Castle Point Borough Council

CASTLE POINT EMPLOYMENT STUDY

ROGER TYM & PARTNERS
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Report
November 2006

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PART 2 : DELIVERING FUTURE GROWTH IN CASTLE POINT

FOREWORD

The objective for this study

Roger Tym and Partners were commissioned by the Castle Point Borough Council to set out how the Council can deliver on its strategic objective of having at least 2,000 additional jobs in Castle Point by 2021.

Our approach

We have split our work into two parts.

- Part 1 is the issues paper. This provides us with the starting point for delivery: it shows what negative issues need to be dealt with, and positive issues need to be built upon. At each point we have considered the implications of the issues identified for Castle Point's ability to hit its 2,000 new job target.
- Part 2 is about delivering future growth. This section is concerned with correcting the problems we identified in part 1, and building on Castle Point's assets. We look at forecasts for growth in Castle Point, and understand how our detailed understanding of the issues in Castle Point might affect the economic forecasts which have been generated. We then go on to provide a policy framework and action plan.

PART 1: ECONOMIC DEVELOPMENT ISSUES IN CASTLE POINT

1 INTRODUCTION TO PART 1 (ISSUES)

The objective for this study

1.1 Roger Tym and Partners were commissioned by the Castle Point Borough Council to set out how the Council can deliver on its strategic objective of having at least 2,000 additional jobs in Castle Point by 2021.

Our approach

1.2 This is the first part of a two part study.

1.3 This part of the study represents the first stage in the production of an economic review for the Castle Point. It is intended to clarify which topics should be addressed by the review.

1.4 The first step is to understand the objectives of policy. This gives us a basic direction to follow. The policy objective is to generate 2,000 new jobs within the borough by 2016.

1.5 The issues we discuss here could be either positive or negative; they could be statements about past performance, or projections of future performance. The common thread will be that all issues will need to be taken into account by the main element of the study.

1.6 It is easy in a report such as this to provide what we call “dumb analysis”: reams of economic data might give the *appearance* of careful thought without actually *requiring* careful thought. We have been careful to avoid this. At each point we have therefore considered the implications of the issues identified for Castle Point’s ability to hit its 2,000 new job target.

1.7 This approach effectively provides us with the starting point for an action plan: it shows what negative issues need to be dealt with, and positive issues need to be built upon, and how that might take place.

What scale of change is required to meet the 2,000 new job target?

1.8 It is important at the outset to understand the scale of change required by the 2,000 new job target.

1.9 Here we consider how an increase of 2,000 jobs compares to past change in employment. We use Annual Business Inquiry data, which includes just workplace jobs and does not include the self-employed. In reality, the Regional Spatial Strategy (RSS) numbers includes all jobs i.e. also self-employed people who live in Castle Point. We have no reliable data for the self-employed so exclude it from this calculation[1].

[1] This is monitored by Labour Force Survey data but appears to be given to the nearest 1,000. This is not accurate enough to include in these calculations.

Table 1.1 Jobs Change

	ABI (actual)	Trend growth
1995	16,100	16,500
1996	16,100	16,700
1997	17,000	17,000
1998	17,500	17,300
1999	18,700	17,700
2000	19,400	18,000
2001	17,800	18,300
2002	18,600	18,600
2003	18,700	18,900
2004	18,600	19,300
1995-2004	**2,500**	**2,800**
% change CP	**16%**	**17%**
% change GB	**15%**	**15%**
p.a.	**280**	**310**

Source: Annual Business Inquiry, Annual Employment Survey Rescaled, RTP
Note: Numbers are rounded to nearest 100 but worked figures are done on the originals.

1.10 The actual Annual Business Inquiry figures show a net increase of 2,500 jobs between 1995 and 2004. This is an increase of 280 jobs per annum.

1.11 If we 'smooth' the number of jobs so that it shows the trend for the period and therefore adjusts for volatility in the first and last year used for comparison, the jobs increase was actually more, at 300 jobs per annum.

1.12 On either count, it shows that there has been strong growth in Castle Point in the past ten years, with 16-17% growth – slightly faster than the rate of growth in Great Britain. The biggest increases occurred in Retail (+1,300 jobs or 73% increase), Education (+1,000 jobs or 78% increase) and Construction (+700 jobs or 89% increase).

1.13 On this account, it would appear that increasing jobs by 2,000 in Castle Point by 2021 should not be an unrealistic target. Even starting at the later, current date of 2006, these rates of job increase would see 4,500 new jobs in Castle Point by 2021 – a number significantly in excess of the 2,000 new jobs demanded by the target.

1.14 Clearly, though, there is no guarantee that past performance will be carried through into the future. The UK economy has seen the longest period of economic growth since the early 19th century, and it would be surprising if this were to continue. Castle Point might have to work hard in future to achieve this level of growth, particularly in the context of an ageing population.

Report structure

1.15 We have split the analysis into the following sections:

- **The policy context**. This is a time of real change for the East of England, and policy has an important influence on the location of growth. Our ability to find the 2,000 new jobs for Castle Point will depend to some extent on the prevailing policy context for the sub-region and region.
- **Castle Point's residents**. We look at residents in order to understand the people of the borough. The package of measures we put forward will need to take into account factors such as the skills and human capital of residents, their wage rates and employment rates. However, it is not enough to consider only the 'average' resident; what is also important is the wellbeing of those residents who are worst off. We also therefore consider deprivation levels across Castle Point.

- **Castle Point's workplace economy**. In looking at the "workplace economy" we are looking at the jobs which are physically located in Castle Point (as opposed to the jobs of the *residents* of Castle Point. The package of measures we put forward for Castle Point will depend in large measure on an understanding of the current economy in the area.
- **Castle Point's labour market balance**. Clearly, Castle Point does not operate in an economic vacuum. People travel into, within, and from, Castle Point to reach their place of work. Understanding these commuting flows is important in understanding where the workers will come from for the hoped for 2,000 new jobs.
- **Castle Point's B-class employment space and retail space**. The stock of commercial and retail floorspace will influence the types of economic development that Castle Point can realistically pursue.
- **Other issues**. A broader understanding of economic change will influence the package of measures we put forward. We need to understand, for instance, the extent to which the trend towards increased homeworking might influence the number of jobs that we could realistically expect in Castle Point. We also look at other global and macro issues.
- **Summary and conclusions.** Here we stand back from the issues and draw some conclusions.

1.16 We discuss each of these areas in turn.

2 POLICY CONTEXT

Introduction

2.1 This chapter sets out the policy issues, showing the wider objectives we need to take into account in this project.

Regional plans and strategies

Regional Planning Guidance for the South East (RPG 9) and Thames Gateway (RPG9a)

2.2 Regional Planning Guidance for the South East (RPG9) was published by the Government in 2001. This confirmed the extension of Thames Gateway into South Essex. As such, the Thames Gateway Planning Framework (RPG9A) published in 1995 is now relevant to Castle Point, although there are no policies referring specifically to South Essex.

2.3 The regeneration of the Thames Gateway is a regional and national priority. RPG9 recognises the potential that the Thames Gateway can make to the growth of the regional economy, and states that priority should be given to securing economic development in the Thames Gateway (Policy RE6).

Draft Regional Spatial Strategy for the East of England (RSS 14)

2.4 The emerging Regional Spatial Strategy, also known as the East of England Plan, is proposed to replace the existing RPG for the East of England. This Plan has recently gone through an Examination in Public. However, its policies provide the most up-to-date thinking in respect of development within the East of England Region.

2.5 The draft Regional Spatial Strategy was published in December 2004 and focuses on increasing prosperity and employment growth in the region and helping to regenerate disadvantaged areas.

2.6 Castle Point is dealt with as part of the wider Thames Gateway South Essex area. (Thames Gateway South Essex broadly encompasses the areas south of the A13 in Thurrock and of the A127 in Basildon, together with the whole of the Boroughs of Castle Point and Southend-on-Sea and London-Southend Airport in Rochford District).

2.7 Significant growth is projected in the TGSE area. The area is a focal point for economic regeneration and investment, provision of new infrastructure and improved environments. The plan states that local authorities, supported by regional and local partners, will develop planning frameworks and related strategies that provide for following:

- a sustainable balance between future growth of jobs and dwellings by more co-ordinated delivery of jobs, dwellings and infrastructure
- employment-led regeneration and wealth creation to reduce the present imbalance and reliance on out-commuting
- improvements to the strategic and local transport network allowing easy access by all to all parts of the sub-region and beyond to ensure delivery of the regeneration and additional development
- enhancement of the education and skills base and improved access to higher education
- increasing inward and internal investment and the overall value of the sub-regional economy

- protecting and enhancing the environmental quality and natural environment of all areas of the sub-region by action programmes and related measures
- delivery of urban renaissance and community infrastructure to raise the standard of living in the sub-region.

2.8 However, it is clear that Castle Point must be seen in the context of other parts of the TGSE area. Whilst Castle Point has the aspiration of reducing out-commuting flows, there are a number of countervailing pressures due to expected jobs growth in the TGSE sub-region. Draft Policy TG/SE2 lays these out. We have reproduced the jobs growth targets in the table below.

2.9 Each of these aspirations are relevant to this study.

Table 2.1 Policy TG/SE2 Employment generating development

	2001-2011	2011-2021	2001-2021
Basildon	7,000	4,000	11,000
Castle Point	1,000	1,000	2,000
Rochford	1,000	2,000	3,000
Southend	5,000	8,000	13,000
Thurrock	16,000	10,000	26,000
Total	30,000	25,000	55,000

Source: RSS

2.10 For example:

- The London Gateway site in Thurrock will accommodate 16,500 jobs.
- Gardiner’s Lane South site in Basildon will accommodate 8,000 new jobs.
- Southend will regenerating the existing town centre, led by the development of University campus, to secure a full range of quality sub-regional services and facilities providing 6,500 new jobs.
- Shoeburyness – development of a major mixed use, providing 3,000 new jobs consolidating R&D strengths on a ‘high-tech’ business park.

2.11 Whilst significant housing growth is expected in the area to complement these developments, Castle Point’s status as a predominantly residential district, means that the aspirations of Southend, Thurrock and Basildon to provide strong jobs growth may provide a strong attraction to the Castle Point labour force.

East of England Plan – Examination in Public Report of Panel

2.12 The Inspectors’ Report into the East of England Plan recommends a new policy covering the Thames Gateway South Essex area be drafted to:

- emphasise the Thames Gateway’s complementary role in relation to London
- improve the image of the area by improving environmental quality
- achieve modal shift towards public transport

2.13 The inspectors suggest that the sub-region has sufficient housing capacity, so that the inspectors say that “it is important to concentrate efforts…of completing the proposed number of new homes by maximising recycling of brownfield land…rather than diluting the vision by dispersing development onto Green Belt areas.”

2.14 The inspectors’ recommended policies deletes the Draft RSS’ reference to Castle Point being (with Basildon) a business centre. The Inspectors Report on the draft RSS retains the target of 2,000 jobs remains, but, like the RSS, avoids direct mention of Castle Point. The inspectors seem to believe that large scale change is not appropriate in Castle Point.

East of England Regional Economic Strategy

2.15 The East of England Regional Economic Strategy (RES) was published in November 2004.

2.16 As with the RSS, Castle Point is dealt with as part of the wider Thames Gateway South Essex area. The strategy notes that the area has a relatively underperforming economy. The strategy notes that the area has problems with skills and a high business failure rate. It notes that the area is "perceived as having sprawling urban areas of undistinguished design." The strategy suggests that "the focus of regeneration should be to enhance the setting and importance of the River Thames, emphasise the potential of the river frontage and use high quality design to lift the perception of the area".[2]

Sustainable Communities in the East of England

2.17 The Deputy Prime Minister launched the Communities Plan (Sustainable Communities: Building for the Future) in 2003, together with a series of 'Regional Action Plans' setting out the policies, resources and partnerships put in place to develop successful, thriving communities across the country.

2.18 The Regional Action Plan covering Castle Point, 'Sustainable Communities in the East of England', identifies the Thames Gateway as a key element in the action programme for delivery of sustainable communities. Commitment to the Thames Gateway as a national and regional priority is highlighted. The opportunities identified within the Thames Gateway are outlined: it has access to 300,000 new jobs; has one of the largest concentrations of brownfield sites in the country; is in a strategic location on major transport links to the continent; and is close to London.

Creating Sustainable Communities - Delivering the Thames Gateway

2.19 This report published in 2005 outlines the Government strategy for developing the Thames Gateway sub-region.

2.20 Nothing is said directly about Castle Point. However, Southend on Sea is identified as one of five urban renewal areas, which are the focus of investment and interventions to regenerate existing urban areas by taking advantage of the opportunities presented for growth.

Thames Gateway South Essex: Delivering the Future

2.21 The Thames Gateway South Essex Partnership (TGSE Partnership) was formed in 2001 in response to the inclusion of South Essex in the Thames Gateway corridor (RPG9). The Partnership released Delivering the Future, 'a landmark plan to deliver regeneration and secure a new era of wealth for South Essex' in 2003.

2.22 The vision of TGSEP is to establish South Essex as a focal point for major economic regeneration and to draw in investment. The Partnership plans to build on the strengths and diversity of South Essex, suggesting that it wishes to "improve and enhance the sustainability of Castle Point". This is a reference to Castle Point's high levels of out-commuting.

2.23 The vision and objectives will be met by:

- Providing greater employment opportunities on Canvey Island
- Strengthening service centres at Canvey, Hadleigh and Benfleet
- Making better use of urban land to provide affordable housing
- Investing in transport infrastructure and public transport opportunities

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[2] p90 EEDA (2004) *A Shared Vision - the Regional Economic Strategy*

- Proposals to contribute to the green grid and protect the open land

2.24 The main activities to achieve these objectives will be:

- Development of employment opportunities at Northwick Road, Canvey Island
- Environmental enhancement of main service centres
- Development of sites identified in the Urban Capacity Study for affordable housing
- Development of country parks on Canvey and Hadleigh
- Improvement to the A130 link to Canvey Island and Roscommon Way and the Fenchurch Street/Southend railway line

2.25 As the strategy suggests, some of these activities are outside the remit of Castle Point Borough Council. Transport investment, for example, will be delivered on a sub-regional basis. Other elements of this vision (such as the delivery of affordable housing and the development of country parks) are outside the remit of this study. Clearly, though, strengthening service centres and providing greater employment opportunities are central to this study.

2.26 Finally, there is a stress on environmental improvements. The Partners outline a vision of a place "set in a high quality, accessible landscape alongside the River Thames".

Thames Gateway South Essex Waterfront Strategy

2.27 Thames Gateway South Essex has produced a Waterfront Strategy (March 2006). The strategy is based on the principles of sharing the river, safeguarding the gateway function, and creating a leisure destination. The Strategy sees Holehaven and Benfleet Creeks safeguarded as an "environmental lung", potentially impounding water at the upper end of East Haven Creek and developing facilities at Wat Tyler Country Park. The strategy suggests that Canvey Island be the focus of regeneration initiatives (including restaurant/beach café) and investment in public transport. The strategy also raises the possibility of marina development on Canvey, but states that this would be subject to detailed feasibility studies.

2.28 The report supports the emphasis we place in Part B of our report of environment being a potential driver for the area.

Local plans and strategies

Castle Point Local Development Framework and Adopted Local Plan

2.29 The Local Plan was adopted in November 1998.

2.30 The Local Development Document (LDD) Core Strategy, which replaces the Local Plan, is currently being prepared. It is expected to be available in draft format by the end of September 2006.

2.31 The Adopted Local Plan is in use prior to adoption of the LDD. Key policies are as follows.

- Policy ED1 allocates 20.2ha of land for employment purposes to the south of Northwick road.
- Policy ED2 safeguards land to the south of Charfleets industrial estate.
- Policy ED4 states that office development will be refused outside town centres, but that business park type development will be acceptable in principle.

2.32 The Local Development Scheme (LDS) document is in place to explain the process of transferring to the LDD. The LDS explains the Council's emerging thinking on the content on the LDD.

2.33 The LDS states that

- three long term housing sites remain under policy H5. It is the intention of the Council to release these sites only after consideration of all alternative sites.
- employment land provided at Rayleigh Weir is an important component of providing additional job opportunities in the borough.

Castle Point Canvey Island Sustainable Regeneration Report

2.34 This work for Castle Point provides an overarching strategy for the future of Canvey Island. The strategy proposes significant growth for the area. There are a number of key sites and projects, including projects at Waterside Farm, the Town Centre, the Point, Canvey Island Football Club, Thorney Bay and Charfleets. The most important for our purposes here is the work proposed for the Town Centre. The Town Centre would have a remodelled road network, up to 22,500 sqm of commercial space, remodelled retail provision, improved public realm and residential development.

2.35 Work at Charfleets is also discussed in the plan. The development of land to the south of Charfleets for employment purposes will generate traffic which cannot be accommodated by the existing highway network capacity. Prior to the development of land for such purposes it is essential that additional highway capacity is provided. This would involve the costly extension of Roscommon Way. The strategy therefore looks at the land to the west of Charfleets instead, intensifying uses around the Morrisons foodstore and taking advantage of the existing road infrastructure to create new links into the Charfleets estate. Frontages are provided for along Roscommon Way and Northwick Road, allowing for the long term integration of the sites with the development at the EEDA/ Northwick Road site.

2.36 We have taken account of these developments in our modified employment projections presented in Part B of the report.

Transport strategy

2.37 Thames Gateway South Essex Partnership states that[3] the transport network in south Essex is heavily influenced by London and is dominated by a significant east-west corridor. Two train operating companies (c2c and First Great Eastern) and two strategic roads (A13 / A127) cater for this movement of people and goods.

2.38 The transport network in south Essex suffers from severe peak period congestion, with some of the most heavily used non-trunk roads and commuter railway lines in the region. Both railways are currently operating at line capacity.The A13 and the A127 carry significant volumes of traffic within south Essex and westwards towards London.

London to Southend Movement Study

2.39 London to Southend Movement Study (LOTS) (April 2004) aimed to understand existing and future transport movements within Thames Gateway South Essex (TGSE) and provide strategic guidance on the key components of the future transport infrastructure.

2.40 The study found that the network was currently overloaded. It stated that "to satisfy future travel demands from an invigorated and regenerated TGSE, there must be a quantum change in mode split away from car to public transport and non motorised modes…It will require investment in public transport infrastructure and associated policy measures that go beyond anything in the current LTPs."[4]

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[3] http://www.tgessex.co.uk/pages.php?id=1
[4] page ix, Executive Summary, LOTS, http://www.eera.gov.uk/Documents/About%20EERA/Policy/Planning%20and%20Transport/PlanHome/PlanTranStud/TransportStudies/MultiModalStudies/LOTS/Stage2/ExecSum.pdf

2.41 Improved access to Canvey is a important component of the package of measures put forward by LOTS, with the proposed mechanism being a network of inter-urban buses.[5]

Health strategy

2.42 New and upgraded primary care has been funded through Local Improvement Finance Trusts (LIFT), a Private Finance Initiative supported by the Department of Health. In November 2004, the Government made a further commitment to a '4th Wave' of LIFT programmes. These will enable additional primary care facilities to be built on Canvey Island.[6] Whilst it is not possible to be certain at this stage, new public sector jobs may result from this increase in capacity.

Implications for meeting the 2,000 job target

2.43 Policy documents indicate that whilst Castle Point is found within a sub-region accommodating great change, Castle Point is not intended to bear the brunt of that change. A relatively modest jobs growth target of 2,000 new jobs is set in the Draft RSS, and this target is retained by the Inspectors.

2.44 The Inspectors' report deletes reference to Castle Point as a "business hub", which indicates that Castle Point's predominantly residential role is accepted. Their report recommends a new policy be drafted to emphasise the Thames Gateway's complementary role in relation to London; improve the image of the area by improving environmental quality; and achieve modal shift towards public transport, all of which have significant implications for Castle Point. Such a policy would indicate that Castle Point's commuter relationship with London cannot be ignored, and would emphasise the potentially important role that Castle Point might play in providing green space leisure opportunities for the growing TGSE population.

[5] see figures S.3 and S.4 ibid
[6] p44 ODPM *Creating Sustainable Communities - Delivering the Thames Gateway*

3 ECONOMIC PROFILE OF RESIDENTS

Introduction

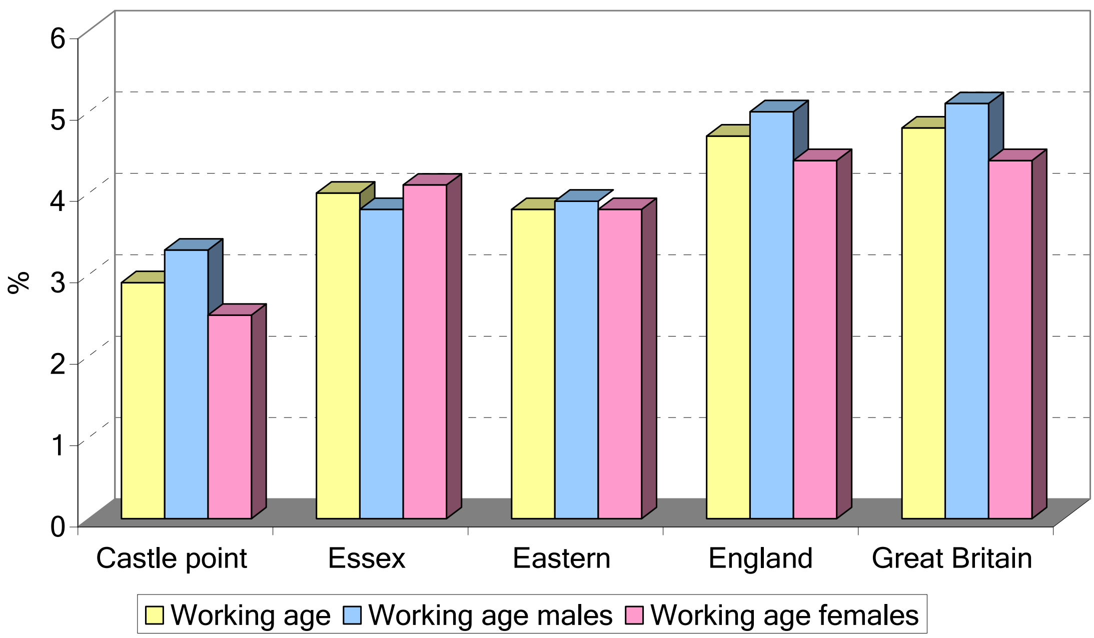
3.1 The aim of this section is to understand the socio- economic context of the resident population of Castle Point. We look at residents in order to understand the people of the borough. The package of measures we put forward will need to take into account factors such as the skills and human capital of residents, their wage rates and employment rates. However, it is not enough to consider only the 'average' resident; what is also important is the wellbeing of those residents who are worst off. We also therefore consider deprivation levels across Castle Point.

