

Backing Thurrock

A five year strategy for economic recovery, resilience and a return to growth.

DRAFT

Introduction

Thurrock is a place of opportunity and entrepreneurship.

Our motto translates as 'By Thames to all peoples of the world' and it tells our story. At the heart of the Thames Estuary to the east of London Thurrock makes the most of its natural advantages as a dynamic trading economy, utilising its 18 miles of riverfront and proximity to the big UK markets in the capital and wider south-east.

Given our location it is unsurprising that sectors such as wholesale and retail, transportation and storage, construction and administrative and support services are particularly important to the local economy. It is these sectors, alongside education, health and social work that generate a significant number of our jobs. We continue to attract private sector investors who are looking for a place with potential to grow. We have a 'can do' attitude and an entrepreneurial spirit with more than 6,000 micro and small businesses. We have seen high numbers of people who can work in work – either as employees or setting up their own businesses.

In recent years Thurrock's economic prospects have been looking up:

- The economy has been growing: In 2013 the Thurrock economy was worth around £2.8billion. This has increased to around £4.1billion in 2019.
- The number of businesses in Thurrock has been rising: The number of enterprises has grown from around 5,000 in 2015 to nearly 6,500 in 2019
- There have been growing numbers of people who are working and more jobs created in Thurrock: Over the last five years the number of residents who are working has increased from just under 80,000 to nearly 85,000 (an increase of 4% as a proportion of working age people). The number of jobs in Thurrock has increased from 72,000 to 78,000 over the same period and the number of workless households has declined from 7,800 in 2015 to 5,900 in 2019.
- Pay has been improving. Gross weekly pay for full time workers in Thurrock has increased by nearly £100 per week over the past 5 years to £587.60 and is now higher than the East of England and Great Britain. Residents have also been earning more wherever they work. Residents working full time have increased earnings from £563 to £632 per week over the same period
- There has been huge investment in Thurrock: Thurrock is benefitting from around £20billion of investment in homes, jobs and infrastructure. This includes some high profile private sector schemes including the expansion of the Port of Tilbury, development at DP World, expansion at Lakeside and at Thames Enterprise Park.

Like many other local economies there are areas of concern. For example the claimant count has increased - from 2.1% in Jan 2015 to 3% in Jan 2020. Thurrock has some areas that are among the most deprived in the country and that should benefit from the levelling up agenda. Our local economy has also faced some productivity challenges.

Our economy was also facing major change as a result of technological change and automation, the importance of sustainable green growth and changing patterns of trade arising from leaving the EU. These significant changes present challenges but also huge opportunities.

The Thurrock economy was strong and growing. There was significant interest in Thurrock as a place of opportunity and a determination to create a business friendly environment ready for continued investment and growth.

Then the COVID-19 Pandemic hit. It is still early days to measure and understand the impact of the Pandemic and there are many different forecasts about the severity of the downturn, the impact it is having on the claimant count, the number of businesses that will struggle to survive and, most crucially, how long the impacts will last. However certain points are clear:

- There has been a significant contraction in the economy. The estimates for downturn in the April to June quarter vary but we know the UK economy shrank 5.8% in March and more than 20% in April. The Bank of England estimates a 25% drop in GDP in Quarter 2 triggering a deep recession. While most forecasts expect a bounce back as the economy reopens improvements in the latter part of 2020 are not expected to offset reduction in the first part of the year.
- The claimant count has increased significantly. In March 2020 Thurrock had a claimant count of 3.3% or approximately 3,500 people. By June the figure had increased to 7.6% or more than 7,600 people. Even more concerning is that certain groups such as young people are particularly badly hit and that the gap between performance in Thurrock versus the rest of the UK has grown (the national claimant count rate is 6.3%). This suggests that the jobs people in Thurrock do are less resilient to economic shock
- Certain sectors have been particularly badly hit. Different sectors of the economy have been impacted in different ways. Accommodation and food services, wholesale and retail, transport and storage, education and arts, entertainment and recreation have all seen a significant decline in activity. The most resilient parts of the economy are those where workers are most able to work from home;
- Many businesses and workers are dependent on Government schemes designed to keep the economy afloat. There has been unprecedented action to support businesses and the workforce through the lockdown and it is clear that a significant proportion of the economy has been badly hit
- There are a number of economic vulnerability assessments and indexes that have been produced to show the impact of COVID on particular areas. Oxford Economics have developed a coronavirus vulnerability index which assesses each local authority area against three measures:
 - economic diversity – the prevalence of particularly vulnerable sectors in the economy
 - characteristics of businesses – including size and number of self-employed people
 - connectivity – given the increasing reliance on home working

