

## Essex Prosperity and Productivity Plan: Unpacking the themes... and next steps

Place Services and Economic Growth Policy and Scrutiny Committee  
28 November 2019

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Essex Prosperity and Productivity Plan

# 1. Recap on last week

# Purpose and goal: What we're trying to do

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- In an uncertain policy environment, the *Prosperity and Productivity Plan* aims to...
  - **Create a *shared agenda*** for the Essex economy, owned by Success Essex - setting out our key strengths and opportunities and the measures needed to unlock the county's potential
  - **Support *action in the short to medium term***, providing a framework for the development of ideas that can be tested and brought forward over time
  - **Influence future *investment priorities***, providing a basis on which Essex's 'asks' for future investment can be built – informing SELEP's emerging Local Industrial Strategy and other routes to public investment
- ... with the audience including Success Essex itself (and key partners), Government and the wider business community

# Some key principles...

Shared approach	<ul style="list-style-type: none"><li>• Shared vision, jointly owned</li></ul>
Adding value	<ul style="list-style-type: none"><li>• ... building on the previous work of the Essex Economic Commission</li><li>• Not 'everything about everything' – where do we want to focus?</li></ul>
Looking to the long term	<ul style="list-style-type: none"><li>• Look to the future (recognising that economies change slowly, plans for growth will take time to come to fruition – but investments made now will have important long-term implications.</li></ul>
Flexible framework for action	<ul style="list-style-type: none"><li>• Framework for the development of specific proposals that can come forward in the short to medium</li><li>• ... but it needs to be flexible and work with the market</li></ul>
Outward facing and inclusive	<ul style="list-style-type: none"><li>• Essex isn't an 'island' – economically, links with London, M11 Corridor, East Anglia and the South East are all important</li><li>• ... and no one organisation is 'in charge'</li></ul>
Strategic and accessible	<ul style="list-style-type: none"><li>• Short, sharp and concise – supporting more detailed future project development</li></ul>

# ... in the light of the evidence



## Opportunities:

- Rapid population and housing growth – within existing settlements and new Garden Communities
- Locational advantages, with proximity to London, Cambridge and the Greater South East market... and important global connections
- Diverse economic base, both spatially and sectorally
- Significant 'knowledge assets', including growing higher education presence
- Relatively strong employment growth

## Challenges:

- Relatively weak productivity (linked with sectoral balance and the distribution of activities *within* sectors)
- Relatively weak workforce skills – despite improvement over time
- Pressure on infrastructure – and a drive for more sustainable transport infrastructure solutions
- Constrained opportunities for employment expansion as housing volumes rise
- Significant disparities in opportunities and outcomes, both between and within localities in Essex

## The Economic Commission identified five key challenges that should be addressed:

- Raising workforce skills and qualifications
- Developing opportunity sectors and technologies
- Improving transport infrastructure
- Expanding the availability of suitable workspace and commercial premises
- Supporting coastal districts

## ... in context of wider national and international challenges and opportunities:

- Rising to the technology-driven 'grand challenges' identified in the UK Industrial Strategy...
- ... and understanding the labour market and 'distributional' implications
- Driving smarter production and consumption in the context of climate change
- Addressing the UK's productivity deficit
- ... and in the medium term, responding to the uncertain global trading environment and the changes and uncertainties associated with Brexit

# A draft framework for 'Prosperity and Productivity'

- Our relatively weak productivity is a challenge. But improving productivity (technically, increasing the amount of GVA generated for every hour worked) doesn't automatically lead to better individual outcomes or better quality of life...



# Initial feedback from the Board

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- Recognition of the ‘big picture’ evidence base, which is generally well rehearsed – although some further exploration of the causes of (relatively) low productivity and the effect of London (commuting and supply chains) would be helpful
- General support for the ‘Prosperity and Productivity’ concept, with a desire for a balance between innovation and growth and sustainability and inclusion (reflected in the revised Missions in the next section)
- Need to focus on the big opportunities for long-term and ‘transformational’ change...
- ... and create a ‘culture’ in which partners can work together on specific initiatives and challenges

- From the Board...

The strategy should be “a clear and energizing beacon”

“Build in a provocative statement that works for Essex...”

Creating a ‘growth coalition’ with a shared approach that a wide range of partners can get behind

Think about what each Mission means from the point of view of a range of stakeholders



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Essex Prosperity and Productivity Plan

## 2. Unpacking the Missions

# Four Missions to 2040

## Evidence: The state of the county

*Context for prosperity and productivity – today and looking forward to 2040, building on the work of the Essex Economic Commission*

## Missions to 2040

### Dynamic

*Driving the creation and adoption of new ideas and opportunities – leading to higher value employment over the long term*

### Resilient

*Adaptable for the long term – in the context of climate change, new technology and changing markets*

### Inclusive

*Supporting a growing and changing population, investing in new and existing communities and quality of life*

### Connected

*Creating better, more sustainable networks within Essex – and open to our neighbours, the UK and the world*

## Priorities and solutions

*Looking ahead to the next five years... focused on the actions that partners can take, working together*

## Conditional outcomes

*Key indicators to measure success*

Where do we want to  
get to?