Issues

Castle Point has low unemployment

3.2 The diagram below is the International Labour Force Organisation (ILO) measurement of unemployment rates. The figures are generated by dividing the number of unemployed people[7] by the economically active population. Unemployment rates are particularly low in Castle Point when compared to the county and regional levels of unemployment. Here they are 2.9% as compared to 4.0% and 3.8%, respectively.

Figure 3.1 Unemployment Rate



Source: Annual Population Survey, 2005

3.3 In contrast to the ILO method the Claimant Count method of measuring unemployment can be picked up by dividing the total number of claimants with the 'economically active' population. We have geographically divided Castle Point into four towns to get a better snapshot picture in each of these places[8].

[7] Defined as those who want to work, are available for work and are actively seeking employment.
[8] These towns are Canvey Island (which is a separate Island, South of Benfleet), Benfleet, Thundersley and Hadleigh.

3.4 The picture below shows that Canvey Island has a higher level of benefit claimants compared to the other three areas at 2.2%. It also seems to bring the figure for unemployment for Castle Point to 1.6%. This is very near to the frictional level of unemployment[9]. Although this does generally indicate a flourishing economy and well-off residents, it tends to hide the fact that those who are in work may be in low pay and low value jobs such as retail and tourism related jobs.

Table 3.1 Unemployment rate

Area	Claimant count rate
Benfleet	1.1
Canvey Island	2.2
Hadleigh	1.3
Thundersley	1.1
Castle Point	1.6
Essex	1.9
Eastern	2.0
England	2.6
Great Britain	2.7

Source: Claimant Count Unemployment, February 2006

Jobs in Castle Point often pay little and residents commute out for higher paid jobs

3.5 The average pay of jobs in Castle Point ('workplace earnings') is very low compared to GB, the East and Essex – in fact the average pay is £130-140 per week.

3.6 Residents' earnings, however, at £455 per week, are higher than the Great Britain (£427) and slightly higher than those of the East of England (£448).

3.7 The gap between workers pay and residents pay in Castle Point is £172 – a much higher disparity than comparative areas. Residents are paid more because they commute out to areas, such as the City and Basildon, where jobs are higher-paid.

[9] Frictional level of unemployment is that which occurs 'naturally' in the economy i.e. when some people will be in between jobs and not looking for work- hence they will be not looking for work but also not currently working.

Figure 3.2: Gross weekly earnings, 2005

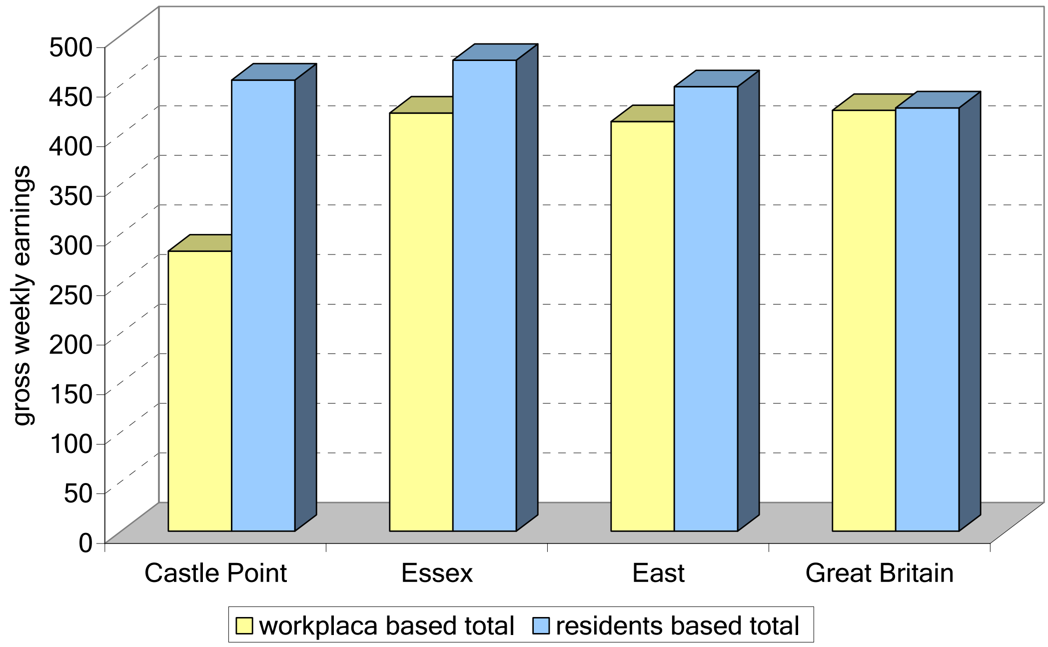
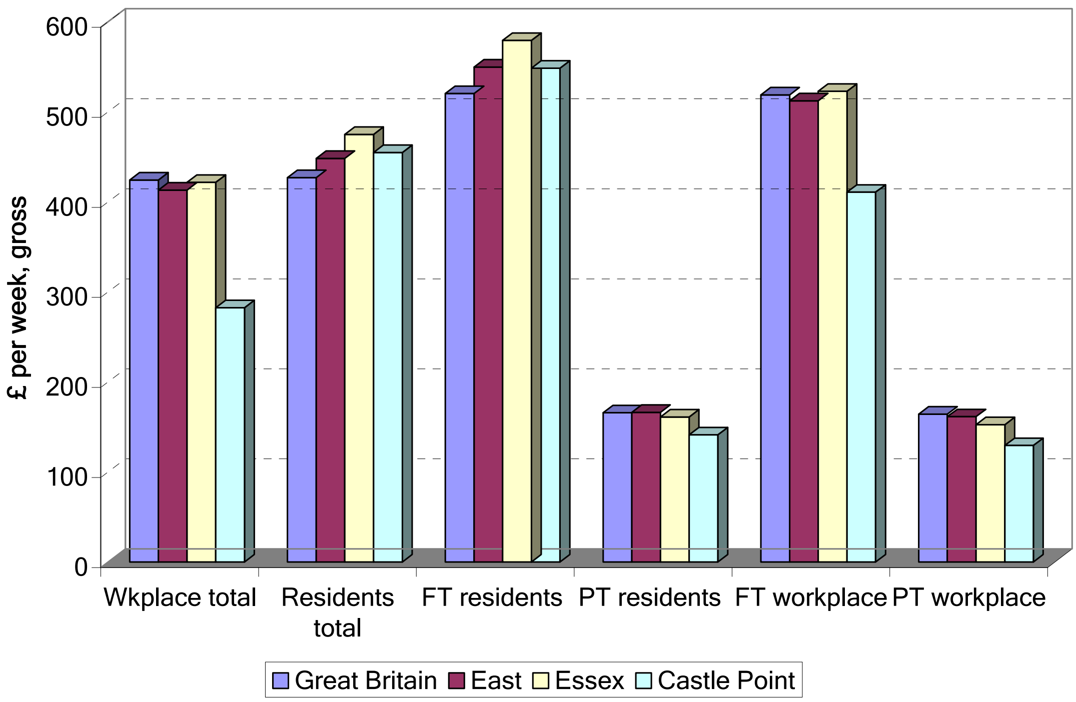


Figure 3; Source: Annual Survey of Hours and Earnings, 2005[10]

3.8 The diagram below illustrates gross weekly earnings for full time (FT) and part time (PT) residents and FT and PT workplace workers.

Figure 3.3: Gross weekly earnings for full time part time resident and workplace workforce



Source: Annual Survey of Hours and Earnings, 2005

[10] Note: This data is not available by smaller geographical area and so earnings in the smaller units of Castle Point cannot be analysed.

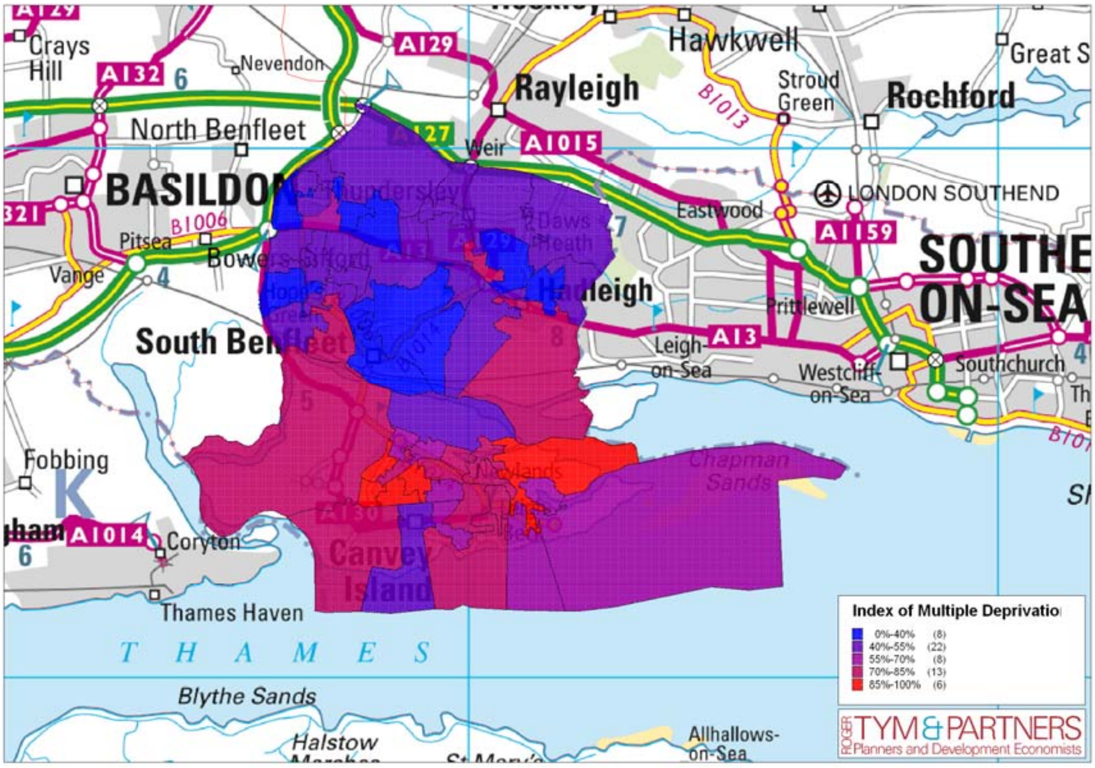
3.9 As can be seen from the chart above, the average full time earnings for residents in Castle Point (£548) exceeds the national average (£520), roughly the same as the East of England and substantially lower than those in the Essex county (£579). There is also a dichotomy between earnings of full time resident workers and part time resident workers.

3.10 Full time workplace earners earn only £411 compared to the county, regional, and national averages of £523, £512 and £518 respectively. This highlights the low quality of jobs on offer in Castle Point, which we discuss in more detail in the next chapter.

Deprivation is concentrated on Canvey Island

3.11 The map below shows the most deprived areas in red and least deprived areas in blue. The map shows clearly that deprivation is concentrated mainly in areas on Canvey Island. Areas in Benfleet and Hadleigh are at the opposite end of the scale, showing very low levels of deprivation. Overall, it is clear that there is quite a mixture of deprivation within Castle Point. Overall, the District ranks 245th out of 354 Local Authorities in the Index of Multiple Deprivation[11].

Figure 3.4 Index of multiple deprivation



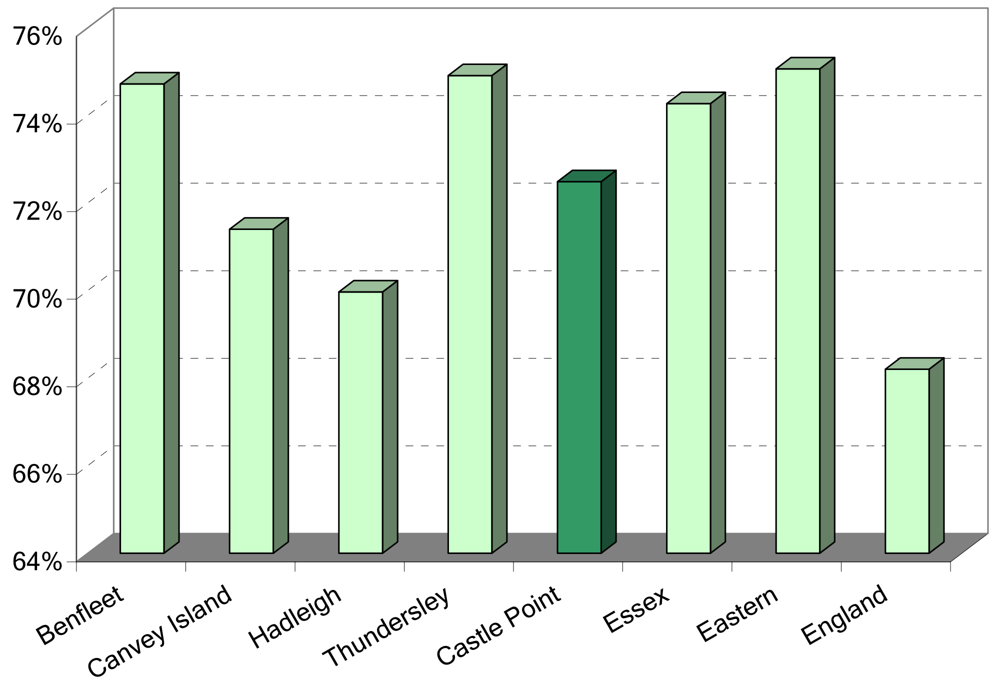
Source: RTP

Economic activity rates in Castle Point are high overall but lower in Canvey Island and Hadleigh

3.12 The economic activity rate in Castle Point (72%) is similar to the average for Essex (74%) but higher than the national rate of 66%. Within Castle Point, economic activity rates are high (75%) in Benfleet and Thundersley but lower in Canvey Island (71%) and in Hadleigh (70%). Although there are disparities within Castle Point, the activity rate is still above the national rate.

[11] Where 1 denotes the most deprived Local Authority, and 354 denotes the least deprived Local Authority.

Figure 3.5: Economic Activity Rates

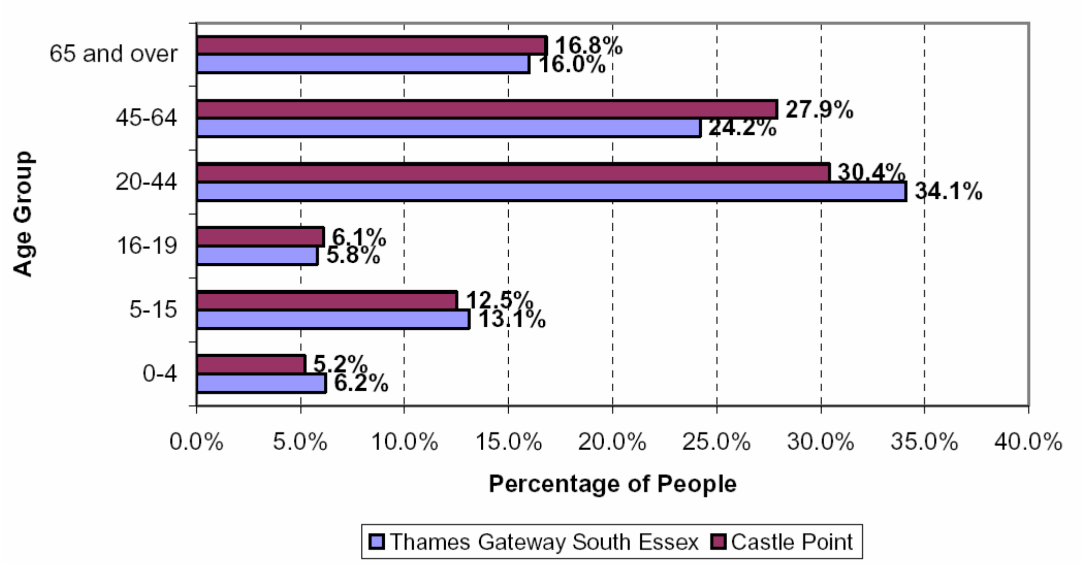


Source: Census 2001

The high rates of economic activity are impressive given a population older than the sub-regional average

3.13 Statistics generated by Castle Point BC[12] indicate that the population tends towards the older age groups.

Figure 3.6 Percentage of Population by Age Group in 2001



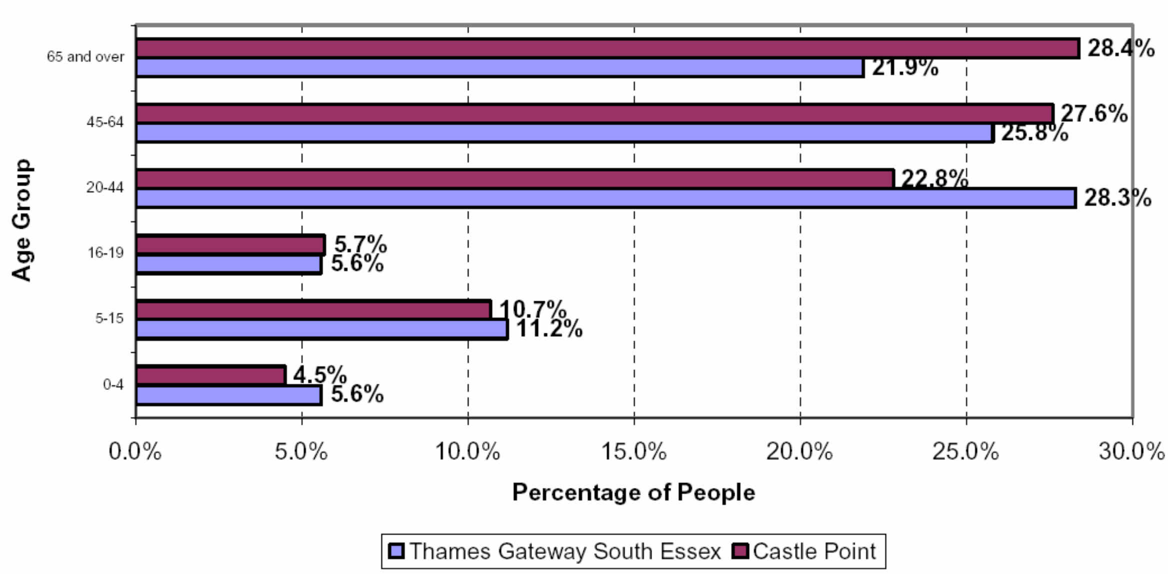
Source: APU Population and Housing Research Group, Castle Point BC

[12] p7 Castle Point BC Core Strategy and Generic Development Control Technical Issues Paper, September 2005

Future population growth will tend to be in the older age groups…

3.14 Population projections carried out by the Eastern Region Public Health Observatory[13] show strong growth in Castle Point in the 45 and above age groups. For example, by 2021 there is a 23.4% increase in those age 65 and above, compared to a 17.2% increase in Essex within the same age group.

Figure 3.7 Percentage of Population by Age Group in 2021



Source: APU Population and Housing Research Group, Castle Point BC

…and there will be a fall in the number of economically active people by 2021

3.15 The population forecasts for Castle Point[14] also show a static or falling number of economically active population between 2001 and 2021.

Retirees dominate the economically inactive sector more than is usual

3.16 Retirees dominate the economically inactive population.

3.17 Within Castle Point, the retired population is most prevalent in Benfleet, Hadleigh and Thundersley, with levels much higher than any of the comparator areas. Only Canvey Island is in line with the national level; have retired population as a percentage of economically inactive (63%) significantly less than that in Benfleet (83%), Hadleigh (78%), and Thundersley (82%).