While Thurrock is about average in terms of economic diversity and characteristics of business, its connectivity is a particular concern with some parts of Thurrock having poor broadband connectivity. In addition there are relatively low rates of home working;

- Fear of a second spike in infections and local, national or international lockdowns will continue to impact on consumer behaviour and on the economy more generally. While many forecasts expect there to be a strong economic recovery in 2021 it is not expected to completely offset the downturn this year.

Such a shock to the economy requires a different approach to economic development. A proactive and collaborative approach where decisive action is taken to make best use of resources available to help shore up the economy, protect business, key sectors and jobs in the short term.

It won't be possible to save every job and every business and the economy is likely to work differently in the long term. So alongside short term action there needs to be a longer term approach that helps build on the inherent strengths in the Thurrock economy and the opportunities that technology, green growth and EU exit offer.

The Council has a vital role to play in leading work to support recovery, improve resilience and help the economy return to growth. The Council can:

- act as an analyser, understanding the underlying state of the local economy and sharing information with others;
- use its own clout as a major employer and business to help drive economic recovery and growth, diversify the economy, build resilience and economic growth
- act as an agent of change, helping to link the approach to interconnected priorities such as addressing poverty, ill health, social isolation, resilience in the voluntary and community sector among others.

This isn't something that the Council can or should do alone. As a key anchor institution with a responsibility for Thurrock as a whole the Council has a role as a leading organisation to encourage and facilitate a wider approach with stakeholders to support and grow the economy.

In recent years Thurrock has developed a proud tradition of co-designing services with stakeholders. From the 'your place your voice' consultation informing the Local Plan to the Stronger Together Thurrock partnership the value of developing shared vision and acting together is well recognised. We need to take a similar approach and harness the power of collaboration to shape and deliver this plan.

We have to recognise that there are no easy answers, that resources will be tight and that intervention may need to be long term but the fundamentals haven't changed – Thurrock is a fantastic location, has good access to markets for goods and services, boasts an entrepreneurial culture and a large number of people who are committed to working life.

There are opportunities out there and we need to be brave, work together and grab them with both hands. In short this plan is a call to work together and back Thurrock.

Recovery: Our immediate actions

In the short term in the next six months we need to focus on rescue and recovery.

The Council has been working hard throughout the pandemic to support the borough and its residents, from help for the most vulnerable in the community to making use of Council resources and Government initiatives to support businesses in Thurrock.

The immediate actions that the Council has taken include:

- Delivered financial support
 - Implementation of Government grant schemes – the Small Business Grants Scheme and the Grants for Retail, Hospitality and Leisure Businesses. So far the Council has paid out £21.7m to more than 1700 eligible businesses.
 - Developed and implemented a discretionary grants scheme aimed at helping those businesses hardest hit but unable to access the other schemes on offer. The schemes has distributed £900,000 to 134 businesses so far.
 - Implemented business rate reliefs for eligible businesses and deferred payment of business rates until new bills could be sent.
 - Implemented its own initiatives including deferral of rental payments on commercial property owned by the Council for three months.
- Gathered data to understand impact and to raise issues with Government. Working closely with local businesses including Thurrock Business Board to understand the impact on the local economy and to inform discussions with Government.
- Provided easy to access advice and guidance on responding to COVID to local businesses. Sending regular updates to more than 2000 local businesses who have signed up for the business newsletter, promoted new guidance and opportunities via social media and tried to help respond to calls from businesses asking for help
- Supported the reopening of the High Street – introducing signage, reviewing queueing systems and talking to local business contacts to find out if they plan to reopen and to help them find answers to questions they may have
- Protected the public , businesses and their employees by:
 - employing staff to help maintain social distancing measures at particular pinch points
 - helping businesses understand and comply with guidance on reopening
 - taking action to encourage and enforce the rules when required

