resource implications, seeking to influence and prioritise budget decisions of ourselves and partners			2	2	4	

Delivering change within our financial envelope (1/3)

This Commissioning Strategy provides the framework for our economic development activity and addressing the constraints that are preventing further economic growth across the county. The Council's budget for Sustainable economic growth for Essex communities and businesses contains capital and revenue funding and in addition to this a range of external funding opportunities are being explored.

Current Financial Position

Capital

The Medium Term Resource Plans (MTRP) contains capital funding equating to £58.1million for the period 2014/17, primarily attributed to Highway and Transport infrastructure. A further ceiling contribution from the Council of up to £115 million (£12 million included in the MTRP figure above) between 2015 and 2021 is being negotiated with government as part of the Essex element of the Growth Deal

Capital Budget	2014/15 Budget (£m)	2015/16 Budget (£m)	2016/17 Budget (£m)	Total (£m)
Named Scheme / Block	36.0	12.9	6.3	55.1
Scheme Design	3	0	0	3
Total	39.0	12.9	6.3	58.1

Revenue

Resources of £42.9million are available in 2014/15, this incorporates one-off funding of £3.4million (Economic Growth Strategy £2.0 million, Essex Skills Board £1.0million and Community Budget £0.390million). Of the residual £39.5million, circa £30.5million is utilised to support local bus & concessionary fare arrangements

A programme of this nature would be expected to have a cost spike in the early years (not currently built into the MTRP), with interim pump priming resource required to assemble the necessary package of investment and ensure the availability of the appropriate resource commensurate with the task and skills required to move forward the developments.

Revenue Budget area	2014/15 Budget (£m)
Major Infrastructure	2.3
Enterprise and Innovation	2.6
Skills	1.5
Housing	0.39
Connectivity	35.9
Lobbying and Influencing	0.2
Total	42.9

External Funding

In addition to the funding being negotiated as part of the SLGF, other external funding opportunities are being explored (e.g.. BDUK programme) which in many cases will assist ECC to innovate projects, enabling innovation within finance and partnership, working across the organisation and external stakeholders. £7.6million is currently in the pipeline and based on the historic success factor of 50%, could present further opportunities of £3.8million.

External Funding	Pipeline Bids (£m)	Success Factor 50% (£m)
Current Pipeline Activity	7.6	3.8

Delivering change within our financial envelope (2/3)

The investment required to deliver this strategy (in excess of £1bn) will come from a variety of sources, from across both public and private sector and is subject to securing a contribution from HM Government of £347million through the Single Local Growth Fund. As part of this proposal ECC has made an “in principle” commitment to provide up to £115million (revenue financing cost of £8million if fully funded by borrowing).

Figures within the financial model are for the construction (capital) only. Other expenditure will be required such as life cycle; operating costs; minimum revenue provision; interest; IT infrastructure; procurement cost; feasibility work; research and development; programme management; supporting investors, developers and landowners; culture change management; these are not factored into the MTRP and will be subject to further capital and revenue approval as details are further developed.

MTRP Funding Gap

The Council’s Medium Term Resource Plan currently has a funding gap of approximately £50million for 2015/16 rising to £69million by 2016/17 and it is expected that commissioning outcome strategies will identify ways in which this gap can be closed. In addition to this if central government investment is less than expected and alternative funding not secured, this would mean that proposed activities may have to be reprioritised, dramatically reduced or ceased.

The actions highlighted within this strategy need to be seen within this context and further work will need to be undertaken to prioritise actions so as to ensure that a reduced funding envelope is used most effectively to deliver the best possible outcomes.

Following adjustment for one-off funding the table identifies the impact of reduced funding on the revenue budget if there were expenditure reductions of 10% or 20%

Revenue Budget area	2015/16 Budget as per MTRS (£m)	2015/16 budget with 10% reduction (£m)	2015/16 budget with 20% reduction £m)
Major Infrastructure	2.3	2.1	1.8
Enterprise and Innovation	1.1	1.0	0.9
Skills	0.0	0.0	0.0
Housing	0	0	0
Connectivity	36.8	33.1	29.4
Lobbying and Influencing	0.2	0.2	0.2
Total Budget 2015/16	40.5	36.4	32.4

Benefits

Whilst the scale of the actual investment required to facilitate the developments across the County, achieve the annual milestones and overall growth potential of 66,000 jobs and 39,000 new homes by 2021 are not fully quantified; given the scarcity of public funds, it will be necessary to consider how we supplement and compliment traditional funding sources with innovative financing mechanism.

The benefits of the programme extend across the full economic, social and environmental aspects of the County. The pipeline will generate a range of income streams that creates the basis for leveraging private sector investment. How we can capture more of the economic benefits of infrastructure investment, take account of the added value that is generated, in order to provide new or enhanced revenue streams will need to be explored. The value of the infrastructure should be clearly linked to the economic activity that it stimulates and the additional increases in asset value accrued. This provides the opportunity to align the outcomes and benefits between participating parties and could include but are not exclusive to the following:

Council Tax, business rates retention; Community Infrastructure Levy (CIL); Section 106 (S106); social housing (saving or cost avoidance); private residential rents; sale of homes and other commercial opportunities.

Governance

As the programmes of work develop the governance procedures will adhere to the council's constitution and relevant Statement of Recommended Practice (SORPs) (recommendations on accounting practices).

External Funding

The Council and partners (public and private) will be required to match investment from public sector sources, including the Single Local Growth Fund – (devolved to SELEPs) and other European sources of funding e.g. Horizon 2020.

There is the option to think 'creatively and bigger' and consider a range of further public and private sector sources, including but not limited to the following:

- Creation of a council commercial investment fund - focus on commercial investment for financial gain & non-commercial with strong economic benefit
- Regional revolving investment fund - pooling of investment to create a county region fund for economic investment
- Public sector assets; surplus and redundant assets / land optimisation or leverage
- Crowd funding – sourcing funds from a crowd of likeminded people
- Social investment – utilise social investment to deliver
- Overseas Sovereign Funding – Infrastructure

This report has been prepared by
Essex County Council's Place/People Commissioning and
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