Table 3.2 Economically Inactive Sector (%)

	Retired	Student	Looking after family	Perm sick or disabled	Other
Benfleet	83	0	5	7	5
Canvey Island	63	1	14	16	7
Hadleigh	78	0	7	10	5
Thudersley	82	0	6	7	5
Castle Point	72	0	10	12	6
Essex	69	1	11	13	6
Eastern	68	2	10	13	7
England & Wales	60	3	11	17	8

[13] p9 ibid
[14] p22 Castle Point BC Core Strategy Issues Paper

Source: Census 2001

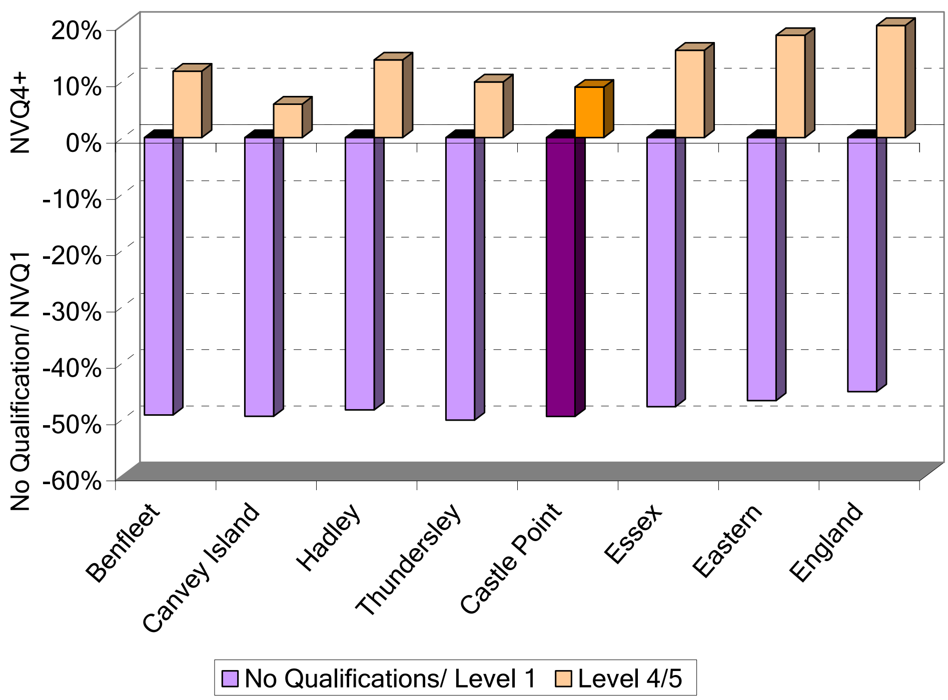
3.18 In general, there are fewer people remaining at home to look after the family in Castle Point compared to the benchmarks. Only Canvey Island has slightly higher proportions. This does not seem to be an obvious area to target for potentially increasing the workforce.

3.19 The proportion of people who are sick or economically disabled is low in Castle Point compared to the benchmark. Within Castle Point, proportions are relatively higher in Canvey Island (16%), but Hadleigh (10%) Thundersley (7%) and Benfleet (7%) are all much lower than the national average.

Around half the population has no qualifications of NVQ level 1

3.20 The percentage of people with no or NVQ Level 1 qualification is about 50% across Castle Point. This is slightly higher than the rate in the county (48%), regionally (47%), and nationally (45%).

Figure 3.8: Qualifications of residents



Source: Census 2001

3.21 Labour supply difficulties emphasises the point (made recently by the CBI) that the young people which emerge from the educational system must be employable.[15]

Few people have high levels of qualifications

3.22 Only 9% of residents have NVQ4 level and above qualifications. This is half the rate of the East of England (18%) and England (20%). Within Castle Point, only 6% of residents in Canvey Island have these highest levels of qualification; Hadleigh has the highest proportion with 14%.

[15] Financial Times, 21 Aug *Employers alarmed at skills shortage*

Implications for meeting the 2,000 job target

3.23 Unemployment in Castle Point is low. This suggests that there is little spare labour to work in the 2,000 new jobs proposed for the area. Castle Point economic activity rates are already higher than the national average, although there is no reason why they should not go higher, particularly on Canvey and in Hadleigh. Finding labour for the proposed increase in jobs will be made more difficult by the fact that population forecasts show a static or falling economically active population to 2021, largely because of an ageing population. We say more about this labour market balance in a later section.

3.24 Whilst there is technical full employment, Castle Point's population is poorly qualified. This is a potentially major stumbling block for the area's ability to attract new enterprises.

3.25 Better skilled, better paid individuals tend to commute out for work.

4 THE WORKPLACE ECONOMY

Introduction

4.1 In looking at the workplace economy, we are considering the jobs which are physically located in Castle Point (as opposed to the jobs of the *residents* of Castle Point). The package of measures we will put forward for Castle Point will depend in large measure on an understanding of the current economy in the area.

Issues

Canvey Island and Hadleigh have the majority of jobs in Castle Point

4.2 In 2004, there were 18,600 jobs in Castle Point. A third of these jobs were located in Canvey Island and slightly fewer in Hadleigh.

Table 4.1 Percentage of jobs in each subregion of Castle Point

Area	number	percent
Benfleet	3,300	18%
Canvey Island	6,100	33%
Hadleigh	5,200	28%
Thundersley	3,900	21%
Castle Point	18,600	100%

Source: Annual Business Inquiry, 2004

Within Essex, the jobs in Castle Point only comprise around 4% of the total jobs.

4.3 Out of over 500,000 jobs in Essex, Castle Point accounts for fewer than 20,000 – around 4%.

Table 4.2 Percentage of Jobs in Essex Districts, 2004

	Jobs	% of total
Basildon	74,100	15%
Braintree	47,900	10%
Brentwood	29,900	6%
Castle Point	18,600	4%
Chelmsford	77,500	15%
Colchester	71,600	14%
Epping Forest	40,700	8%
Harlow	35,400	7%
Maldon	17,900	4%
Rochford	19,400	4%
Tendring	35,800	7%
Uttlesford	33,200	7%
Total	**502,000**	**100%**

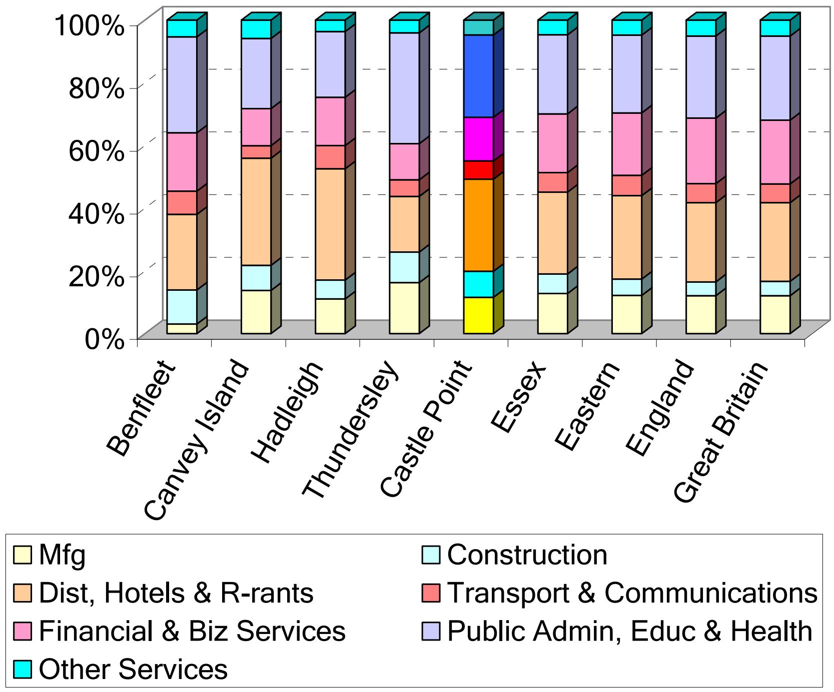
Source: Annual Business Inquiry, 2004

Jobs that do exist tend to be in lower productivity sectors

4.4 Jobs in Castle Point are concentrated in low value sectors of the economy. For example, one of the over-represented sectors compared to the national, regional and county values is Distribution, Hotels and Restaurants (shown in orange in figure 5.1), comprising 29% jobs compared to around 25%.

4.5 Correspondingly, employment that tends to be higher value is somewhat under-represented. For example, Banking, Finance and Insurance jobs (shown in pink in figure 5.1) comprise only 14% of total jobs compared to around 20% for the county, regional and national figures. Within Castle Point, Canvey Island and Thundersley are particularly under-represented in these sectors.

Figure 4.1: Employment by Industry



Source: Annual Business Inquiry, 2004

The proportion of knowledge based businesses is low

4.6 The table below shows that the proportion of the local businesses classed as knowledge-based industries[16] is low in Castle Point. Furthermore, the proportion of such employment has fallen since 1997, from 17.5% to 16.6% in 2003. This compares to Breckland, North Hertfordshire, and Peterborough, all of which increased their proportion of knowledge based industries in line with the increase in the East of England region (from 20% to 22%) and Great Britain (from 18.6% to 21.2%).

Table 4.3 Knowledge Based Industries, % of total employment

	1997	2003
Luton	19.9%	19.3%
Bedford	22.4%	21.9%
Basildon	20.0%	19.4%
Braintree	18.3%	19.5%
Castle Point	17.5%	16.6%
Harlow	18.3%	17.8%
Southend-on-Sea	23.3%	19.2%
Thurrock	11.8%	13.5%
Hertsmere	26.6%	28.4%
North Hertfordshire	28.0%	29.5%
Welwyn Hatfield	27.7%	26.9%

[16] The definition of knowledge-based industries used by Huggins for these statistics is the OECD definition of Knowledge-based services. The definition contains industries such as pharmaceuticals, office machinery and computers, aerospace, telecoms, financial intermediation excluding insurance and pension funding, R&D, film, television and radio. (p6 UK Competitiveness Index 2006)

Peterborough	18.5%	20.6%
Breckland	11.7%	13.7%
Eastern	20.0%	22.6%
GB	18.6%	21.2%

Source: Huggins index, 2003

There is an over-representation of small businesses in Castle Point…

4.7 The table below shows the proportions of businesses with different levels of employees. Whilst a majority (83%) of businesses in Great Britain have one to ten employees, this percentage is much higher in Castle Point (89%). Within Castle Point, this percentage is highest in Benfleet where 92% of businesses have one to ten employees.

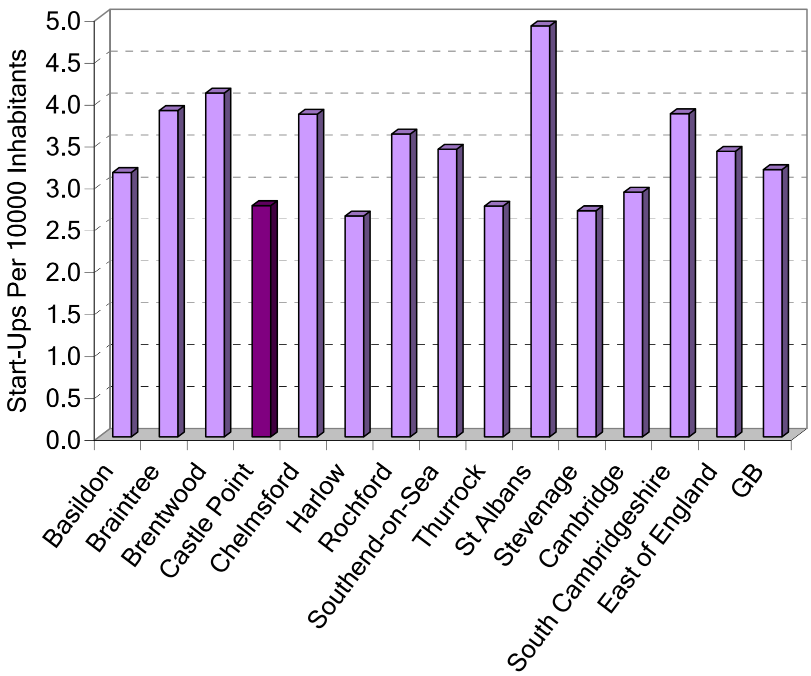
Table 4.4 Size of Business Units

Area	1-10 employees	11-49 employees	50-199 employees	200 + employees	Total
Benfleet	92.0%	7%	1%	0%	701
Canvey Island	89.7%	9%	1%	0%	1,097
Hadleigh	85.0%	11%	3%	1%	547
Thundersley	87.6%	10%	2%	0%	579
Castle Point	89.0%	9%	2%	0%	2,924
Essex	86.0%	11%	2%	0%	54,851
Eastern	84.9%	12%	3%	1%	226,440
Great Britain	83.3%	13%	3%	1%	2,235,348

Source: Annual Business Inquiry, 2004

…but business start up rates are very low

Figure 4.2: Business Start up Rates



Source: Huggins Index

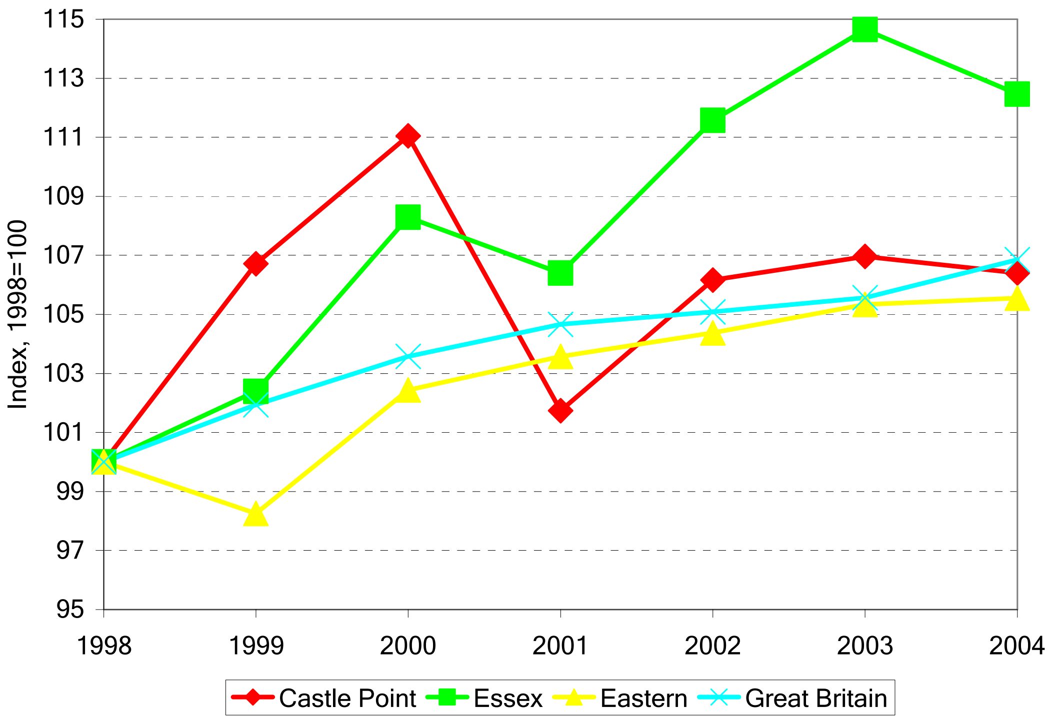
4.8 As the graph above shows, business start up rates are very low (2.6 per 10,000 residents) in Castle Point compared to elsewhere in the East of England. The East of

England (3.4 per 10,000 residents) has a slightly higher rate than the national average (3.2 per 10,000 residents).

Employment change in Castle Point has been well below the Essex average but similar to the national trend

4.9 In recent years employment growth in Castle Point has kept pace with the national average, though has been below that achieved in Essex. As the graph above shows, from 1998 to 1999, employment increased substantially in Castle Point while it increased with lower rates in Essex and Great Britain. Castle Point's employment levels have been volatile, which is usually due to volatility in the data typical in small geographical areas. Over the period though, it is clear that the growth rate has been similar to that in the East of England region.

Figure 4.3: Employment Change, 1998-2004



Source: Annual Business Inquiry, 1998-2004

4.10 Since 1998, growth has mainly been from Education (900 net new jobs), Retail Trade (800 jobs) and Health and Social Work (500 jobs).

Findings from the business surveys

4.11 We undertook a small survey of companies located in Castle Point in order to get a snapshot of the issues facing businesses in the area. The survey is too small to be in any way statistically significant, but businesses we talked to reported that the location of Castle Point gives an advantage to firms to be located there. It is close to dual carriageways and has good links to the M25, which is an advantage for some firms.

4.12 In terms of constraints to business growth, the survey did not find particular common themes between the different interviews. Issues tended to be contingent upon the firm's immediate circumstances; as a result, different issues particular to the firm in question were reported. For example, one firm suggested that its main problem was the council was "taking away significant amounts of parking spaces" with consequent problems, whilst another commented that "overheads costs" contributed to constraints on growth.

Implications for meeting the 2,000 job target

4.13 Jobs in Castle Point are concentrated in low value sectors of the economy, with an over-representation of small businesses. An over-representation of small businesses presents both an opportunity (they are evidence of an entrepreneurial population) and a problem (they can be unwilling to invest in training, and can be purposely maintained on a low growth trajectory by their owners). Small businesses are a key part of Castle Point's economy, and without jobs growth in this sector Castle Point will not meet its target.

4.14 Business start-up rates are low in Castle Point. Jobs growth in the Castle Point economy has been below the Essex average but similar to the national trend. If such growth was to continue to 2021, then the economy would deliver the necessary level of jobs growth to meet the target. However, there is no guarantee that similar growth will continue, emphasising the need to bolster start-up rates.

5 THE LABOUR MARKET BALANCE

Introduction

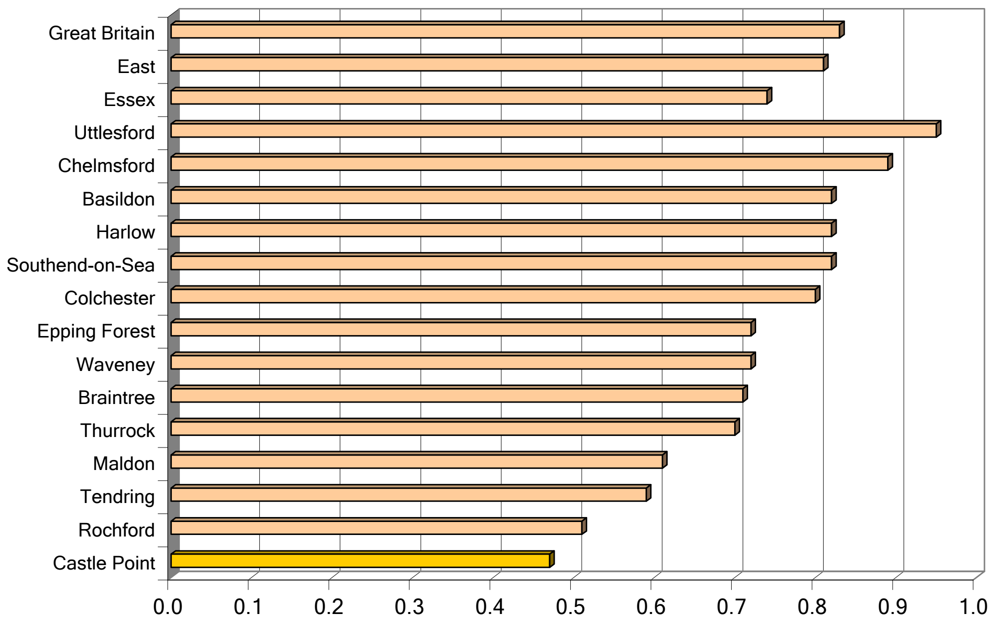
5.1 Castle Point does not operate in an economic vacuum. People travel into, within, and from, Castle Point to reach their place of work. Understanding these commuting flows is important in understanding where the workers will come from for the projected 2,000 new jobs.

Issues

Castle Point is primarily a commuting area

5.2 The job density – total number of filled jobs in an area divided by the resident population of working age in that area- is extremely low in Castle Point. This shows that as a Borough, Castle Point provides relatively few jobs for its working residents. That is not necessarily a problem, as we saw in Chapter 3 that unemployment is low; residents who want a job are generally able to find one.

Figure 5.1 Job Densities, 2004



Source: ONS, 2004

There is a net out-commuting flow of around 19,000 people from the Borough

5.3 There are 41,000 working residents in Castle Point. 25,400 of these residents commute out of Castle Point to work, leaving 15,600 residents working in Castle Point. On top of these resident workers, 6,000 more workers commute in, giving a local workforce of around 21,600 people. The net commuting balance is therefore 19,400 out-commuters from Castle Point.

Many out-commuters travel to the local employment draws of Basildon and Southend on Sea

5.4 Castle Point has a strong out-commuting population. The biggest draws are Southend on Sea (5,533 residents), Basildon (6,087 residents) and London (8,503 residents).

London is the major employment draw, eased by rail links from Benfleet

5.5 Within Castle Point, Benfleet exports the largest proportion of its resident workers to London, although the absolute number of workers is higher in Canvey Island. Benfleet benefits from the rail link into London. Many people commute to London from Canvey Island via Benfleet Railway Station. We understand from consultation that this causes major bottlenecks on the link roads between Canvey and Benfleet when people drive to the station.