Working together to back Thurrock

This is a positive start, but there is more we can do and will do to help. We need to work with our residents, our business community and our voluntary and community sector to:

- Invest in gathering economic intelligence and insight so it can identify and respond to developing issues
- Plan for local outbreaks. The Council's public health team have developed a Local Outbreak Control Plan working with partners to ensure there are effective systems in place to identify the source of an outbreak, to track and trace people who may be affected, to shut down the problem and protect local residents and the rest of the local economy. The plan will be developed and strengthened as we understand more about the virus
- Help people find work. Connect residents to new job opportunities and to gain the skills they need to find work. Promoting and expanding initiatives like Thurrock Opportunities – www.thurrockopportunities.co.uk – to help people find local jobs, apprenticeship opportunities and training courses. There needs to be a particular focus on vulnerable groups such as young people, care leavers, SEND and those with learning disabilities
- Support our local economy. We need to work together to develop new systems that help us all to buy locally, recruit locally, supply locally and to train locally.

We will continue to explore other opportunities including funding, new Government initiatives or home grown ideas to help our economy recover from the pandemic.

This is something that everyone can help with.

We all want to see our local businesses recover and new business emerge. We all want to see our family, friends, neighbours and colleagues in good quality jobs. We all want to see the wealth created in Thurrock spent in Thurrock, levelling up to benefit us all.

We have seen the community in Thurrock pull together and support each other through the lockdown, from the volunteers who have helped their vulnerable friends and neighbours to the fantastic key workers who have kept everything running.

Now everyone needs to do their bit to help the local economy recover.

Our Vision and Approach

In the medium to longer term we need to reframe our approach to economic development and growth. In these unprecedented times we need to realise the potential of local Government to act as an agent of change and a leader of place and collaborate with others to reshape our local economy, address the challenges we face and realise the fantastic growth potential we have.

Our Vision for Growth

Thurrock's motto – 'By Thames to all peoples of the world' reflects our comparative strengths and unique selling points.

Our prime position next to London and the markets of the south east, our great transport links, our scope to export and import through our ports, our employment land availability all point to Thurrock having a fantastic opportunity to grow in a way that benefits everyone.

We need to recognise that we are part of the system that is already delivering for the UK economy and point to our strengths as a place to do business.

Thurrock's level of ambition and determination to drive growth that benefits local people is stronger than ever. However we do not want to see growth for the sake of it. We are determined that growth in Thurrock is infrastructure led, community driven and of high quality. It must deliver real benefits for our residents and for our business community who have shown a commitment to Thurrock by investing in the area.

Physical change in the borough will be guided by development of the new Local Plan, policy changes and the regeneration projects led by the council and other organisations across the borough.

This plan is about people, place and prosperity. It focuses on how the Council and its partners can help residents find good jobs with opportunities to progress, how we help our businesses adapt to new technology and to changes in demand, how we help our economy to become more productive and resilient, greener and wealthier. Most of all we need to work with our businesses to help them take advantage of the opportunities that are out there.

These are laudable aims in themselves but we also want to drive growth because of the positive impact on other priorities we all share: Improving the health and wellbeing of residents, helping to reduce poverty, tackle debt and to level up our communities, supporting investment not only in roads and rail but also in homes, schools, health and green spaces. Most importantly we want to support proud, vibrant communities.

Alongside our immediate work to recover from COVID we need to focus on:

- **Resilience:** Building an inclusive economy, helping people and businesses to plan for and adapt to changes in the economy, providing tailored support for vulnerable groups, support the levelling up agenda and take advantage of opportunities as they arise
- **Returning to growth:** Strengthening our key sectors and taking advantage of new opportunities created by long term changes in the economy such as green growth

What we do and how we do it will need to be defined with our partners. We want to collaborate with our businesses, our partners and stakeholders to develop our plans for driving resilience and growth

Most of all we want to work with the other anchor institutions in the borough to understand market needs and to facilitate growth and wealth creation that will benefit local people.

In short, we want to work together to be Back Thurrock.

Collaborating to facilitate market led growth

We want to collaborate with other public sector institutions, private businesses and key voluntary sector groups that are established in Thurrock – Thurrock's Anchor Institutions that are rooted in our Borough, unlikely to move and are committed to Thurrock. Our Thurrock Anchor Institutions have a vested interest in Thurrock and we can work collectively to facilitate growth and benefit the whole economy.