A more productive economy, where more people are in knowledge-intensive, well-paid jobs, where strong demand for skills drives greater supply, and where innovation and rapid adoption drive new opportunities across the economy

What are our current  
assets?

- Growing universities, with some ‘world class’ strengths (e.g. computer science and informatics).
- Large and diverse business base, with several large and innovation active firms, and growing concentrations of higher-value business activity

What are our key  
opportunities?

- New technology-driven opportunities (including ‘testbed’ opportunities associated with population growth)
- Major concentrations of activity in London, Cambridge, etc.
- New investment in innovation infrastructure and networks

What are the barriers?

- Dispersed/ fragmented business base with relatively few leading firms driving local supply chains
- Supply side constraints (skills, land/ premises, congestion)

# Resilient

*“Adaptable for the long term – in the context of climate change, new technology and changing markets”*

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Where do we want to get to?

An economy which is sustainable, and where people, firms and institutions benefit from changes driven by technological and climate change and where the ‘costs’ of change are managed effectively

What are our current assets?

- Economic diversity – and access to a wide range of opportunities across the Greater South East
- Overall population (and working age population) growth

What are our key opportunities?

- New/ emerging technologies (linked with Mission 1)
- Opportunities to build resilience within new/ growing communities
- Capturing the potential of sustainable energy supplies

What are the barriers?

- Adaptability within the new and existing workforce, leading to loss of individual opportunity and loss of wider competitiveness
- Dependence on unsustainable transport and energy use

# Inclusive

*“Supporting a growing and changing population,  
investing in new and existing communities and  
quality of life”*

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Where do we want to  
get to?

A county in which all communities and individuals have the opportunity to participate in, and share the benefits of, economic growth

What are our current  
assets?

- Diverse mixture of established and newer communities
- (Currently) high levels of employment and economic activity, and access to opportunity in the Greater South East

What are our key  
opportunities?

- Proposed Garden Communities and broader population growth within the context of a planned approach to growth
- Demographic change – benefiting from the value of the older workforce (although the working age population is also rising)

What are the barriers?

- Long term labour market change (see ‘Resilient’ Mission above)
- Sharp inequalities within, and between, districts
- Housing affordability challenges
- Low median wage growth

Where do we want to  
get to?

Good quality, sustainable digital and physical connectivity, linking businesses to markets and people to opportunities

What are our current  
assets?

- International connectivity via Stansted, Southend and our Ports
- Proximity to London and London's infrastructure
- Good connections across to the Greater South East
- Improved digital connectivity

What are our key  
opportunities?

- Additional (sustainable) infrastructure supporting housing and economic growth
- Technology and environmentally-driven pressure to achieve modal shift
- Further investment in digital connectivity (private and public sector driven)

What are the barriers?

- High levels of congestion and pressure on road and rail networks
- Dispersed population base impacting on 'critical mass' for sustainable transport investments

# Emerging propositions

Dynamic	Resilient	Inclusive	Connected
<p>Growing clusters and networks for innovation</p> <ul style="list-style-type: none"> <li>• Building a technology cluster, linked with anchor businesses and universities</li> <li>• Developing a new model of 'peer-to-peer support to innovative businesses</li> </ul> <p>Growing the workforce</p> <ul style="list-style-type: none"> <li>• Developing new solutions to retain and reinvest the Apprenticeship Levy to benefit SMEs in Essex</li> <li>• Attracting and retaining a skilled workforce</li> </ul>	<p>Building resilience to climate (and demographic) change</p> <ul style="list-style-type: none"> <li>• Maximising the local advantages of clean, renewable energy</li> <li>• 'Future-proofing' new developments and identifying opportunities for local innovation and business growth</li> </ul> <p>Building workforce resilience</p> <ul style="list-style-type: none"> <li>• Investing in workforce retraining and adaptability</li> </ul>	<p>Ensuring access to better-paid, good quality work</p> <ul style="list-style-type: none"> <li>• Working with employers in the public, private and third sectors to establish a 'kite mark' for 'good work'</li> <li>• Attracting public sector institutions as anchor employers to underpin local opportunities</li> <li>• Ensuring better jobs, closer to home, linked with new and expanding communities</li> </ul>	<p>Creating a more sustainable network of places</p> <ul style="list-style-type: none"> <li>• Investing in sustainable transport solutions – between and within urban areas, and linked with Essex's neighbours</li> <li>• Reducing travel demand through digital solutions</li> <li>• Investing in capacity in the medium term</li> </ul>

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Essex Prosperity and Productivity Plan

## 3. Next steps



# Completing the Prosperity and Productivity Plan

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- Working towards informing and influencing the South East Local Industrial Strategy...
- ... and getting our Success Essex priorities in place to inform the LEP LIS at an early stage (recognising that it can be adapted and will evolve over time)
- Proposed Strategy to be shared with Success Essex Board on 2 December – for comment and discussion
- ... with a final Strategy before Christmas