Table 5.1: Travel to work (resident workers)

	Live in Benfleet , work in...	Live in Canvey Island, work in...	Live in Thundersley, work in...	Live in Hadleigh, work in...	Live in Castle Point, work in...
Total	9,315	18,836	9,176	5,507	41,045
Benfleet	2,096	367	296	122	2,881
Canvey Island	275	6,548	223	119	7,165
Thundersley	384	351	2,200	234	3,169
Hadleigh	388	340	436	1,432	2,596
Castle Point	3,057	7,606	3,109	1,903	15,675
London Total	2,323	3,638	1,581	961	8,503
City	755	991	465	269	2,480
Camden	147	187	65	42	441
Barking	109	374	137	81	701
Hackney	53	117	25	15	210
Islington	98	164	72	40	374
Tower Hamlets	91	521	151	88	851
Havering	159	313	139	88	699
Newham	99	158	57	34	348
Redbridge	57	79	48	24	208
Southwark	107	188	58	24	377
Waltham Forest	45	78	33	21	177
Westminster	224	287	136	142	789
Rest of London	379	181	195	93	848
Southend	1,112	1,890	1,297	1,234	5,533
Thurrock	151	896	402	117	1,566
Basildon	1,390	2,884	1,495	318	6,087
Chelmford	199	292	221	106	818
Maldon	49	39	48	18	154
Rochford	320	496	518	317	1,651
Rest of area	714	1,095	505	533	2,847

Source: Census 2001

5.6 The diagram below illustrates the above in percentage terms.

Table 5.2 Travel to work (% resident workers)

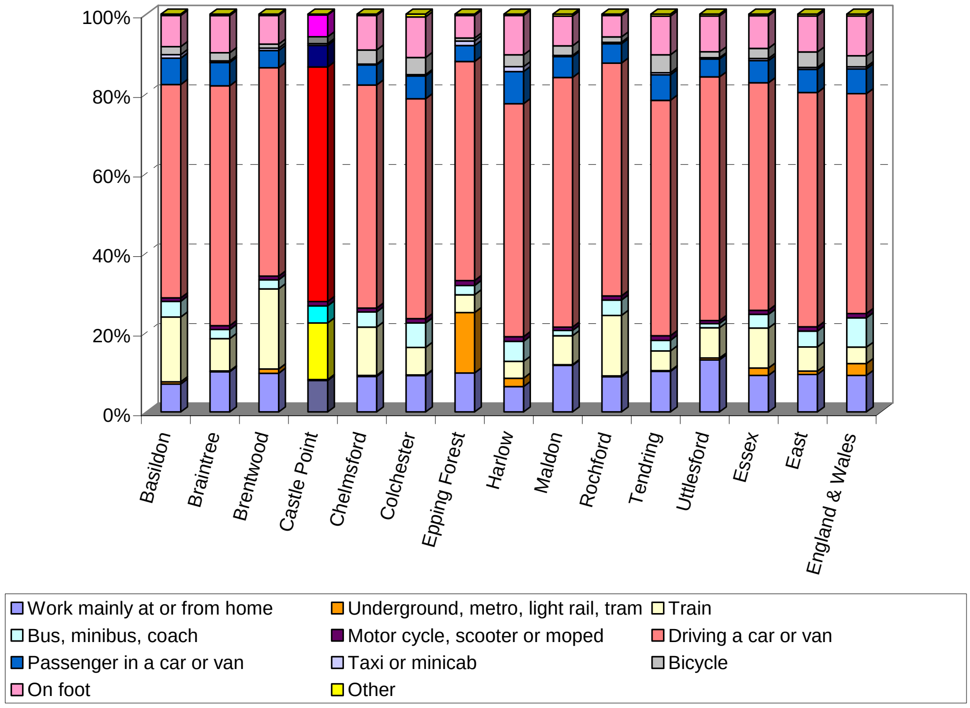
	Live Benfleet , work in…	Live in Canvey Island , work in…	Live in Thunders-ley, work in…	Live in Hadleigh, work in	Live in Castle Point, work in
Total	100%	100%	100%	100%	100%
Benfleet	23%	2%	3%	2%	7%
Canvey Island	3%	35%	2%	2%	17%
Thundersley	4%	2%	24%	4%	8%
Hadleigh	4%	2%	5%	26%	6%
Castle Point	33%	40%	34%	35%	38%
London Total	25%	19%	17%	17%	21%
City	8%	5%	5%	5%	6%
Camden	2%	1%	1%	1%	1%
Barking	1%	2%	1%	1%	2%
Hackney	1%	1%	0%	0%	1%
Islington	1%	1%	1%	1%	1%
Tower Hamlets	1%	3%	2%	2%	2%
Havering	2%	2%	2%	2%	2%
Newham	1%	1%	1%	1%	1%
Redbridge	1%	0%	1%	0%	1%
Southwark	1%	1%	1%	0%	1%
Waltham Forest	0%	0%	0%	0%	0%
Westminster	2%	2%	1%	3%	2%
Rest of London	4%	1%	2%	2%	2%
Southend	12%	10%	14%	22%	13%
Thurrock	2%	5%	4%	2%	4%
Basildon	15%	15%	16%	6%	15%
Chelmsford	2%	2%	2%	2%	2%
Maldon	1%	0%	1%	0%	0%
Rochford	3%	3%	6%	6%	4%
Rest of area	8%	6%	6%	10%	7%

Source: Census 2001

Public transport is poor - the transport system is car-based

5.7 Consultation highlighted that a large part of the problem in Castle Point is that public transport is poor. Both a cause and effect of this is that people use their cars. This contributes strongly to the congestion problem on Canvey Island; people experience congestion and delays when accessing the railway station by public transport.

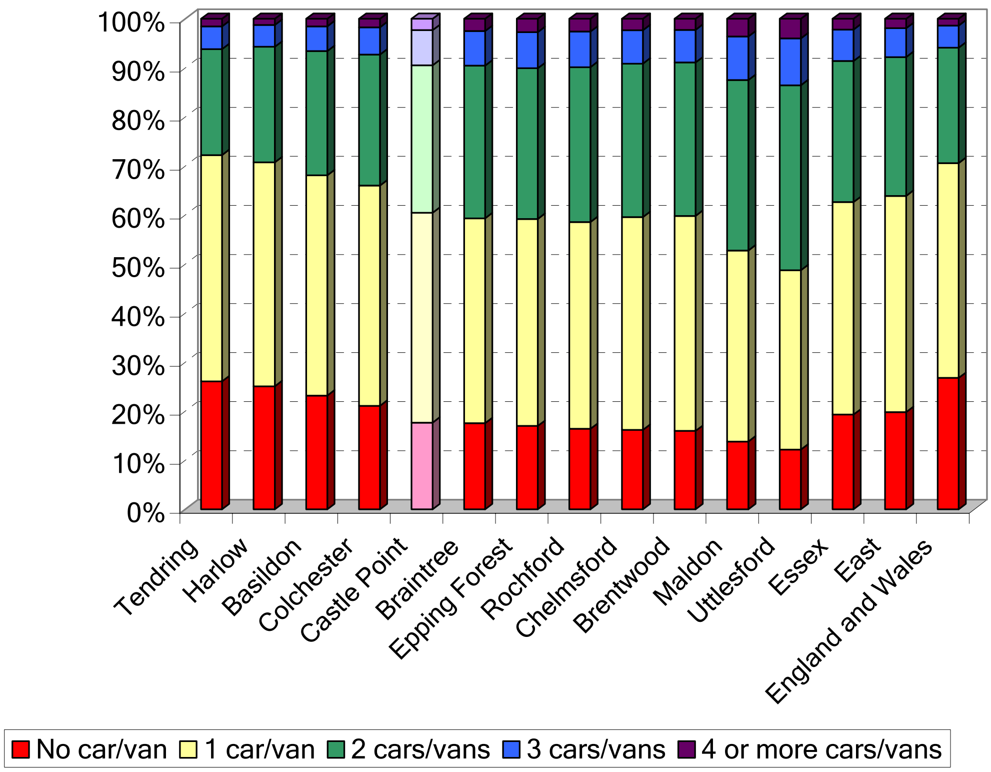
Figure 5.2 Mode of Travel to Work, 2001



Source: Census 2001

5.8 The chart below shows clearly that Essex and the East generally have higher levels of car ownership than the national average. Castle Point has even higher levels than that.

Figure 5.3 Car Ownership, 2001



Source: Census 2001

In future, Castle Point's ability to supply labour to surrounding job markets may fall

5.9 To assess future changes in travel-to-work patterns, we compared the forecasts with the future labour force, based on population projections, known as the Chelmer Model, prepared for the East of England Plan by Anglia Polytechnic University.

5.10 Whilst total population is forecast to increase by around 1,300 people, the labour supply is forecast to decline by 3,000 people, due to an ageing population.

5.11 We have estimated a simple labour market balance to see how the population forecasts fit with the jobs forecast and how the commuting balance is likely to change if the population and employment forecasts are borne out. This is worked in two stages:

- Firstly, we estimate the labour market balance for 2001. As a reality check, we compare this to the Census. We can see from the table that the differences are insignificant, suggesting that our estimation method is correct.
- We then use the same method to estimate the figures for 2021.

5.12 These calculations show a decrease of 4,900 in Castle Point's net out-commuting, as the number of working residents declines by 3,000 people whilst workplace jobs increase by 2,000. Net out-commuting increases from 19% of the workforce in 2001 to 24% in 2016.

Table 5.1 Labour Market Balance, 2001-2016 (RSS submitted numbers)

	%	2001	2021	Change
Population		86,400	87,483	1,083
Labour Supply		**42,611**	**39,610**	**-3,001**
Jobs		24,000	26,000	2,000
Double Jobbers	5%	1,200	1,300	100
Jobs Filled		**22,800**	**24,700**	**1,900**
Difference		**-19,811**	**-14,910**	**4,901**

Source: RTP, Chelmer, Delivering TGSE's Economic Future Technical Report, July 2005, KPMG

5.13 However, if we make the assumption that economic activity rates are higher, the Chelmer model suggests that there will be a larger labour supply. In this scenario, the model suggests that there will be a fall of only 72 workers in Castle Point by 2021. This is a considerably smaller number that the 3,000 worker fall suggested in the RSS submitted draft.

Table 5.2 Labour Market Balance, 2001-2016 (high economic activity assumptions)

	%	2001	2021	Change
Population		86,400	87,483	1,083
Labour Supply		**42,611**	**42,539**	**-72**
Jobs		24,000	26,000	2,000
Double Jobbers	5%	1,200	1,300	100
Jobs Filled		**22,800**	**24,700**	**1,900**
Difference		**-19,811**	**-17,839**	**1,972**

Source: RTP, Chelmer, Delivering TGSE's Economic Future Technical Report, July 2005, KPMG

Implications for meeting the 2,000 job target

5.14 Castle Point is a residential area with a primarily dormitory function. The net commuting balance is 19,400 out-commuters from Castle Point. Of out-commuters, the largest proportion travel to London.

5.15 As we have seen in section 3, it is an aspiration of policy to reduce out-commuting flows in the Thames Gateway South Essex area, and attract this labour into more local work. As we have seen above, labour is at near full employment, and an ageing population means that worker numbers will fall, or (on the "high economic activity" Chelmer model run) stay stable. The future may therefore see some labour shortages, which could damage Castle Point's ability to reach its jobs target.

5.16 However, there are potentially two mitigating factors which may reduce this apparent labour shortage.

- policies are put in place to raise economic activity rates, particularly of older age groups. Higher economic activity rates might be possible – in excess of the "high economic activity" Chelmer run. Our difficulty is that we are unsure from the published sources exactly how the "high activity rates" Chelmer model works. If this work has been done using the same methodology as the Chelmer RPG14 "high economic activity" model run[17] then there might be room for substantial upward revision. On this run, the model took the regional average economic activity rate and applied that figure to the demographics of areas with economic activity rates under the regional average. (Areas which were at or in excess of the regional average were unaffected by this exercise).[18] However, a different method could have been used: the Chelmer model used in the RSS 2005 run somewhat opaquely stated that it used rates "broadly consistent" with projections used by Experian and Cambridge Econometrics, with no statement about how the "high economic activity" run might have been created.[19] Depending on the method used, it may be possible that suggest that there is scope for economic activity to rise further.
- new housing created in Castle Point attracts people of working age, or frees up the existing housing supply for occupation by families (for example, high quality retirement properties can provide the benefits of freeing up family housing).

5.17 The scale of any labour shortage in Castle Point in 2021 is therefore open to question. Indeed, circumstances might combine to mean that there is no labour shortage, but if there is, in response the Castle Point economy could either a) take a larger share of those residents who currently outcommute, b) gain incommuters, or c) increase economic activity rates. We discuss each in turn.

- Regarding option a) above, it is not easy to imagine Castle Point "clawing back" outcommuters. Out-commuters are generally the better skilled, better paid individuals. If new jobs developed in Castle Point in coming years are to attract workers resident within Castle Point, the Castle Point's new jobs will need to be sufficiently well paid to successfully bid labour away from these well paid, highly skilled jobs elsewhere (eg those in London). Given Castle Point's economic structure it is difficult to see a strong case for this.
- As we point out in option b) Castle Point could gain incommuters. But this approach somewhat confounds the point of the policy, which is to create more sustainable commuting patterns: we might simply be replacing unsustainably long outcommutes with unsustainably long incommutes as workers resident elsewhere travel *in* to Castle Point. We are also operating in a context of strong jobs growth elsewhere in the Thames Gateway sub-region, and again, wage rates would need to bid labour away from work elsewhere.
- Regarding option c), raising economic activity rates, will be important (as we have noted above). Depending on the Chelmer method used, it is not too difficult to

[17] On the "high economic activity" run, the RPG14 Chelmer model took the regional average economic activity rate and applied that figure to the demographics of areas with economic activity rates under the regional average. Areas which were at or in excess of the regional average were unaffected by this exercise.
[18] RTP source
[19] Data sources and assumptions used in Chelmer 2001-based forecasts: February 2005 version

imagine economic activity rates increasing substantially to 2021 over these levels given likely social changes (such as increasing feminisation of labour markets) and economic changes (such as a falling return on pension investments).

5.18 Finally, it is clear from the analysis that an area's ability to supply labour is not simply a question of demographics. It is also related to workers' ability to reach their place of work. Consultation showed that there are some congestion problems in the area. We have doubts about the ability of new road capacity to solve congestion problems in the area. This is because

- there are likely to be ongoing cost and environmental difficulties with the provision of new road infrastructure
- even if provided, studies show that new road capacity attracts new users, eroding the benefits of provision.[20]

5.19 Instead, we would suggest that there is a clear labour market argument for improving public transport in the area, particularly targeted at the ability of Castle Point residents to reach employment in Southend and Basildon.

[20] SACTRA's 1994 report indicated that, in conditions of congestion, the consumer benefits obtained from a scheme would generally be generally reduced by the effects of induced traffic. The report found an average road improvement induced roundly 10% of the base traffic in the short run, and about 20% in the long run, and there were some schemes with induced traffic at double this level. Phil Goodwin at UWE notes that SACTRA's 1994 report found that "the biggest levels of induced traffic were on the alternative routes that the schemes were intended to relieve." (Prof Phil Goodwin, IPPR Lecture Changing Travel Behaviour)

6 CASTLE POINT B-CLASS EMPLOYMENT SPACE AND RETAIL SPACE

Introduction

6.1 The stock of commercial floorspace will influence the types of economic development that Castle Point can realistically pursue.

Issues

Employment is concentrated on three main sites

6.2 The three main existing employment sites are listed below. Charfleets Industrial Estate, on Canvey Island is the largest, with half its area used for general industrial uses (B2) and most of the rest of the estate in industrial uses requiring specific planning consent due to their potential environmental impacts (sui generis uses). The other employment sites are Manor Trading Estate is in Thundersley and Rayleigh Weir /Stadium Way in Benfleet.

Table 6.1 Existing Employment Sites, net area, ha

Employment Type	Charfleets Industrial Estate	Manor Trading Estate	Stadium Way	Total
B1	1.5	2.9	2.4	6.7
B2	6.3	2.7	1.0	10.0
B8	0.1	0.4	1.1	1.5
Sui Generis	4.8	2.1	1.1	8.0
Total	12.6	8.1	5.5	26.1

Source: Castle Point Council database
NB B1 floorspace covers B1a,b and c. B1c is light industrial and so the jobs that occur on this floorspace might be industrial in nature; we cannot assume B1 equates to 'office' jobs.

6.3 Work by Castle Point Borough Council has described the employment land in the borough.[21] Here we draw on that work.

Stadium Way/Rayleigh Weir

6.4 Stadium Way/Rayleigh Weir is in the best condition of the employment areas in Castle Point. The western part of the area is allocated for retail purposes and houses a supermarket and a number of larger retail outlets. The eastern part of the area is allocated for employment uses. A range of offices, manufacturing and warehousing of different sizes are all present within this area. With the exception of a limited number of car repair establishments, there is relatively little dirty industry in this employment area. Occupancy levels are generally high. The site has recently undergone several new developments including a new office development two new car sales developments and a significant supermarket extension.

6.5 This estate is relatively attractive to potential investors due to its location adjacent to the A127.

Manor Trading Estate

6.6 Manor Trading Estate is dominated by a range of general industry and industries requiring specific planning consent due to their environmental impact including motor repairs, vehicle dismantling, a scrap yard and a waste transfer station. These uses are low capital and low skilled uses. Occupancy levels are high.

[21] p24 onwards Castle Point BC Core Strategy Issues Paper

6.7 The majority of the building stock, particularly the large number of smaller units, is in need of repair. Access to the site is restricted, although improvements have been rejected after public consultation. Due to the poor quality of the buildings and public realm and the poor access, Castle Point BC believe that it will be difficult for the estate to attract any significant potential investment. Intervention will be necessary to secure future improvements in terms of the number and quality of jobs provided at the site.

Charfleets Industrial Estate

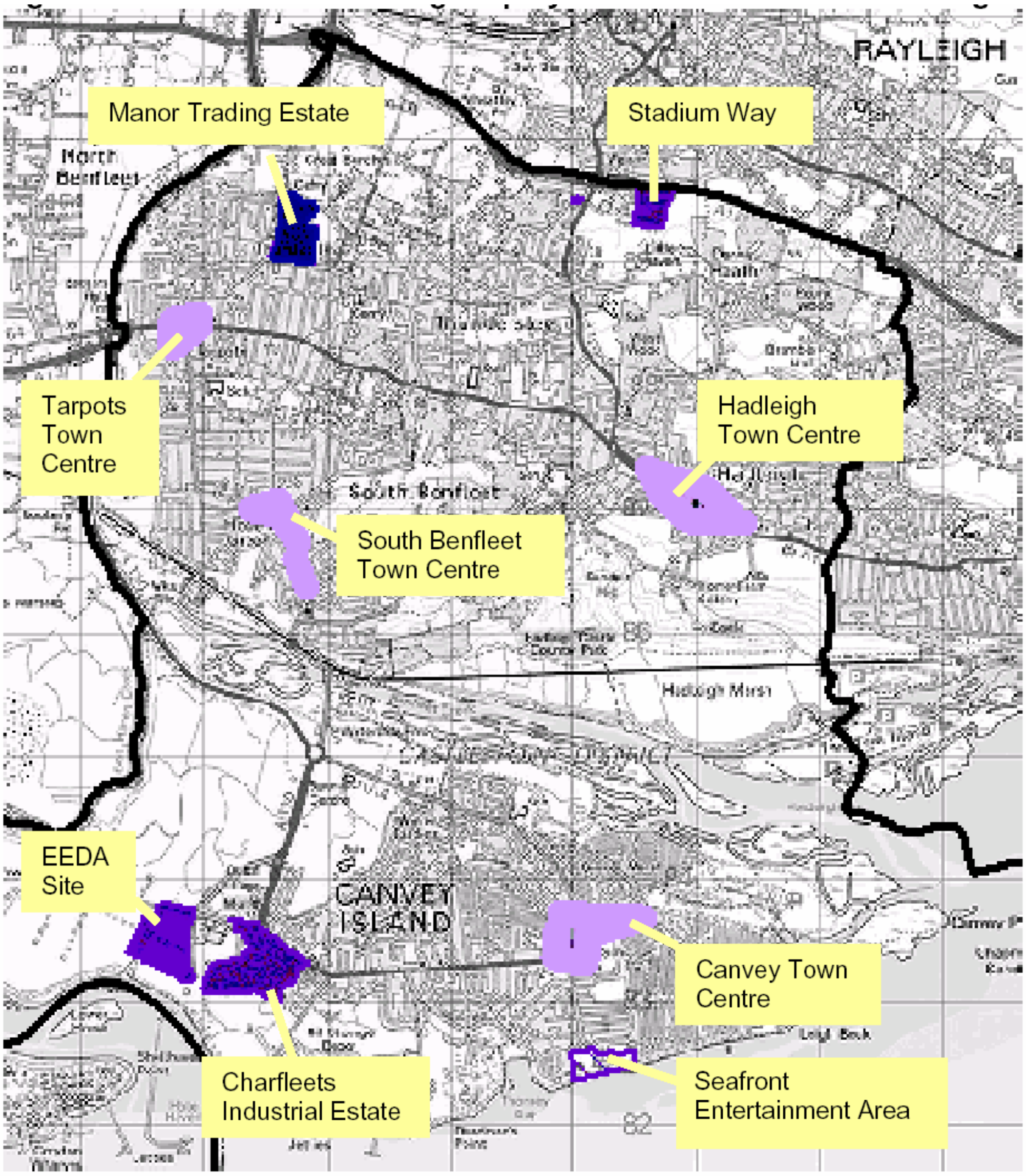
6.8 Charfleets Industrial Estate is the largest employment area in Castle Point covering approximately 30ha. The estate mainly consists of a range of manufacturing, warehousing and dirty industries including vehicle dismantling. The environment is typically rundown and hostile with significant usage of barbed wire fencing and the presence of stacked cars dominating parts of the estate.

6.9 The Canvey Sustainable Regeneration Report prepared by Urban Initiatives considers the following improvements to the estate.

- **Access to the estate is from Canvey Road, a single carriageway**. This is a potential deterrent for possible investors. However, there is the potential for an additional access to the estate to be provided from the west of the estate.
- **The future development of employment land located to the south of Northwick Road, to the west of the retail area**. This site, owned by EEDA, has permission for office, light and general industrial and warehouse (B1, B2 and B8) uses. This will attract investment to the area, which is likely to extend through to Charfleets directly and indirectly. Again this matter will be considered as part of the Canvey Sustainability Framework.
- the release of land adjacent to the existing estate for employment uses.