Our call to action highlights five areas that we particularly want to explore:

- **Recruitment** - good quality jobs with prospects: by working together with key anchor institutions in Thurrock can have a defining impact on the prospects for local people – recruiting from local areas, particularly more deprived communities and building progression routes in work. We also want to explore how we can best help the most vulnerable and those hardest by the pandemic.
- **Collaborative procurement:** working together we can explore developing local supply chains that will support local businesses, the voluntary and community sector, social and micro-enterprises and employment, helping local people benefit more from the local economy. Many organisations, including the Council are looking at their procurement policies to see how much they can do to support the local economy and secure wider benefits through social value frameworks. For example in Preston spend by anchor institutions retained in Preston reached £112m – a rise of £74m compared with 2012/13. Manchester increased the proportion of spend with organisations based in or with a branch in Manchester from around half in 2008/9 to around 75% in 2015/16 – an additional boost of £350m.
- **Nurturing and supporting local businesses.** We can focus on nurturing locally owned businesses including social and micro enterprises that are more likely to employ, buy and invest locally.
- **Investing in Thurrock.** Active promotion of Thurrock as an area for investment - focused on key sectors and the responsible businesses we want to attract to contribute to the local economy. .
- **Using assets to enable the economic recovery:** whilst recognising the importance of return on assets considering how land and property assets held by anchor institutions can be best used to enable economic recovery and growth.

By collaborating we can achieve more than the sum of the parts. Through our intervention we can facilitate the market and generate jobs and growth that creates wealth within Thurrock and that stays invested in the area and increases the sustainability of key sectors. There are other wider benefits as well. We can collaborate to help address skills shortages, we can build local supply chains that are greener and more resilient, we can reduce demand for public services through positive early intervention before needs become acute.

Through collaboration we want to identify needs and develop actions around the foundations of economic growth

The Foundations of Growth

We have identified five foundations for economic growth.

- **Business Advice and Support**

We want to work with the business community and business service providers to disseminate information and advice, address gaps in provision, strengthen networks between businesses and support collaboration in areas of shared interest such as developing supply chains.

Through our business advice and support we need to promote and improve productivity. The UK is less productive than comparator economies and as a result the country is poorer than it might otherwise be. Before COVID addressing the productivity gap was the key thrust of the Government's industrial policy.

We also need to make sure we help businesses understand the changes there will be as a result of leaving the EU and help gear up to take advantage of opportunities to generate export-led growth that arise.

- **Skills Training and Employment**

We want to develop opportunities for lifelong learning, addressing skills gaps and encouraging ongoing learning and development to develop an adaptable resilient business community and workforce

We also want to help local people find good jobs. We need to work together to promote local employment opportunities and to help drive local recruitment. We need to understand and overcome the barriers to employment and to work with particularly vulnerable groups such as care leavers and those with health conditions to help them realise their potential.

- **Sectors and supply chains**

As the economy moves from recovery and returns to growth key sectors that have growth potential, high value, are resilient and offer clean growth should be targeted with public intervention to facilitate market led growth and to attract inward investment. We have data on our most important and key growth sectors already but exploring potential with people already working in these sectors and understanding how we can best support them to grow is key.

Alongside a targeted approach to key sectors developing strong local supply chains to service those businesses will further encourage and support their growth.

- **A cleaner, greener economy**

Responding to climate change and reducing carbon emissions will be of continued importance to individuals, businesses and to Government. It is likely that national initiative will drive responding to climate change but locally we can focus on the opportunities this

creates for green growth. However addressing climate change is a real opportunity for the local economy – to innovate, adapt and to develop new businesses and markets.

- **Civic Pride and Community Engagement**

Civic Pride in our growth story and support from the local community will be essential to deliver on our growth ambitions and create the vibrant, dynamic society that helps everyone to realise their potential. If we want businesses and residents to feel ownership and to support the local economy we need to review and build upon our ways of engaging to bring people in to influence our work.

Resilience and a Return to Growth

Resilience

Resilience is key to ensuring that individuals and organisations in Thurrock are in a position to take advantage of the opportunities afforded by Thurrock's location and the significant investment there is in the local economy.