6.10 We display a map of the main employment locations overpage.

Figure 6.1 Castle Point existing employment locations



Source: Castle Point BC

Hazardous Installation Sites - Calor and Oikos

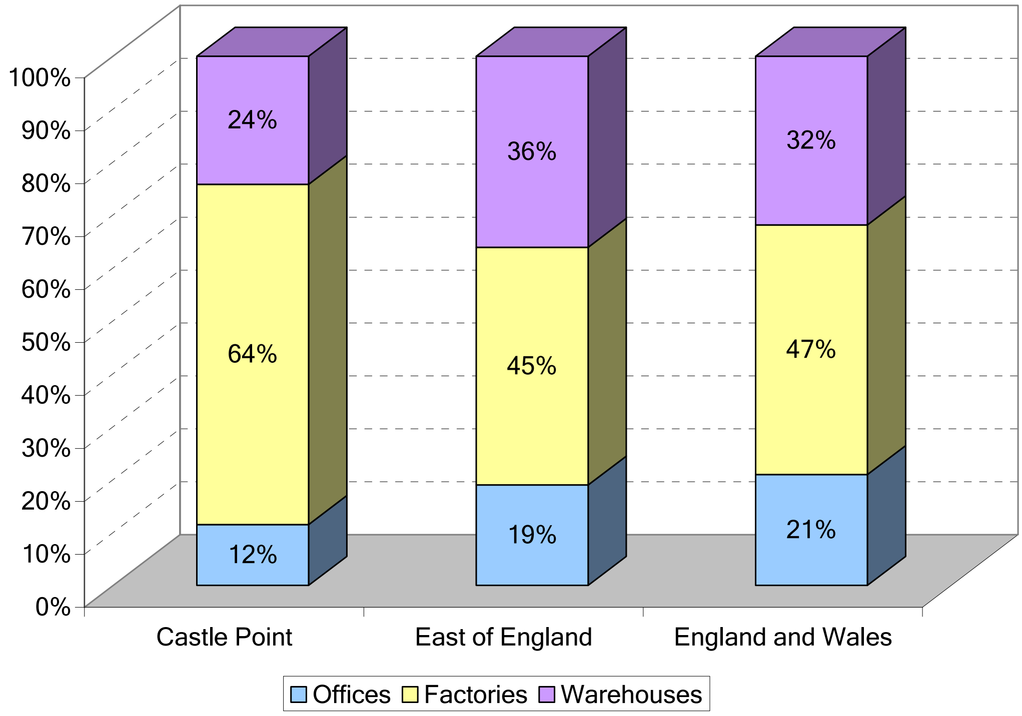
6.11 Also linked to the sustainable regeneration of Canvey is the future of the Hazardous Installation Sites - Calor and Oikos. These hazardous installations dominate Canvey with very little benefit to the Island in employment terms.

6.12 Calor have had a planning proposal to convert their LPG facility to a LNG importation and distribution facility rejected by Castle Point Planning Committee.

Factory floorspace is strongly over-represented

6.13 ODPM floorspace statistics show that 64% of Castle Point's business floorspace is factories, compared to national and regional levels closer to 45%. Offices and warehouses are strongly under-represented.

Figure 6.2 Floorspace (000 sq m) in 2005



Source: ODPM Floorspace Statistics, 2005

There has been little floorspace development in recent years

6.14 The table below shows employment floorspace in Castle Point. There has been little change.

Table 6.2 Floorspace (000 sq m), 1998 - 2004

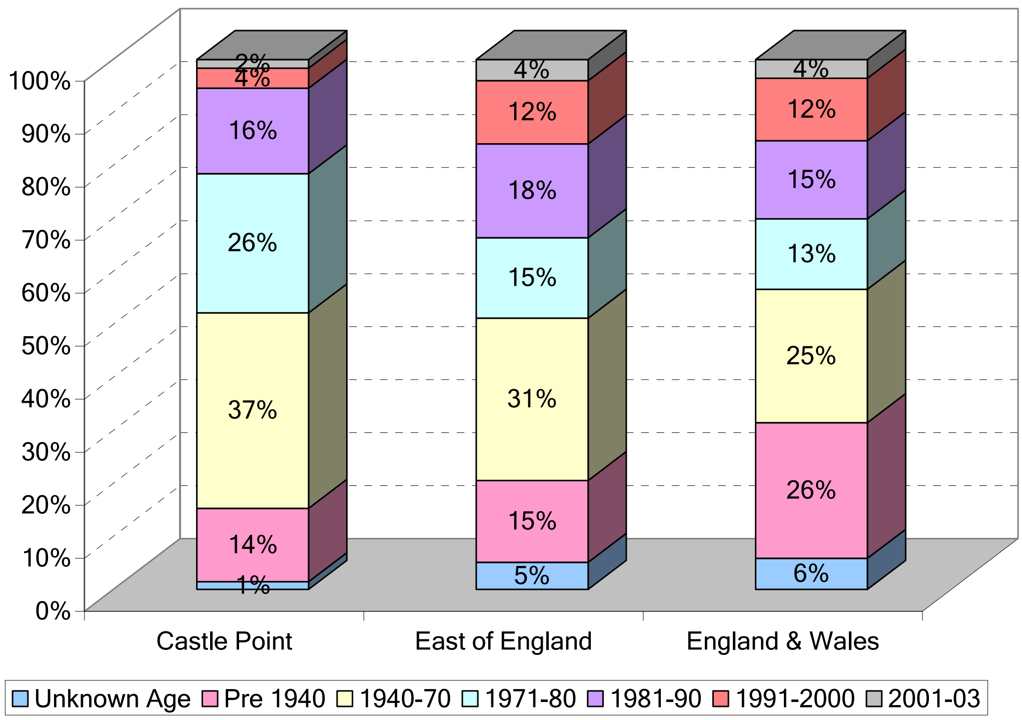
	2004	2003	2002	2001	2000	1999	1998	Change	% change
Offices	32	33	32	31	31	31	31	1	3%
Factories	166	167	169	166	163	161	160	6	4%
Warehouses	61	65	61	61	79	66	66	-5	-8%
Retail	130	130	128	127	125	121	119	11	9%

Source: ODPM Floorspace Statistics, 1998-2004
NB. We have not included 2005 figures because they are not comparable to earlier time series.

Castle Point's stock of floorspace is predominantly 1970s development or older

6.15 There is very little new development of floorspace in Castle Point according to the ODPM Floorspace Statistics. A much higher proportion of factory floorspace is from the 1940-70s period compared to England and Wales and the East. Very little development on any kind of floorspace occurred in the 1990s. A small amount has occurred since 2000 but the individual figures by floorspace are not released in this dataset.

Figure 6.3 Age of Floorspace Stock, 2004



Source: ODPM Floorspace Statistics, 2004
NB This includes offices, factories, warehousing and retail floorspace.

Castle Point's manufacturing seems relatively insulated from globalisation

6.16 Processes of globalisation have led to strong cost pressures on a number of industries, with countries such as China generating irresistible competition for many companies. Most exposed so far have been relatively low-value added manufacturing, and those industries which do not need close relationships with their customers.

6.17 We believe that Castle Point's manufacturing industry is relatively unexposed here, due to the local service aspects of many local companies. From site visits and the Council's database of local companies, it is evident that in Castle Point there are a large number of companies serving the car and building trades, general equipment repair and servicing, little of which is literally manufacturing and much of it serving the local population. We consider therefore that they are less likely to be hit by global trends than large international companies. Large companies could have headquarters elsewhere where executive decision will be made to transfer branches. In Castle Point, many of the manufacturing company owners will be local people who choose to remain where they are for personal reasons.

There is currently just one outstanding allocation of employment land in Castle Point

6.18 The Annual Monitoring Report suggests there is currently just one outstanding allocation – the EEDA site, which is 9.6 ha (gross).

6.19 11.2 ha (gross) of undeveloped employment land has been lost as a result of the designation of the Canvey Wick SSSI.

Retail space is well occupied but the retail offer is relatively limited

6.20 It is a policy objective for Castle Point BC to grow this sector as part of an attempt to regenerate town centres and create sustainable communities.[22]

6.21 Some multiple retailers are present in some of the centres, but no town centre in Castle Point provides a great range of comparison goods. Shoppers travel to Southend, Basildon, Lakeside and/or Bluewater.

Canvey Town Centre

6.22 Canvey Town Centre is the largest of the town centres in Castle Point. It has some multiple retailers. A number of community facilities (D1 uses) are located within the Town Centre including a library, medical and healthcare provision and a young persons centre.

6.23 There is also an increasing number of evening uses present within Canvey Town Centre. Leisure/entertainment provision (D2) is limited in the town centre and focuses around the gaming industry, with two amusement arcades and a Bingo Hall present.

6.24 The Castle Point Regeneration Steering Group are working with Urban Initiatives on a regeneration plan for Canvey Town Centre. If successful, this would see significant employment growth in the town, with a proposed 22,000sqm of commercial space being produced. Consultants suggest that there is market demand for these developments.

Hadleigh Town Centre

6.25 Hadleigh Town Centre is fragmented and linear. The predominant use is A1 retail uses, including several chain stores, a supermarket and two other larger food retailers. In addition to this there are a number of services, banking and to a lesser extent property services.

6.26 Work by the Council notes that in addition to traditional retail uses, a number of car sales premises are present in the town centre.[23] Vacant sites have been converted for residential properties. This will have the effect of making the town centre more compact and increase its viability.

6.27 We note that the Council plans to carry out a study of Hadleigh Town Centre in order to understand the market and encourage regeneration.

South Benfleet Town Centre

6.28 South Benfleet Town Centre is a fragmented, linear arrangement of shops and services spread along Benfleet High Road. Despite this arrangement, the town centre is typically busy throughout the day. Evening use of the town centre is limited. Leisure provision (D2) is also limited.

Tarpots Town Centre

6.29 Tarpots Town Centre is located at the junction of the London Road (A13), Benfleet High Road and Rushbottom Lane. Tarpots Town Centre is the smallest of the town centres in Castle Point and as such has a relatively small number of businesses

[22] p31 ibid
[23] p38 ibid

present. The primary use in the town centre is for shops and other A1 uses. Tarpots has a more defined area for evening uses than the other town centres. Again leisure/entertainment provision in the town centre is limited. Due to its small size, there are only two community uses (D1) of the town centre, a small library and a church.

There is scope for retail retention to improve, so creating more retail jobs

6.30 Resident shopping patterns are generally determined via household surveys undertaken as part of a wider retail study. Although no recent retail study has been undertaken for Castle Point, a household survey of 1,000 households was undertaken for the Southend Retail Study 2003, which included Castle Point in the study area. Castle Point covers Zones 2 and 3 of the study area.

6.31 The household survey asked respondents where they carried out most of their shopping for different categories of goods. Clothes retailing is often considered a proxy for all comparison goods retailing and the market shares for clothes and shoes are shown in the table below.

Table 6.3Clothes and Shoes Goods Shopping Patterns: Castle Point Residents

Retail destination	Zone 2 residents (Canvey Island)	Zone 3 residents (rest of Castle Point)	All Castle Point residents
Basildon	51.1%	28.8%	**38.7%**
Southend	22.7%	38.7%	**31.7%**
Lakeside	18.2%	20.7%	**19.6%**
Other (non Castle Point)	3.4%	8.1%	**6.0%**
Hadleigh	0.0%	3.6%	**2.0%**
Canvey Island	4.5%	0.0%	**2.0%**
Total Castle Point Shopping Trips	**4.5%**	**3.6%**	**4.0%**

Source: Southend Retail Study

6.32 The table above shows that Castle Point experiences high levels of trade loss to the surrounding retail centres, in particular to Basildon.

6.33 Although retention of shopping for clothes and shoes is low, higher market shares for Canvey Island and Hadleigh have been achieved in other retail categories.

6.34 Table 6.4 shows the proportion of Castle Point residents undertaking shopping trips for other comparison goods categories in either Benfleet, Canvey Island, Hadleigh or Thundersley.

Table 6.4 Retail Retention Levels in Castle Point

Retail category	Zone 2 residents (Canvey Island)	Zone 3 residents (rest of Castle Point)	All Castle Point residents
Books, Jewellery etc:	13%	4%	8%
Furniture and carpets:	13%	8%	10%
Household textiles:	17%	6%	11%
DIY goods:	33%	54%	44%
Domestic electrical appliances:	31%	25%	27%
Other electrical appliances:	27%	28%	28%

Source: Southend Retail Study

6.35 There are fairly high retention levels in several of these categories of goods, in particular those typically sold in retail warehouses.

6.36 The low retention levels for 'town centre' shopping goods such as clothing and books in Castle Point suggests that Canvey Island and Hadleigh perform local shopping functions, providing convenience goods and limited comparison goods to a local shopping market. Castle Point has higher market shares for retail warehouse goods which may be due to the presence of retail warehouse developments at Rayleigh Weir/Stadium Way.

6.37 Castle Point retains a high proportion of convenience goods shopping, with 48% of residents undertaking their main food shop within the borough, and 70% undertaking top-up shopping.

6.38 Investment in Canvey Island's retail centre forms an important part of the Canvey Plan. Given the high levels of loss, we expect that there is capacity for a certain quantum of retail floorspace which could raise Canvey's Island's retail offer to help it compete with other centres higher in the retail hierarchy. This effort could create significant numbers of jobs.

Internet retailing is unlikely to significantly affect retail provision in Castle Point

6.39 It is important to understand the economic effects of the internet on the retail trade.

6.40 The worldwide usage of the internet is continuing to grow quickly. In the US, Japan, Germany, UK, South Korea, Canada and Australia over 50% of the population has internet access. One area of potential impact for Castle Point is on retail sales; we are aware that retail expansion is an important part of the Canvey Plan.

6.41 Internet sales have grown by 1,500% between April 2000 and August 2005. In April 2005, 7% of all retail trade took place on the internet, with 22 million customers purchasing goods online in total worth more than £1,347m – an average of £60 per customer. Retail researchers Verdict believe that "retailers are more likely to shore up demand by making their existing stores work harder", but trends suggest a growing pessimism about the outlook for retailers. A report published by the College of Estate Management in Oct 2003 a majority (52%) still thought that retail would not be affected by internet sales. However, this figure was down from 68% of respondents to an identical question in 2001. The Future Foundation believes that an increasing number of people in the 55-64 age bracket are using the internet for shopping. These trends are leading to researchers warning in 2005 that "a revolution in online shopping fuelled by the elderly consumer is only five years away".[24]

6.42 We would suggest that it is likely to be big-ticket purchases (of, say, white goods or TVs) which are likely to be most affected by internet retailing. Centres such as Canvey Island and Benfleet are unlikely to be very significantly affected by these wider trends. However, retail sites such as Rayleigh Weir/Stadium Way could suffer due to competition, although we doubt that this will affect the overall viability of the site.

Larger town centres are strengthening at the expense of smaller town centres

6.43 Various data sources from organisations such as Management Horizons, Experian and from the Inland Revenue's Valuation Office confirm that larger town centres, in general, are becoming stronger (lower yields), at the expense of the smaller and weaker town centres. Indeed, Cambridge Econometrics estimates that 51% of comparison goods expenditure in Great Britain flows to the largest 100 centres, and much of the in-centre development pipeline is concentrated in these same centres.

6.44 This "polarisation" trend has been driven, in large part, by retailers seeking the economies of scale which derive from operating in larger stores which serve wider catchments. However, polarisation has also been driven by consumer demand in that

[24] BBC News Internet site 14 Aug 2005, *The growth of internet retailing in the UK*

people have become increasingly discerning and willing to travel further to obtain the comparison goods they desire.

6.45 In the convenience sector, a different form of polarisation has occurred whereby the large superstore operators have gained an ever increasing market share at the expense of independent convenience traders and smaller supermarket operators. Indeed, the number of independent convenience traders has fallen by 30,000 since 1994, equating to 40% of the nation's stock of such shops. Moreover, the large food superstore operators have increasingly diversified their product lines to include an ever-increasing range of comparison goods.

6.46 Clearly, these trends work against the continued prosperity of retail areas in Castle Point, none of which have real critical mass.

Shell Haven's impact on workplace jobs in Castle Point is likely to be low

6.47 The Shell Haven port development is a potentially very important development for the sub-region. Developers suggest that around 16,500 jobs could be created in the port and associated distribution functions. The forecasts assume that substantial manufacturing activity will be attracted to Shell Haven. This may include port linked equipment customisation, including assembly of imported kits, and of port and airport imported products and materials, particularly as Stansted's freight traffic expands. An additional 1,000 jobs are expected to be created from indirect and induced employment within a 30 minute drive of the port.[25] The assumption was made that 60% of the labour force would commute from beyond Thurrock[26].

6.48 Bone Wells' report for Thurrock Council indicates that there is considerable doubt about the rate at which the Port complex will develop. The developers have themselves noted that the port will only develop as quickly as market demand allows. Bone Wells suggest a scenario where there are around 12,000 jobs at the port by 2021.

6.49 Much of the employment development will take place on the Shell Haven site. The main source of employment growth identified outside this area is likely to be on the Thames Riverside area of Thurrock, where substantial land resources exist.[27] Thurrock has approximately double the employment land resources it needs to meet its requirements.[28]

6.50 Shell Haven developers have carried out a detailed traffic assessment of the scheme which they believe shows that the road network will be able to cope with the traffic demand generated.

6.51 We suggest that the workplace jobs implications for Castle Point as a result of the Shell Haven development are relatively limited. The generous supply of land on or near to the Shell Haven site undercuts the requirement for businesses to locate further afield in areas such as Castle Point.

6.52 The main impact is likely to be one of labour demand. The scale of the potential development at the site means that the potential labour demand from Castle Point is substantial. If we assume, for example, that a) by 2021 Shell Haven was employing 12,000 people; b) and that Castle Point residents continued to take jobs in Thurrock at the rate currently experienced (2.7% of Thurrock's jobs were taken by Castle Point residents in 2001) then that still suggests that to 320 Castle Point workers might be employed at Shell Haven. Given that the development would generate a substantial change to the employment offer of Thurrock, we expect this number to be substantially higher in reality.

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[25] p17 Bone Wells (May 2005) *Thurrock Council Employment Study*
[26] p18 ibid, reporting on Inquiry documents
[27] p20 ibid
[28] p40 ibid

If Southend Airport is developed, spin-off developments in Castle Point are possible – but there are significant obstacles to development

6.53 Southend Airport is located to the north of Southend. The airport is located within the Rochford District Council boundary, in land designated as green belt.

6.54 Passenger numbers at Southend Airport are currently very low. There are 3,600 passengers per on summertime service to Jersey. However, economic impact work carried out by York Aviation suggests that, including indirect and induced effects, there are currently 140 jobs associated with aviation-related activity at Southend Airport, and a further 910 jobs in the Maintenance, Repair and Overhaul (MRO) category. This comes to a total of 1,050j onsite.

6.55 A Masterplan covering the development of the airport was produced in July 2005. The existing passenger terminal is to be used in the short term and then it is proposed that a new terminal and transport interchange is to be built, for which planning permission has been granted.

6.56 Within the context of the masterplan, York Aviation considered three scenarios for future growth possible with the current runway. The first used the forecasts outlined in the masterplan with a cap of 2 million passengers per annum (mppa) at 2030. The second scenario is assumed the Airport is constrained to a maximum throughput capacity of 1 mppa, and the third scenario (entitled “do nothing”) assumed no growth in commercial passenger traffic but a broad continuation of current ancillary activity on and adjoining the airport.

Table 6.5 Jobs growth at Southend Airport with current runway (including indirect and induced effects)

	2mppa (Masterplan scenario)	1mppa	“do nothing”
	Total ftes	Total ftes	Total ftes
2006	1,100	1,100	1,100
2007	1,400	1,400	1,080
2012	2,140	2,110	1,480
2015	2,130	2,070	1,480
2020	2,160	2,000	1,480
2025	2,270	1,930	1,480
2030	2,400	1,890	1,480

Source: York Aviation

6.57 As the above table shows, forecasts provided by York Aviation indicate that the masterplan scenario of 2 million passengers per annum (mppa) suggest that this would generate 2,400 jobs by 2030. By contrast, a 1 mppa constraint would see 1,890 jobs by 2030, which represents around 80% of the jobs generated by 2mppa. A “do nothing scenario” sees 1,480 jobs by 2030, which is around 61% of the jobs of the 2mppa scenario.

6.58 Clearly, growth at the airport would add significantly to labour demand in the immediate area. Strong road links to the airport, from Castle Point (along the A13 and A127) could be expected to facilitate Castle Point residents’ commute to jobs at the airport.

6.59 Further jobs growth could be underpinned if the freight industry was to be developed at Southend airport. The fact that there is a shortage of developable land in the immediate vicinity of the airport given Green Belt designations and poor access means that it is possible that some demand for employment space might spill out to sites in

Castle Point, particularly if attractive new space was to be allocated on the A127 or on the A13.

6.60 Both the passenger and freight industry growth mentioned above would be possible without an extension to the runway. Permission to extend the runway has met resistance in the past. However, if the runway was to be lengthened, then there would be significant new possibilities at the Airport which might increase the demand both for labour and employment space within Castle Point.

- A significant growth in passenger numbers appears possible if the runway was lengthened. Larger low-cost carriers such as Ryanair and Easyjet might be attracted. The Airport's retained consultant has suggested that growth up to 4 or 5 mppa might be possible, assuming that Stansted's proposed Runway 2 was not opened. (However, Ferrovial, the new owners of BAA, have said that BAA's development plans will be adhered to).[29]
- There might be possibilities for significant growth in the freight industry. The Airport's retained consultant has suggested that organisations such as TNT, UPS and Parcelforce might be interested in running some operations out of the airport.

6.61 We suggest that it would be unwise to rely too much on development at Southend airport. There are considerable risks of growth at the airport not going ahead.

- The Airport would need subsidy to attract airlines, even without runway lengthening. The York report states that "Airlines expect to receive attractive financial offers from the airport to commence services." Much depends on the availability of this subsidy.
- There are significant risks if Stansted Runway 2 goes ahead. York's passenger forecasts believe that growth would still be possible, but they suggest that the model shows vulnerability of Southend's ability to offer unique destinations to the London area, reducing Southend's ability to make inroads into the inner London market.

6.62 We suggest keeping a watching brief on development at the airport in order to respond appropriately to change.

Implications for meeting the 2,000 job target

6.63 Employment land provision on Castle Point's industrial estates is tired. A much higher proportion of factory floorspace is from the 1940-70s period compared to England and Wales and the East. Rationalisation and improvement of industrial areas might increase jobs density at these sites, although our background analysis indicates that space is being used efficiently at present. There may be scope in the longer term for relocating businesses on Manor Trading estate to new provision adjacent to better transport provision. This process could be financed through receipts from housing development.

6.64 The EEDA site offers some potential opportunities. There is scope for small industrial units to be provided. The EEDA site might also be used to provide space for the environmental technology industries mentioned in EEDA strategy.

6.65 Castle Point current loses significant amounts of retail expenditure. The town centres in particular should work to take back some of this spend. The development of Canvey Island town centre discussed in the Canvey Plan should be backed. These

[29] Financial Times, June 7 2006, *Ferrovial's ambitious flight plan for growth:* "In its public statements, Ferrovial has committed itself to driving forward BAA's ambitious capital investment plans at the three London airports, which are already set to transform the airport experience for travellers, starting with the £4.5bn fifth terminal at Heathrow airport, which is due to become operational in March 2008…It plans to spend £2.45bn at Stansted in the next decade... The Civil Aviation Authority, the economic regulator for the three BAA London airports, has made clear that it expects any owner of BAA to press on with the spending plans."

developments could make significant progress towards Castle Point's jobs target, and could prove to be a significant social benefit for an ageing population. Retail development in the retail centres of Hadleigh, Thundersley and Benfleet is likely to be more incremental, but there is clearly scope for environmental improvements that improve the sense of place of these locations.

6.66 Our analysis indicates that Castle Point is insulated from some of the drivers of regional economic change. This has good and bad effects. On the upside, we think that local manufacturing industry is unlikely to suffer too greatly from global competition. On the downside, though, we see difficulties in relying on Shell Haven to generate employment within Castle Point that could count towards the target. Likewise, there are significant difficulties with relying on Southend Airport to generate significant employment growth within the confines of Castle Point- suggesting that this will have little effect on Castle Point's ability to meet the 2,000 job target.

6.67 Assisting companies from the local area and sub-region to grow and prosper seems to be the right overall approach for Castle Point. This is likely to be a process of incremental improvements, although more substantial change could be worthwhile at the Manor Trading estate if the residential market demanded it. Clearly, though, there should be encouragement of other opportunities - for example on the EEDA site, and investigating spin-off opportunities from Southend Airport.

7 OTHER ISSUES

Introduction

7.1 A broader understanding of economic change will influence the package of measures we put forward. We need to understand, for instance, the extent to which the trend towards increased homeworking might influence the number of jobs that we could realistically expect in Castle Point. We also need to understand other global or macro issues which might affect the delivery of our jobs target.

7.2 This review is not intended to be exhaustive picture of change. We have only covered those factors that we think will have particular impacts on Castle Point.

Home working

7.3 The brief requires us to make specific comment on homeworking contribution to employment opportunities in the Borough, and whether and how the number of people homeworking is likely to change in future. We also comment on the extent to which Castle Point ought to take account of changes in homeworking in setting allocations during the LDF process.

7.4 Here we define homeworking as any work carried out by employees working from or at home, on a full or part time basis. These people work at home at least one day per week.

7.5 Since 1991, home working has become increasingly important in England and Wales. Between 1991 and 2001 the proportion of people home working more than doubled. In 1991, very few people in Castle Point worked at home – less than 3%. By 2001 this growth had risen to almost 8%, which is a faster growth rate than the country as a whole (although the actual proportion of residents who are self-employed though is still lower than the national average).

7.6 Whilst we can use these numbers to measure change in rates of homeworking, the statistics do have problems. The 2001 Census allowed for people to respond that they were working from home, but many such respondents also said that they went to work by, say, car. This suggests that there are people who normally work at or from home, but do travel to work at times. The numbers may therefore be subject to considerable double counting. We contacted the ONS on this matter; they agreed that there was a problem, but were unable to help further.

Table 7.1 Home-working, 2001 and 1991

	Working at home, 2001	Home workers as % of employed, 2001	Working at home, 1991	Home workers as % of employed, 1991
Castle Point	3,252	7.9%	1,060	2.7%
Essex	57,636	9.2%	24,000	4.2%
East of England	243,485	9.4%	112,900	4.9%
England & Wales	2,170,546	9.2%	1,057,150	4.9%

Source: Census 2001, Census 1991

7.7 Assuming that the numbers are broadly correct, if the trend continues, 6,700 people in Castle Point could be working from home by 2011. However, there is no clear reason to suggest that this necessarily will be the case. Research has suggested that a number of factors influence rates of homeworking, including competition, technology, management and organisational culture, demographic changes, attitudes and lifestyles[30] and the effects of these factors in future is not known.

7.8 One determinant of Castle Point's take-up of homeworking patterns is likely to be the profile of the local economy. There appear to be two factors involved here.

- Size of businesses. Evidence[31] suggests that rates of adoption are higher amongst larger organisations where economies of scale are achievable so that new practices can be 'trialled' in a cost effective manner. However, there is almost no data on how small and medium-sized firms (SMEs) are using space and their working practices today, and there is a view that smaller organisations have traditionally used their space and facilities more flexibly than larger ones.
- Business sectors. Labour Market Trends finds that people in management and professional occupations and those who are working in banking, finance and insurance are more likely to be homeworkers.[32]

7.9 The question, then, is whether Castle Point's economic profile suggests that homeworking will grow. It is worth distinguishing between Castle Point's workplace economy (ie, the jobs physically located within the Castle Point administrative boundary), and Castle Point's residence-based economy (ie, the jobs of Castle Point residents, wherever they work).

7.10 As we have seen above, Castle Point's workplace economy is

- dominated by small firms - suggesting that strong growth in homeworking is not particularly likely
- has low levels of banking, finance and insurance jobs – again suggesting that strong growth in homeworking is not particularly likely

7.11 However, Castle Point's *residents* do work in sectors which are likely to be more exposed to homeworking growth.

- There is significant commuting to London. 21% of Castle Point's resident workers work in London where we suggest (but cannot prove) they work for larger organisations.
- The largest single workplace location for London commuters is the City of London, where finance, banking and insurance jobs predominate.
- Out commuters tend to be better skilled than those who stay in Castle Point for work.

7.12 We would suggest, then, that a growth in homeworking will tend to be associated with an increase in people working remotely from London and other office environments, rather than being driven by the indigenous Castle Point economy.

7.13 The question is whether, and if so how, this change should be picked up in policy terms. We will therefore examine the effects of homeworking on Castle Point's

- land allocations,
- commuting provision, and
- ability to reach its planning targets.

The effects of homeworking on space allocations in the LDF

7.14 As we have seen, homeworking is most closely associated with office-type employment. We therefore concentrate our analysis on office space allocations.

[30] See p20 DTZ Pieda *Use of Business Space and Changing Working Practices in the South East* for South East Regional Assembly
[31] quoted ibid
[32] Labour Market Trends, p. 597, December 2003

7.15 It is often asserted that employment densities are rising, especially in offices, because of changing working practices such as hot-desking, teleworking and homeworking, and increasing competitive pressure on corporate occupiers to use space cost-effectively. There is some evidence to support these views, with examples such as IBM and BP seeking ratios of 10-11 sq m per person, and the HM Treasury building refurbishment, which aims for a good, modern standard for use by the public sector, has around 8 sq m of space per job through use of flexible working patterns.

7.16 Clearly, if job densities in office space was rising there would be a fall in requirements for office space development in the LDF. However, the view that office employment densities are rising overall – as opposed to rising in particular businesses or groups of businesses - is not supported by statistically reliable evidence so far. Indeed a recent study by DTZ Pieda for SEERA[33] concludes that employment densities have not changed significantly from those in the SERPLAN study.

7.17 Certainly it is possible that the average office density will increase substantially in the future. But, on the evidence available to date, it would not be right to incorporate such an increase into our forecasts. Even if we wanted to create a contingent 'worst-case' scenario to explore the impact of a possible rise in densities, from the data currently available we would not know what size of increase we should test. We suggest later that demand forecasts should be reviewed at least every five years, and more often in the case of economic shocks. If convincing evidence of changing densities emerges in future, it should of course be incorporated in these reviews.

The effects of homeworking on commuting provision

7.18 The effect of homeworking on transport demand is a complex area. The demand for transport is related to a number of variables, most clearly economic growth and employment change. However travel behaviours, working practices and locational decisions can also generate new trips.

7.19 As research[34] points out, that teleworking has a *direct* traffic substitution effect is fairly well established. If a worker is not travelling to work, or not travelling so far, it is clear and measurable that less miles are being travelled for work purposes. Savings to the individual and organisation can be measured, and weighed against other costs. Benefits are widely reported in case studies, pilot evaluations and more formal research.

7.20 However, work by Flexibility points out that the *overall* picture is not so clear[35]. While specific reductions are identifiable, there may be new traffic generated, either "filling the space" in trips removed from congested areas, or generated elsewhere. There is also evidence that when homeworkers do travel, they travel further. One study in the Netherlands says that there may be new trips or longer trips generated which may largely negate or even outweigh the direct traffic reduction effects.

7.21 Transport growth is projected to continue, and with it demand for rail transport is to continue to rise. Network Rail expects to accommodate an expected 30 per cent rise in passenger and freight traffic on the railways from 2009-14. There are also projections of high levels growth for car journeys in future.

7.22 In this context, we would suggest that homeworking anticipated in Castle Point will have little significant impact on the level of demand for travel in the system as a whole, meaning that CO_2 emissions might not fall at a macro level. However, at a local authority level, the picture is slightly different. If homeworking was encouraged within the population *currently resident* we could safely assume that there might be a net reduction in commuter mileage.

[33] DTZ Pieda, Use of Business Space and Changing Working Practices in the South East, May 2004.
[34] http://www.flexibility.co.uk/issues/transport/travsubsummary.htm
[35] ibid

7.23 In short, if homeworking is taken up by the current Castle Point resident population that is currently commuting into (say) London, there might be transport benefits. If on the other hand, a pro-homeworking policy attracted people currently resident in London to come to live in Castle Point, and this group travelled back into London a few days each week, then there would be less (or no) transport benefit.

The effects of homeworking on Castle Point's ability to reach the 2,000 jobs target

7.24 Even if homeworking did substantially increase in Castle Point during the future years, there would be a difficulty in demonstrating that it had assisted Castle Point in achieving the target set out in the RSS of an additional 2,000 workplace jobs in Castle Point.

7.25 There are three potential ways of demonstrating employment change.

- Census. The Census does show the number of homeworkers. However, as we have discussed above, the statistics that the 2001 Census provides on homeworking are potentially flawed. The 2011 and 2021 Censuses will identify homeworking, and the faults with the data may be corrected.
- The Annual Business Inquiry (ABI). The ABI does not show the number of homeworkers. The ABI asks employers about the number of people employed, not where they are located. If an individual is working for a London company, but is working from home in Castle Point, then this is counted as a London job.
- Annual Population Survey. This is the successor to the Labour Force Survey. It is survey of households, and as such shows residence-based jobs. It currently does not show the number of home workers, although this could change in future.

7.26 As we can see, there are no particularly reliable sources of data on homeworking at the moment. The 2011 and 2021 Censuses will be important sources in demonstrating that any homeworking increase counts towards the 2,000 jobs target, but it will be important that faults in the 2001 Census are addressed if Castle Point's progress towards the 2,000 jobs target is to be well founded.

7.27 It may seem, then, that there is little point in encouraging homeworking. However, we suggest that there is a role for the Council here. Even though it will be difficult to ensure that a growth in homeworking counts towards the target, and that there are problems in making a straightforward assumption that commuting will fall, we can see considerable social, economic and transport benefits from encouraging homeworking in the current population. If this approach encouraged more population dispersal from urban centres such as London, then the benefits might be substantially reduced as advantages of homeworking were eroded by infrequent but longer-distance commuting patterns.

The Olympics

7.28 Work published by EEDA has researched the potential for the 2012 Games to impact on the East of England economy.[36]

7.29 It suggests that procurement and business opportunities from the 2012 Games for the whole of London and the UK are estimated to be valued at over £3.8 billion and are due to commence towards the end of 2006. Companies in the East of England region could be expected to secure up to 5-10% of the value of the contracts. These will typically be 2nd and 3rd tier suppliers.

[36] http://www.eastofenglandobservatory.org.uk/viewResource.asp?uri =http://eastofenglandobservatory.org.uk/resources/?id=14344

7.30 The report suggested that the major opportunity for Essex and South Essex could be in the construction sector. It is estimated by ConstructionSkills and SummitSkills that the construction of the 2012 Games will involve £2.8 billion of work.

7.31 The report notes the strong presence in the East of England of industries that could be used in the build up and during the Games such as construction (strong concentration in Essex), catering and logistics (south Essex).EEDA states that it will be co-ordinating work to ensure that the East of England captures the benefits of the Olympics.

7.32 Construction is an important industry in Castle Point, and there could be important implications for Castle Point reaching the target of 2,000 new jobs.

- There could be a role for the local authorities in ensuring that local firms, particularly in the construction sector where Castle Point is particularly strong, are aware of the various procurement opportunities.
- The report suggests using the Games as a catalyst to encourage SMEs to become e-procurement ready and provide support to local businesses through established business support channels by sharing information on procurement opportunities, tender processes and quality systems and assisting SMEs to understand their fit within the supply chains.

7.33 The peak of construction work will be around 2009-10, so work should start soon if contracts are to be in place.

Economic development and planning strategy

7.34 As we discussed in section 2, Castle Point's status as a predominantly residential district, means that the aspirations of Southend, Thurrock and Basildon to provide strong jobs growth may provide a strong attraction to the Castle Point labour force. Overall the sub-regional strategy for Thames Gateway South Essex envisages the creation of about 55,000 jobs between 2001 and 2021.

7.35 The residential implications of this are particularly important to the construction industry, which is potentially well positioned to take advantage of this growth.

Population-related employment growth

7.36 In the East of England Plan, Castle Point is assigned 4,000 additional homes by 2021. Forecasts produced by Chelmer for the RSS suggest an increase of 1,100 people in Castle Point, with the age profile of the population to become even more dominated by the elderly.

7.37 There is scope therefore for employment growth in sectors that support population expansion. These include retailing, transport and communications, professional services, government services, and recreational, cultural and sporting activities.[37]

An ageing population

7.38 Castle Point's population is ageing. We need to understand the likely implications of this shift. We have used research work carried out for the then ODPM[38] to look at the possible implications of this shift.

- An ageing population can simultaneously be wealthy but income-poor. Obviously, the biggest determinant of spending power is previous earning capability, but retired individuals generally experience a pattern in which incomes rise through their working lives, and fall sharply once retired. Simultaneously, wealth assets

[37] Source: Cambridge Econometrics technical paper on forecasting scenarios for the South West RDA.
[38] Brook Lyndhurst (May 2004) *Sustainable Cities and the Ageing Society - Final Report: the Role of Older people in an Urban Renaissance*

tend to build up over a lifetime, partly as a result of steadily rising income [from employment], but also because of other factors – inheritance, the completion of mortgage payments, occupational pensions and so on. Wealth assets tend not to fall away as rapidly as incomes post-retirement.

- Spending reduces as people age, although certain economic sectors might benefit. Older households on average spend less per capita in total even though they constitute a sizeable portion of UK consumer spending. [39] The over 65s spend more than average on package holidays (in the UK especially but also overseas) but less than the mean on[40] fashion, eating out and fast food; household and DIY goods; recreational and cultural services.
- An ageing population will tend to participate less in the evening economy. Focus group research by Brook Lyndhurst finds that, with the exception of going out to see friends, and occasional eating out, cinema and theatre visits, the ageing population avoid going out in the evening, either locally or to town centres, because:

o They can do everything they want to do during the day.
o They do not want to, or cannot, travel at night;
o They are fearful of alcohol-fuelled and other anti-social behaviour in town centres

- Brook Lyndhurst's study on Maidstone and Basildon residents found that the retail mix of town centres has little to offer older shoppers because it tends to be dominated by youth-orientated fashion, accessories, electronic games and music. Some Maidstone respondents no longer use the town centre, preferring to drive to out-of-town shopping centres that are felt to be more attractive. Some participants occasionally have days out at the large regional shopping centres at Blue water or Lakeside but these are as much about leisurely days out as shopping.
- Brook Lyndhurst found some gender differences are apparent in choice of leisure activity. Men in particular mention golf for exercise and socialising, as well as snooker and watching sport, especially cricket. Women more often mention dancing, yoga and aerobics.[41]
- Attachment to the private car is fierce. Focus group work in Maidstone and Basildon suggests that older people prefer to travel by car, with the benefits of car use being particularly important to older people afraid of losing their independence.[42]

7.39 There are a number of implications for Castle Point in this shift. The Castle Point population is likely to become wealthier on paper, but less willing to spend; choosier about the quality of its urban and town centre environments; less willing to venture out in the evening, but more able to take up daytime leisure pursuits; and remain closely attached to its cars.

7.40 There are a number of implications for Castle Point in reaching the 2,000 job target. We suggest that these are

- the urban realm needs to be maintained to a high standard if it is to retain its older client base. This is likely to be particularly important in Canvey, where the renaissance of the town centre depends to a large degree on improving the retail vitality of the area. Uniformed warden schemes might be considered if these are proven to improve older peoples' sense of safety in town centres.

[39] p29 ibid
[40] p30 ibid
[41] p36 ibid
[42] p47 ibid

- Leisure facilities are highlighted as an important part of elderly people's social networks. Leisure is expected to be an employment growth area.
- The elderly are heavy users of local shops and services, including the Post Office, supermarkets and out-of-town shopping centres, local pharmacies and health centres. This may bolster local retail centres, both on Canvey and the mainland.
- An elderly population has a spending power and demand for services that one might not immediately appreciate. As people live longer, retired people will increasingly demand services, such as personal care, well into their retirement.

Attracting a population of working age

7.41 Above, we have looked at the ageing population profile and noted the importance of ensuring that the economy effectively captures the "grey pound".

7.42 It is not inconsistent to suggest that Castle Point needs to ensure that it continues to attract a working age population if labour shortages are not to stand in the way of meeting the 2,000 new job target. The data discussed above on the effects of an ageing population on the labour supply figures makes this particularly important.

Changes in the car market

7.43 Market researchers Mintel report[43] that the car retailing sector is going through a period of change, evolving from a fragmented franchise network controlled by manufacturers into a more consolidated sector in which the larger dealerships are beginning to dominate the market and look for ways of developing their own distribution networks. Four of the largest dealers have established themselves as procurement and distribution specialist for major new Internet retailing sites. Whilst we would suggest that there remains a role for small independent dealers and service agents (not least because of cost advantages to the consumer)[44] we would suggest that the growth in car supermarkets and internet purchasing will continue to exert downward pressure on local car retailers. Some of these sites may come free, releasing space for other employment uses or housing. Given their generally central location and road frontage, some of these sites may be appropriate for alternative uses dependent on their location. In Hadleigh a number of former car sales sites have already been redeveloped for flats favoured by first time buyers and sheltered accommodation for the over 60's.

Environmental technologies

7.44 We would argue that environmental technologies are not genuine growth drivers. Instead, they are a more of a policy choice that emphasises the importance of creating low carbon-use development in the Thames Gateway area.

7.45 EEDA have suggested environmental technologies would be a good potential sector to encourage for their site on Canvey Island. Environmental industries are defined by the OECD as '*activities which produce goods and services to measure, prevent, limit, minimise or correct environmental damage to water, air and soil, as well as problems related to waste, noise and eco-systems. This includes cleaner technologies, products and services that reduce environmental risk and minimise pollution and resource use*'.

7.46 The mix of capital and labour required for environmental technology varies, ranging from capital intensive combined heat and power stations, to labour intensive recycling

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[43] Mintel *Car Retailing - UK* - April 2004 http://reports.mintel.com/sinatra/reports/display/id=4283#about

[44] Servicing your car at a franchised dealer is a third more expensive (35%) than having your car repaired at an independent dealer, according to MFBI's survey. See http://news.bbc.co.uk/1/hi/business/1476451.stm

collection. Given that the category is so broad, it is not possible to be specific about what is required in policy terms.

8 SUMMARY AND CONCLUSIONS

8.1 Given previous jobs growth over the last decade or so, it appears that increasing jobs by 2,000 in Castle Point by 2021 should not be an unrealistic target. But Castle Point might have to work hard in future to achieve this level of growth, particularly in the context of an ageing population.

8.2 The relatively low jobs target (in a context of strong regional growth) indicates that policy accepts that Castle Point's role is predominantly residential. Castle Point is not intended to bear the brunt of the economic change in the region. RSS Inspectors suggest that a new policy be drafted to emphasise the Thames Gateway's complementary role in relation to London; improve the image of the area by improving environmental quality; and achieve modal shift towards public transport, all of which have significant implications for Castle Point.

8.3 At present, there is little spare labour in the area to fill the proposed 2,000 new jobs, a point to which we return later. Unemployment is low; activity rates are relatively high; and on current projections the labour market will tighten further in future as the population grows older. Skills are poor, a factor which might both depress the quality of new jobs in the area, and will further tighten the labour market.

8.4 If new jobs in Castle Point are to generate more sustainable commuting patterns by attracting workers currently resident in Castle Point (which policy says is an objective), then outcommuting will have to fall – meaning that those jobs will need to be sufficiently well paid to bid labour away from jobs elsewhere. However, we question later whether this scenario is particularly realistic.

8.5 Small businesses are a key part in the Castle Point economy, and without jobs growth in this sector Castle Point will not meet its target. Business start-up rates are below the Essex average but similar to the national trend. Given the sector's importance, start up rates and small business growth should be bolstered if Castle Point is to hit its job target. As a result, we are not recommending a major push on attracting inward investors. Building the success of existing companies appears to be a better idea than attracting newcomers. A finding of several of the evaluations of area based, business development programmes has been that the main source of new investment comes from businesses that are already in a local economy or at least in the surrounding region.[45] These findings highlight the importance of indigenous investment and 'follow-on' investments by existing inward investors.