It is also key to ensuring we have an inclusive economy, that people left behind have the opportunity to benefit from work – financially and through the many other benefits associated with participating in the economy such as better health and wellbeing outcomes; that helps businesses embrace new technology and improve productivity; that helps 'level up' areas of deprivation and creates new opportunities for everyone.

Some of the themes we would like to explore with our stakeholders include:

Resilience among individuals:

- Helping to address the skills shortages in the economy and prepare local people for the new jobs that will be created in the coming years
- How we can better link local people to local employment opportunities and help career progression
- How we link skills and employment opportunities with other services to overcome multiple barriers to employment – such as debt management, housing opportunities, health and wellbeing services, childcare provision
- How we can help our most vulnerable residents such as care leavers and those with health issues to realise their potential and find rewarding work

Resilient businesses:

- How we can help businesses to network and trade with each other
- How we can work together to improve productivity, embrace new technology and prepare for changes to the way we work such as automation
- How we can work together to help make sure that the wealth generated in Thurrock benefits the people and businesses of Thurrock

Resilient economy:

- What we can do to improve the infrastructure in the economy - transport links, digital connectivity
- How we can help improve links between local people, skills providers and businesses to give residents the skills that employers need
- As a trading economy we need to explore what we can do to take advantage of opportunities arising from leaving the EU or changes to Government Policy such as the creation of Freeports - to support our local economy
- Can we take advantage of opportunities created by the drive for green growth
- Can we support the levelling up agenda so everyone has the opportunity to benefit from growth?
- Can we take steps to build pride in what Thurrock has to offer – to recognise what we're good at and to focus on the sectors with most potential

Rebuilding Growth

Thurrock is a dynamic trading economy with an ambitious growth programme. The significant investment in the economy in recent years shows the confidence of private investors and public institutions in the potential of the area.

While the pandemic has resulted in a marked downturn Thurrock is well placed to weather the storm and to rebuild growth in the economy. Some of the themes we want to explore around the return to growth include:

- Building the case for investment in public infrastructure to help the economy to grow
- How we make best use of our position on the river and the opportunities afforded by the Ports to drive growth
- How we can support businesses in our key sectors and those with the most potential to grow
- What we can do to promote green growth
- How do we address the productivity gap, adapt to new technology and automation while ensuring our workers have the transferable skills to find new jobs
- How we can promote Thurrock and sell ourselves as a location for businesses that will support the local economy and create good jobs.
- How we can best exploit public and private investment in our key growth hubs to help businesses to grow

Exploring these themes and the foundations of economic growth with our anchor institutions and with stakeholders we will develop an Implementation Plan that will form part 2 of this report. The implementation plan will be prepared by January 2021 and implementation will begin immediately.

A call to action

We need your help.

There are things we can all do to help rebuild our economy and to support the recovery from the pandemic in the short term:

- We can buy from local businesses, we can try to recruit locally, and we can look for local suppliers of goods and services. All these things will help local businesses and jobs and ensure that wealth created in Thurrock stays in Thurrock.
- We can make sure we comply with social distancing rules and guidance, we can quarantine ourselves if we have COVID symptoms and we can support local track and trace services to help minimise the risk of a second wave and local lockdown
- We can start using our most vulnerable local facilities and businesses again as they reopen. We can begin to eat out, enjoy a drink, watch a film, get a haircut and see a show. Guidance needs to be followed but as the economy starts to reopen we can support it.

We also want to hear your thoughts on this plan, what you think makes sense and what you would change. If there are gaps we should address or opportunities we have missed. There will be a consultation on this report and it will be an opportunity for you to have your say and help shape our plans.

In parallel we want to work with our anchor institutions, with Thurrock Business Board and with other stakeholders including the voluntary and community sector to explore the issues and opportunities identified to build resilience and return to growth.

We will be arranging a series of roundtable discussions through the autumn and developing an implementation plan full of initiatives and actions that we want to collaborate on and implement in the medium and longer term.

We aim to have an implementation plan in place by January 2021. Delivery will begin straight away and the plan will be refreshed on a regular basis as opportunities arise.

Let's back Thurrock together.