8.6 Our analysis of the labour market balance has implications for Castle Point's achievement of the 2,000 new job target. Left without a policy response, it is possible that labour shortages might make the 2,000 jobs target difficult to achieve. However, there are potentially two mitigating factors which may reduce this apparent labour shortage. Projects which raise economic activity rates and attract people of working age to Castle Point (possibly through the planning system freeing up family homes) will be very important. Improvements in public transport could also have important labour market implications, and should be pursued. Labour supply difficulties emphasise the point (made recently by the CBI) that the young people which emerge from the educational system must be employable.

8.7 We investigated the impacts of home working. We found that this was unlikely to be a "magic bullet" to deliver Castle Point's jobs target – if only because there may be difficulties in statistically demonstrating that homeworking jobs have grown. (Proving conclusively that any homeworking jobs growth has actually taken place depends on the way that the 2011 and 2021 Censuses are phrased). Homeworking is also unlikely to significantly cut the demand for travel, and there is no strong evidence that land allocations will be significantly affected by homeworking trends. This is not to say that

45 ODPM (2003) *Business-led regeneration of deprived areas – a review of the evidence base*

homeworking should be ignored – it is likely to remain "a good thing" as long as efforts to encourage homeworking are concentrated on the population currently resident in Castle Point. If this policy was to encourage more population dispersal from urban centres such as London, then the benefits might be substantially reduced as advantages of homeworking were eroded by infrequent but longer-distance commuting patterns.

8.8 We see significant potential growth in the construction industry as a result of the Olympics and the Thames Gateway housing growth projections. The growing population will support more local service jobs, and the ageing profile of the population might mean that local services jobs might grow disproportionately. There will need to be an emphasis on ensuring that the "grey pound" is captured effectively in the local economy. Whilst the Castle Point will need to work more efficiently to capture older peoples' spend, there is also a requirement to ensure that Castle Point remains a place that is attractive to younger working adults and their families if the area is to retain its character and labour market function. There are a number of ways that this might be achieved, and we explore these in more detail in section 2 of the report, but our analysis of changes in the car market mean that there could be significant ex-garage sites coming free. These sites might be appropriate for retirement homes, with consequential benefits of releasing more spacious family housing for those of employment age.

8.9 Our work has looked at the implications of reaching the 2,000 new job target. It is also worth briefly making some remarks on whether Castle Point should attempt to significantly exceed the 2,000 job target. We suggest that this might be unwelcome. This is for the following reasons.

- Labour shortages. As we have outlined above, there are some difficulties in seeing where the labour will come from to fill the additional jobs. Policies to "fix" these problems will be necessary, or we could encourage in-commuting. (The latter option would confound sustainability policy).
- There is a finite amount of inward investor demand. Inward investors tend to decide on a region to invest in, and then weigh up the benefits of different sites within that region. This creates high rates of displacement, meaning that a gain to Castle Point is likely to be a loss to another area of the Thames Gateway.
- It is in the interests of Castle Point residents to ensure that development in Basildon and Southend is a success. Given the economic dependence of Castle Point on the economic vitality of neighbouring employment areas of Basildon and Southend, we suggest that the interests of Castle Point residents are well served by a resurgent jobs and employment market in Southend and Basildon. Castle Point should ensure that its strategies work well within this broad remit.
- Attempts at attracting major inward investors are unlikely to be a success. Given Castle Point's predominantly residential functions and its lack of large sites, Castle Point is unlikely to be particularly attractive to inward investors compared to some of the major opportunities being offered in other parts of the Thames Gateway South Essex sub-region.

8.10 We suggest that Castle Point is best seen as part of a mini-conurbation dominated by Southend in the east and Basildon in the west. This mini-conurbation is, in turn, firmly within the London orbit. Castle Point's role within this mini-conurbation is to provide workers for these three economic centres. This is implicitly recognised in the Planning Inspector's deletion of the mention of Castle Point as a "business hub" in the original draft Regional Spatial Strategy[46].

[46] See p48 Draft RSS Policy Thames Gateway/SE1

PART 2: DELIVERING FUTURE GROWTH IN CASTLE POINT

1 INTRODUCTION TO PART 2 OF THE REPORT (DELIVERING FUTURE GROWTH)

1.1 Part 1 of the report covered the existing conditions in Castle Point and the issues arising from it. In Part 2 we examine the future growth path for Castle Point and the actions that should be taken to ensure that Borough best meets the economic needs of its local residents.

1.2 We start by examining sectoral growth trends for Castle Point. Econometric models of employment for Castle Point, which are derived from macro-economic trend data, are validated against the local reality of employment circumstances in Castle Point as discussed in the previous chapter. From this we derive a sectoral breakdown of employment that would see Castle Point meet the 2,000 jobs 'target' which is in our view realistic.

1.3 We then set out the economic development initiatives that should be followed in order to realise the jobs target. But first we set these initiatives in terms of a wider strategy framework.

1.4 Whilst it is not the role of this study to produce an economic development strategy for the borough, it is nevertheless helpful to set these economic development initiatives into a wider economic strategy framework for the Borough as a whole. This sets the jobs growth initiatives in the context of a wider strategy to enhance the economic well-being of the borough's residents.

1.5 Finally we set out an action plan for implementing the key initiatives which identifies the partners responsible for delivery.

2 HOW IS EMPLOYMENT IN CASTLE POINT LIKELY TO CHANGE?

Introduction

2.1 In the section above, we have discussed the future issues and opportunities which will affect Castle Point's ability to reach its target of 2,000 new jobs by 2021.

2.2 We now examine how forecasts prepared by Cambridge Econometrics for the Thames Gateway South Essex Economic Future study suggest that that jobs growth might be affected. We "sense check" these forecasts and make some adjustments. We then explain the adjustments we have made, and discuss the spatial implications of the changes we envisage.

The existing forecasts

2.3 The first step in our analysis is understanding the likely future growth patterns in Castle Point, and how the different economic sectors in Castle Point will be affected.

2.4 The document, *Delivering TGSE's Economic Future, Draft Technical Report*[47], sets out five different scenarios of employment change in the Thames Gateway South Essex area. We consider here two of those forecasts:

- 'Planned scenario', for which the total change in jobs matches the planned outcomes of the policies for employment and housing published in the Draft RSS of December 2004. In this scenario there are a net additional 55,000 jobs in the TGSE sub-region between 2001 and 2021. 2,000 of these are in Castle Point. The "planned" scenario depends on certain policy interventions being made in order to increase trend growth to the level demanded by policy aspiration.
- 'Trend scenario', which has just 17,000 net additional jobs in the TGSE, 1,600 of which are located in Castle Point. This is the 'baseline' forecast produced by Cambridge Econometrics for *Regional Economic Prospects,* July 2004.

Table 2.1 Workplace Employment Sectoral Changes, Castle Point, 2001-2021, ('000s)

	Trend	Planned
Agriculture, Hunting Forestry and Fishing	0.0	0.0
Mining, Manufacturing and Utilities	-2.0	-0.5
Construction	0.2	0.0
Wholesale, Retail Trade and Repairs	0.7	-0.5
Hotels and Restaurants	0.0	-0.1
Transport, Storage and Communications	0.3	0.5
Financial Intermediation	-0.1	-0.2
Real Estate, Renting and Business Activities	1.3	1.8
Public Admin and Defence	-0.1	-0.1
Education	1.0	0.2
Health and Social Work	0.4	0.0
Other	-0.2	1.0
Total	**1.6**	**2.0**

Source: Delivering TGSE's Economic Future, Draft Technical Report, 2005

[47] 5th July, 2005

Alternative forecasts

2.5 The Cambridge Econometrics forecasts use a method that looks at national sector trends and applies these to the profile of the local economy. Whilst this 'top down' approach is a robust method for employment forecasting at a national to regional level, at a local level the characteristics of particular firms can play a more significant role than broader macro-economic trends in that sector. In this study we are able to filter these model numbers through our local knowledge gained from our analysis of the local issues and opportunities. This process allows us to make some suggested amendments to the model numbers. Our assessment is partly based on national and international trends, and partly based on:

- Local information about policy intentions for the local area. For example, we consider the effect of policy interventions such as the Canvey Island Masterplan, which aims to provide substantial new retail floorspace.
- Key drivers in the Castle Point economy. For example, we consider the possible effects of Shell Haven and Southend Airport, as discussed in Part A of this report above.
- A more fine-grained 'bottom-up' analysis of the industrial sectors. For example, we have examined very localised data in order to understand whether the broad assumptions used in the model apply to Castle Point. (We have provided these detailed statistics as an appendix). We have looked at:
    - The number of jobs currently in the different industrial sectors. This helps us to understand current strengths and get a sense of scale about likely employment gains or losses. For example, if the sector is declining, it shows how many jobs could be lost.
    - Location quotients. This number shows which sectors are well-represented in the economy and those which are poorly-represented compared to the national economy[48]. This is important because it tells us the economy's current dependence on each sector, and how this differs to what is 'usual' for the country as a whole – so providing a proxy understanding of what are likely to be local strengths. For example, the data shows that construction is one such local strength.
    - The size of firms in the different sectors. This tells whether certain sectors are dominated by small firms. This allows us to make some judgements around possible local conditions (for example, we know that small firms are less likely to provide training, but are less prey to relocation). An understanding here indicates kind of firms the area is attractive to and also gives an indication of what sort of firms might locate there in future.
    - Employment change. We have looked at employment change in the sectors in the six years up to 2001, which is the year at which the RSS forecasts begin. For comparison we show the future forecast change in the different scenarios.

2.6 Taking into account the above factors, we have made a number of alterations to the published economic forecasts. Our 'alternative' forecasts are set out below.

[48] The location quotient (LQ) is a sector's share of total employment in the study area (in this case, Castle Point) divided by that sector's share of total employment in Great Britain. Sectors with an LQ greater than 1 are over-represented in the area against the national norm and those with an LQ below 1 are under-represented. An LQ of 1 indicates that a sector accounts for the same share of total employment in the study area as in the national economy.

Table 2.2 Alternative Forecasts for Castle Point, 2001-2021, '000s

	Trend	"Policy-on"	Our amended estimates	Scale of changes suggested
Agriculture, Hunting Forestry and Fishing	0.0	0.0	0.00	
Mining, Manufacturing and Utilities	-2.0	-0.5	0.00	
Construction	0.2	0.0	0.30	+
Wholesale, Retail Trade and Repairs	0.7	-0.5	0.40	++
Hotels and Restaurants	0.0	-0.1	0.10	+
Transport, Storage and Communications	0.3	0.5	0.20	-
Financial Intermediation	-0.1	-0.2	0.00	+
Real Estate, Renting and Business Activities	1.3	1.8	0.50	--
Public Admin and Defence	-0.1	-0.1	0.00	+
Education	1.0	0.2	0.00	-
Health and Social Work	0.4	0.0	0.20	+
Other	-0.2	1.0	0.30	+

2.7 We now explain our rationale for these alterations in the following section.

Sector Assessments

2.8 Below we set out our assessments of each sector that inform our 'alternative' forecasts above.

Agriculture, Hunting, Forestry and Fishing

2.9 This is not a large sector in Castle Point and no growth is forecast. It is not relevant to our study and so we do not consider this sector in any further detail.

Mining, Manufacturing and Utilities

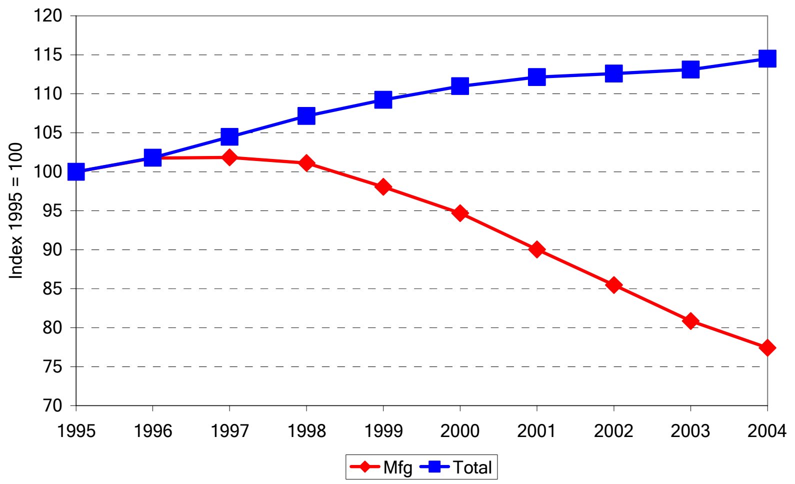
2.10 The mining industry is not present in Castle Point. We have therefore concentrated on looking at the prospects for manufacturing and utilities.

Manufacturing

2.11 Manufacturing is a relatively broad category including such activities as food manufacturing, chemicals, recycling and scrap.

Sector representati on	There are currently 2,200 manufacturing jobs in Castle Point. Printing, Manufacture of Builders' Carpentry, Manufacture of Corrugated Paper and General Mechanical Engineering are the sectors with most employment in, providing around a third of these jobs. The rest of the employment is spread across the other sectors. There is a slightly lower proportion of employment in manufacturing compared to the country as a whole. 83% of these manufacturing firms are in small firms of 1-10 employees. This is a much higher proportion than in the national economy. We are only aware of one manufacturing company with over 200 employees in Castle Point, which is Chargecrest in Hadleigh.
Future Prospects in Castle Point	Nationally, the manufacturing sector is in decline, as labour-intensive manufacturing moves away to locations with cheaper labour and land costs. Figure 2.1 below shows an index of employment change in GB manufacturing compared to total employment.

Figure 2.1 Index of manufacturing and total employment, 1995-2004



Source: Annual Business Inquiry, RTP

However, from site visits and the Council's database of local companies, it is evident that in Castle Point there are a large number of companies serving the car and building trades, general equipment repair and servicing, little of which is literally manufacturing and much of it serving the local population. We consider therefore that they are less likely to be hit by global trends than large international companies. Large companies could have headquarters elsewhere where executive decision will be made to transfer branches. In Castle Point, many of the manufacturing company owners will be local people who choose to remain where they are for personal reasons.

We think therefore that Castle Point should be able to hold onto many of its manufacturing jobs.

The trend forecasts show a decline of 2000 jobs (200pa), and the planned forecasts a decline of 500 jobs (25 jobs pa). For the reasons we have explained above, we believe that these numbers are unrealistic. We suggest that Castle Point could look to retain more jobs than this, and there should be no net loss of employment in manufacturing.

Utilities

2.12 The ABI currently does not recognise there is any employment in Utilities in Castle Point (industries with small numbers of jobs can have data suppressed for data protection reasons). We therefore have no analysis for this sector.

2.13 In summary, we suggest that there will be no change in the number of jobs in the mining, manufacturing and utilities sector in Castle Point by 2021.

Construction

2.14 The construction category includes construction of buildings, other civil engineering (including roads and airports), and a wide range of associated trades such as plumbing, plastering, joinery, painting and glazing.

Sector representation	There are currently around 1,500 jobs in Construction in Castle Point. This is far more jobs than expected for an economy of its size as its LQ is 1.8. The majority of these firms are in the smallest sized category (1-10 employees) - even more so than the national economy. There is just one company with more than 50 employees; the rest are all in the smallest categories.
Future Prospects in	Employment in Construction has grown strongly in Castle Point since 1995 - by over 100 jobs a year. Growth has been particularly strong in Plumbing, General

Castle Point	Construction of Buildings and Other Construction Including Special Trades. Of more fundamental importance to the future of the construction sector in Castle Point are the following factors. 1. By 2021, 44,300 new homes are expected in the Thames Gateway South Essex area, which is a substantial increase on the current rate of housing completions, will drive up the number of jobs in the industry. 2. Accommodation for 52,000 new jobs in the area, much of which will need new physical capacity, will have similar job boosting effects. 3. Major construction project such as Shellhaven and the Olympics would also bring opportunities to the local construction sector. Even if large contracts go to large building companies, the industry structure is such that many jobs will be subcontracted to local Castle Point firms. We therefore suggest that Castle Point could capture substantially more growth than it is currently forecast in either the trend or planned scenarios which see 200 new jobs and no jobs change respectively. We have therefore increased jobs in this sector by 400.

Wholesale, Retail Trade and Repairs

2.15 We consider these three sectors separately as they are quite different sectors, with different skills and property market requirements. These sectors are considered together in the published jobs forecasts.

Wholesale Distribution

2.16 The wholesale distribution category includes all wholesale activities such as wholesale of food, household goods, liquid and gaseous fuels, and machinery.

Sector representati on	With 600 jobs, there is less wholesale distribution in the economy than would be expected (LQ of 0.8). There are more of the smallest sized firms than is usual for wholesale in the national economy.
Future Prospects in Castle Point	Castle Point is not currently a strong wholesale distribution economy, and it is unlikely to have major increases in future as it is. We forecast no change for this sector.

Retail Trade

2.17 Retail covers the usual retail functions.

Sector representati on	There is currently a strong proportion of employment in Retail Trade in Castle Point, with over 3,000 jobs. This is an LQ of 1.4. Some of Castle Point's largest employers are in the retail sector, including Morrison's (approx 450 employees) and Somerfield (approx 300 employees) on Canvey Island, and Sainsbury's (360 employees) in Benfleet.
Future Prospects in Castle Point	The Canvey Island Sustainable Regeneration Report suggests that there is potential in the Borough for additional retail jobs. The Canvey Island Sustainable Regeneration Report suggests there should be space for one large food retail outlet in Canvey town centre, of 2,969 sq m (gross). Based on an assumption of 19 sq m per employee (source: Arup Densities Guide), this could provide around 160 jobs. However, it is unclear how much of this might be displacement from existing food retailers. There is also potential for considerable job opportunities to arise from the redevelopment of the town centre which could potentially result in 19,300 sq m of retail floorspace, although much of this would be redevelopment of Knightswick shopping centre. There may be some net additional floorspace on the west side of Furtherwick Road. We do not know what might be the net additional floorspace,

	and so cannot make jobs predictions for this segment of development. There may be some out-of-town retail development at an extension to Charfleets industrial estate. We therefore think the forecasts could be higher in Castle Point than outlined in the trend or planned scenarios. We estimate there could be an additional 300 jobs in Castle Point in retail.

Repairs

2.18 This sector includes general machinery repairs, and repairs of cars and motor vehicles, as well as car sales.

Sector representation	Employment in Repairs is currently strong in Castle Point (its LQ is 1.6). Many companies in these sectors are located on the main trading estates in the Borough.
Future Prospects in Castle Point	Market researchers Mintel report[49] that the car retailing sector is going through a period of change, evolving from a fragmented franchise network controlled by manufacturers into a more consolidated sector in which the larger dealerships are beginning to to dominate the market and look for ways of developing their own distribution networks. Four of the largest dealers have established themselves as procurement and distribution specialist for major new Internet retailing sites. Whilst we would suggest that there remains a role for small independent dealers and service agents (not least because of cost advantages to the consumer)[50] we would suggest that the growth in car supermarkets and internet purchasing will continue to exert downward pressure on local small car dealers. We therefore think that whilst Castle Point can retain its employment in repairs and servicing, it may lose some of its sales employment. In all, we estimate that employment in this sector is unlikely to change.

2.19 Pulling these components back together, then, we suggest that the wholesale, retail and repairs sector can expect to see a rise of 300 jobs in Castle Point. This is driven by the retail component.

Hotels and Restaurants

2.20 This category is self explanatory.

Sector representation	Around 1,000 people are employed in Hotels and Restaurants in Castle Point. This is an average representation for the size of the economy. As in most sectors in Castle Point, the proportion of the smallest sized firms is larger than usual.
Future Prospects in Castle Point	Improving the attractiveness of Canvey Island might capture some of the growing spend expected from a growing population. There is some potential to increase employment in these sectors as part of this expansion. However, as Southend -on-Sea is set for regeneration and particular improvement in its leisure provision, Castle Point should not aim to compete and provide large-scale leisure facilities. However, some small scale improvements could be made and there may be some small increases in employment. An increase of 100 jobs in this sector would not be unrealistic. This would be the equivalent of, say, 1,300 sq m of restaurant floorspace at 13 sq m per worker (source: Arup Densities Study).

[49] Mintel ***Car Retailing - UK - April 2004*** **http://reports.mintel.com/sinatra/reports/display/id=4283#about**
[50] Servicing your car at a franchised dealer is a third more expensive (35%) than having your car repaired at an independent dealer, according to MFBI's survey. See http://news.bbc.co.uk/1/hi/business/1476451.stm

Transport, Storage and Communications

2.21 This includes freight transport, cargo handling and storage, and post and telecommunications activities.

Sector representation	There are 1,100 jobs in Transport, Storage and Communications in Castle Point. This is an average amount for the size of the economy. Sectors included in this include Freight Transport, Cargo Handling, Storage, Post and Telecommunications.
Future Prospects in Castle Point	Although Castle Point is not directly adjacent to Southend Airport, as discussed above, there is potential for some of the indirect employment to be located in Castle Point. The fact that there is a shortage of developable land in the immediate vicinity of the airport given Green Belt designations and poor access means that it is possible that some demand for employment space might spill out to sites in Castle Point, particularly if attractive new space was to be allocated on the A127 or near to the dualled portions of the A13. This sector increased by 40 jobs per annum between 1995 and 2001. We suggest that Castle Point could accommodate an additional 200 jobs in this sector due to general sector growth. This is less than the trend scenario, and lower than the planned forecasts. If Southend Airport was subject to strong expansion, the numbers here could be larger.

Financial Intermediation

2.22 This sector includes activities undertaken by banks, building societies and activities such as financial leasing, insurance and pension funding.

Sector representation	This sector makes up just 300 of Castle Point's jobs. This is a very small proportion of jobs compared to what is usual for an economy.
Future Prospects in Castle Point	This sector is currently unimportant in Castle Point. There are pressures on this sector in the UK economy, e.g. high street banking is in decline in favour of internet banking. There may be some small losses, as suggested in the trend scenario. The shake out in the banking sector appears to have largely taken place in the national economy, and there is a limit to the number of staff that can be rationalize whilst maintaining a high street presence. We suggest therefore, that the number of these jobs is likely to remain unchanged over the period.

Real Estate, Renting and Business Activities

2.23 This is a broad category, so we have broken it into its component parts.

Real Estate and Renting

2.24 This include estate agency, and such activities as renting of plant and machinery.

Sector representation	300 people work in real estate in Castle Point. This is not a significant sector and roughly the proportion expected in an economy. There is a strong proportion of employment in renting compared to the national economy. However, it only employs around 200 people. Such activity is likely to occur on industrial land, as it includes sectors such as Renting of Transport and Renting of Machinery and Equipment.
Future Prospects in Castle Point	We do not expect the real estate sector to grow substantially over the next 20 years. There may be some small growth in the renting sector related to growth of the Construction Industry. We suggest that there will be no change in this sector.

Business Activities

2.25 This category includes legal, accounting, market research, management consultancy, labour recruitment and industrial cleaning.

Sector representation	There are 1,800 jobs in Business Activities currently. This is a low representation given the size of the economy. These jobs are concentrated in just a few sectors: Investigation and Security Activities (300 jobs), Architectural and Engineering Activities and Related Technical Consultancy (250 jobs), Labour Recruitment and Provision of Personnel (200 jobs), Industrial Cleaning (200 jobs), Business and Management Consultancy Activities (200 jobs) and Accounting, Book-Keeping and Auditing Activities and Tax Consultancy. There is much less Business Activities employment in Castle Point than the national representation, with an LQ of 0.7. Many Business Activities jobs occur in office space. However, many of the well-represented sectors highlighted above occupy other types of space. For example, Industrial Cleaning jobs do not tend to take up much space; employees go into other people's offices to clean. The Labour Recruitment category encompasses employees who are employed in temporary employment. This ranges all industries including Construction, Health and Education, as well as Financial sectors or Business Services .
Future Prospects in Castle Point	95% of companies in this sector are currently in the smallest sized category, so a major expansion of this sector would be difficult to achieve. The policy priority is also to encourage major office expansion in Basildon and Southend-on-Sea, Castle Point is therefore unlikely to attract - nor should it seek to attract - major office occupiers. Expansion is more likely to come from local companies servicing the local population. These could be accommodated as part of town centre revitalisation, particularly in Canvey Island. This is the largest growth sector forecast in the planned scenario, with an additional 1,800 jobs, and second largest in the trend forecast, with 1,300 more jobs. Whilst this sector is currently under-represented in the local economy, and there is therefore scope for improvement, an increase of 1,800 jobs would double the current level. Assuming the average company comprises 6 people (using a weighted average of current employees in different sized companies), 1,800 jobs would be another 300 companies. We think that this is unrealistic. We have reduced this forecast substantially. We suggest that growth in the order of 500 jobs would be a more reasonable estimate.

2.26 Seen together, we think that the category of Real Estate, Renting and Business Activities will see growth of around 500 jobs.

Public Administration and Defence

2.27 The activities in this sector are self explanatory.

Sector representation	The Public Administration and Defence sector accounts for 600 jobs in Castle Point.
Future Prospects in Castle Point	Although jobs in this sector tend to be linked to population, and some increase in population is expected, we do not anticipate strong growth in public service jobs. Under the Gershon efficiency review, the Treasury has set a target of cutting the equivalent of 70,000 full-time civil service jobs in England by 2008[51]. The period of strong growth of public sector jobs appears to be over. ONS figures show that in

[51] FT Jan 14, 2006 *Civil service job cuts falling short of target, report shows* http://search.ft.com/searchArticle?id=060114000873&query=gershon+review&vsc_appId=powerSearch&offset=0&resultsToShow=10&vsc_subjectConcept=&vsc_companyConcept=&state=More&vsc_publicationGroups=FTFT&searchCat=-1

	the year to the end of March 2006, public sector employment rose by just 24,000, 0.4 per cent, while the number of jobs in the private sector rose by 260,000 or 1.1 per cent. We estimate there will be no change in this sector in Castle Point.

Education

2.28 The activities in this sector are self explanatory.

Sector representation	There are 2,400 jobs in Education in Castle Point. Some of these establishments are amongst the largest employers in Castle Point, including: ▪ The Deanes School — 250 employees ▪ Seevic College — 210 employees ▪ The King John Schools — 200 employees
Future Prospects in Castle Point	Education employment is linked to population expansion. Although the population is expanding a little, the population is also forecast to be ageing, there will not be an increase in requirement for education. Projected school need estimates from Essex County Council show declining numbers of both primary and secondary school pupils up to 2009. There will be rationalisation in the secondary school sector on Canvey Island for demographic reasons Although there may be increases in adult education, this is likely to be offset by a decline of the younger cohort. We therefore do not consider the forecasts, which show an increase of 1,000 jobs (trend scenario) and 200 jobs (planned scenario) to be realistic. We suggest no change in the numbers.

Health and Social Work

2.29 The activities in this sector are self explanatory.

Sector representation	Health and Social Work is currently averagely represented in Castle Point, with 1,900 jobs.
Future Prospects in Castle Point	Whilst we acknowledge that the main period of growth in NHS budgets is likely to be drawing to a close (the Department of Health, for example, has acknowledged that the days of strong growth in the workforce are over),[52] the underlying fundamentals associated with an ageing population mean that health and social care employment is likely to rise. We therefore suggest that a net additional 200 jobs is a realistic prospect, rather than the forecast growth of 400 jobs in the planned scenario.

Other

2.30 This category includes sectors such as Sewage & Refuse, Trade Unions, Recreational and Sporting Activity, Libraries, Museums, Gambling, Funerals and Hairdressers.

Sector representation	There are currently 900 such jobs in Castle Point, an average amount given the size of the economy.
Future Prospects in	This sector generally includes employment in services for the local economy. With an increasing population, and expanding elderly population, it is likely that this

[52] FT July 1 2006 *Private sector employment moves ahead*

Castle Point	sector will increase in the future. Work for the GLA[53] suggests that for an increase of 1,000 population, there will be approximately an additional 230 jobs (although some of these jobs will be in other sectors that we have already discussed that serve the population, such as Education and Health). The current representation of these jobs is low but Castle Point is seeking to redress this by improving the towns, in particular Canvey Island. We suggest there therefore may be more additional jobs for the 1,000 population increase than the GLA study suggests. The trend forecasts suggest this sector would lose 200 jobs; the planned forecasts suggest an increase of 1,000 jobs. We also suggest there will be an increase, but not of the same scale - more likely around 300 jobs.

The spatial implications of change

2.31 We have made some quite substantial adjustments from the growth projected in the economic model. The question now is how these changes might be distributed spatially within Castle Point.

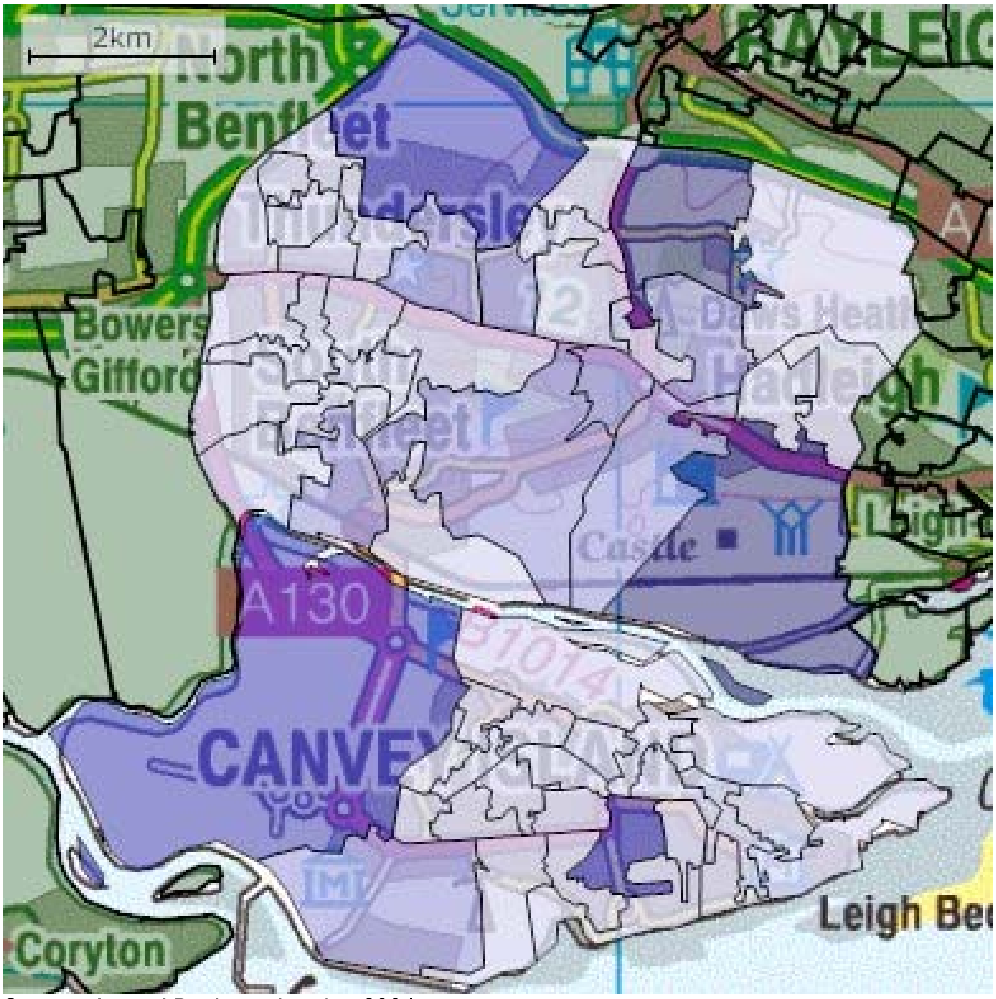
2.32 The first step is to understand how employment is currently distributed (using the categories of all employment, manufacturing and office activity) and then look how the different areas of Castle Point might be affected by the jobs growth that we expect.

The current distribution of employment in Castle Point

2.33 The map below shows the employment locations in Castle Point. The darker the shading, the more employment there is in these sectors. It is clear from this map that employment is concentrated on the main trading estates and in the town centres.

[53] *More Residents, More Jobs? The Relationship between Population, Employment and Accessibility in London,* January 2005

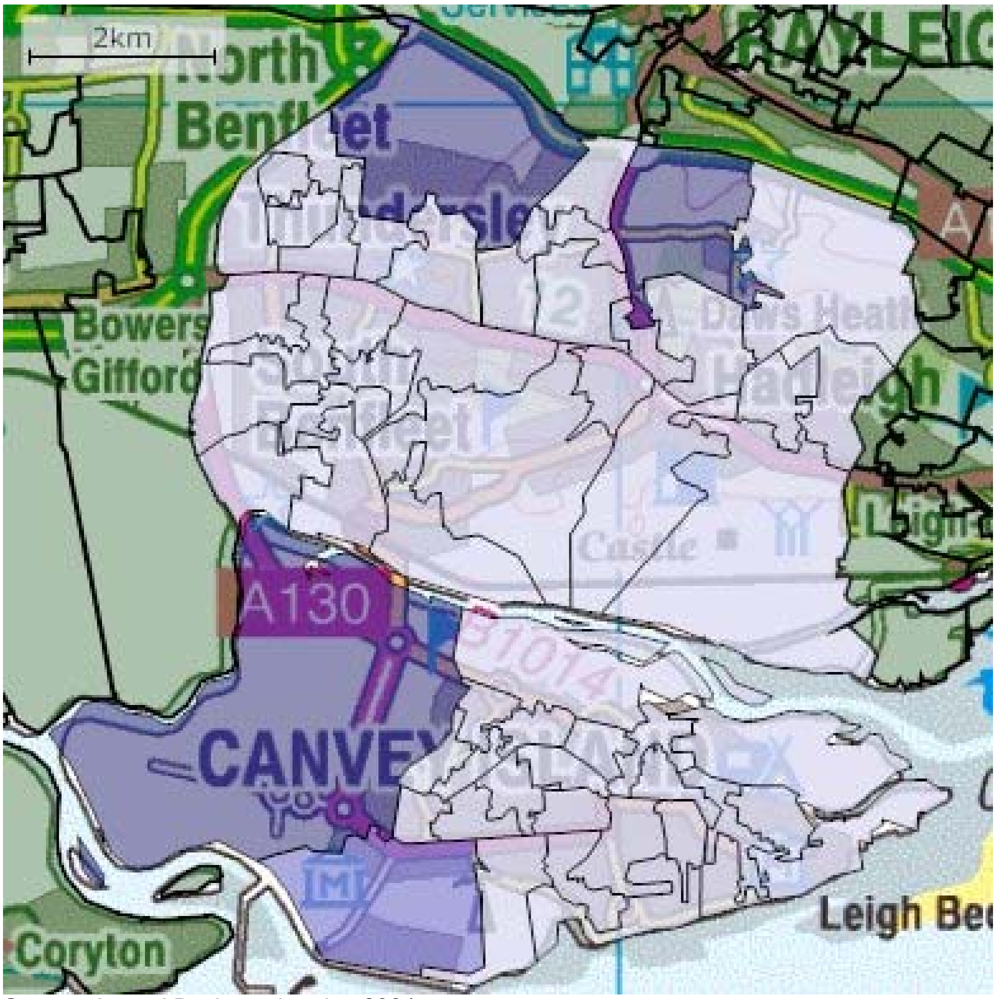
Figure 2.2 Total Employment Locations, 2004



Source: Annual Business Inquiry, 2004

2.34 Figure 2.3 shows the geographical distribution of manufacturing employment in Castle Point. This is clearly concentrated in the main industrial areas – Manor Trading Estate (north-west), Charfleets (south-west) and Rayleigh Weir/Stadium Way (north east).

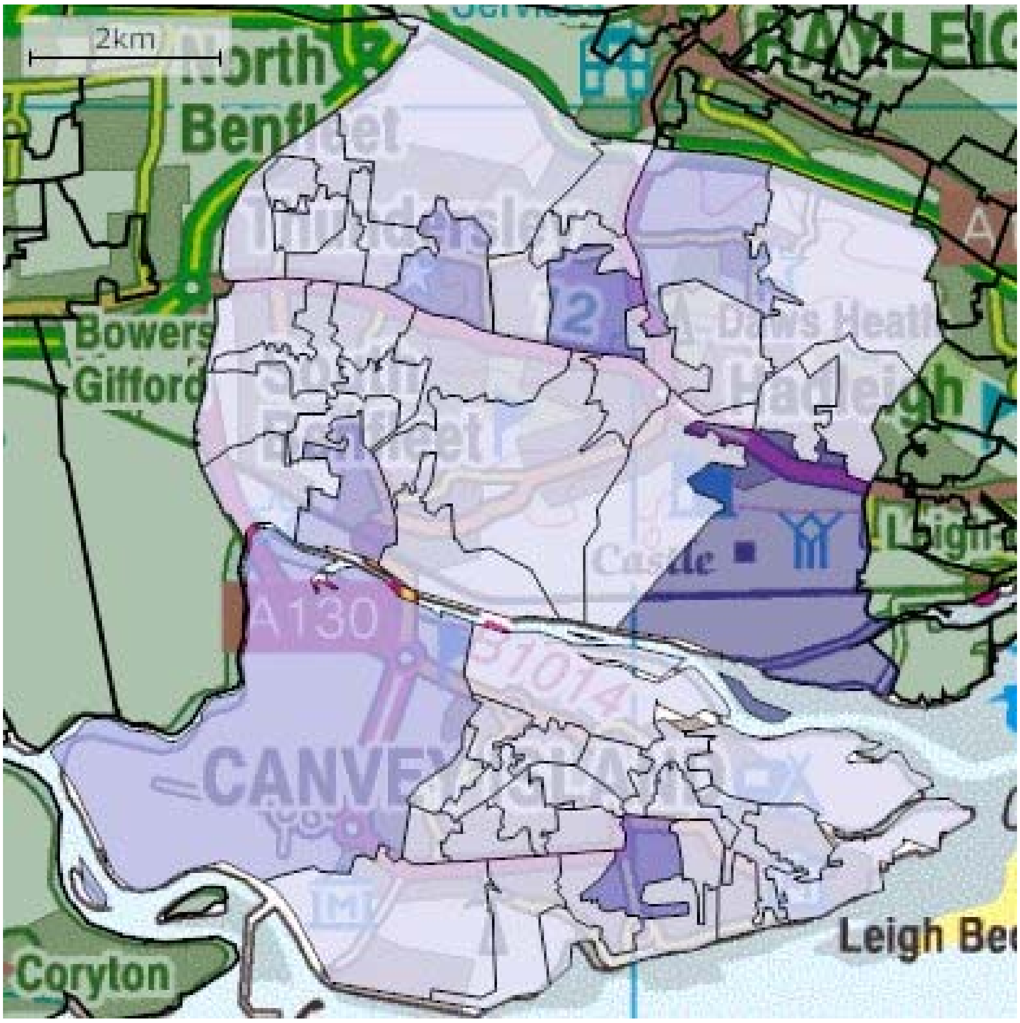
Figure 2.3 Manufacturing Employment in Castle Point



Source: Annual Business Inquiry, 2004

2.35 Figure 2.4 shows the concentration of *office* industries in Castle Point (it excludes the Business Activity sectors that do not occupy office space). The darker the shading, the more employment is in that geographical area. The map indicates a more distributed pattern of office employment compared to manufacturing, with concentrations in Thundersley, South Benfleet, Hadleigh and Canvey.

Figure 2.4 Office Employment In Castle Point



Source: Annual Business Inquiry

The implications of future jobs growth for Castle Point settlements and industrial estates

2.36 The first point to make is that the projected 2,000 job increase is a relatively small incremental change when set against a) Castle Point's economy overall – which currently accommodates 18,600 jobs, and b) the time period involved, which is to 2021.

2.37 When considering the spatial characteristics of future jobs impacts, it is important to bear in mind that

- The vast majority of jobs growth that does take place is likely to be distributed across existing employment locations – simply making existing employment patterns denser, rather than changing employment locations.
- As we have discussed above in Part A of the report, there may be considerable "spaceless" jobs growth due to rising levels homeworking – although it remains to be seen whether this growth will be adequately reflected in official statistics.

2.38 Those two factors apart, it is possible to pick up some likely outcomes in employment distribution. These should be placed in the general context of our finding in Part A above on retail "polarisation" which finds that larger town centres, in general, are becoming stronger (lower yields), at the expense of the smaller and weaker town centres. In the convenience sector central to all of Castle Point's retail areas, a different form of polarisation has occurred whereby the large superstore operators have gained an ever increasing market share at the expense of independent convenience traders and smaller supermarket operators. Indeed, the number of independent convenience traders has fallen by 30,000 since 1994, equating to 40% of the nation's stock of such shops. Moreover, the large food superstore operators have increasingly diversified their product lines to include an ever-increasing range of comparison goods. Clearly, these trends work against the continued prosperity of retail areas in Castle Point, none of which have real critical mass.

Canvey Island

2.39 Canvey Island is likely to be the main area of jobs growth in Castle Point. This is largely due to the unrealised opportunities that exist on Canvey. As we have discussed above, the Canvey Island Sustainable Regeneration Report indicates that

- there is substantial retail and office development that could be accommodated in Canvey town centre. The Sustainable Regeneration Report suggests there could be development to accommodate around 1,425 jobs on the basis of 50sqm per worker, although we have questions about the true extent of market demand for change on the scale suggested. There are also leisure opportunities, although these are likely to be more modest.
- Much of the final jobs growth will depend on decisions taken around the Northwick Road side, which alone is capable of accommodating around 1,100 B2 jobs.

2.40 We do not foresee change of use at the Calor site.

Benfleet

2.41 Benfleet could benefit from incremental change to develop an office offer, although there are few site development opportunities. There could be small gains in retail employment, assuming that projects to capture a greater share of retail demand (eg town centre work) was successful.

2.42 Benfleet is home to a reasonably affluent commuter population, making it likely that there will be development of homeworking in the area. In this respect, job numbers may grow, although this might not be strongly reflected in a need for business space provision.

2.43 Much here depends on change at Manor Industrial estate. As explained in more detail below, we suggest undertaking a detailed study on the feasibility of moving businesses to a new site, with the move funded by S106 agreements attached to new housing development at the Manor site. However, our broad estimates indicate that there is a significant funding gap that would not be bridged by S106 alone.

Hadleigh

2.44 Hadleigh's concentrations of office employment seem likely to arise from public services. We have suggested that these are unlikely to show significant jobs growth to 2021. Again, there could be incremental retail and renting gains.

Thundersley

2.45 Effects in Thundersley are likely to be relatively dilute in nature, with the area benefiting from general, distributed growth across Castle Point as a whole.

3 A STRATEGY FRAMEWORK TO DELIVER CHANGE

Introduction

3.1 We have developed a strategy framework. This framework serves to put the subsequent Action Plan in context, and ensures that actions to help Castle Point realise its goals are not considered in isolation. We begin by providing a strategy goal to orientate the framework.

Strategy Goal

3.2 We suggest that the strategy goal for Castle Point might be:

"To enhance the environment of Castle Point for existing businesses and residents and ensure resident workers have access to a range of quality job opportunities (throughout London and the Thames Gateway)".

Castle Point Strategy Framework

3.3 The development proposals for Thames Gateway South Essex as part of the Government's Communities Plan represent a real opportunity. Growth of resident population and its associated consumer expenditure, the opportunities in the construction sector and promoting a better environment through the green grid will be a source of other opportunities.

3.4 The strategy framework for Castle Point must sit within the wide Thames Gateway Strategic Framework currently being developed by DCLG. At time of writing we understand that a consultation document is shortly to be issued and that the final Thames Gateway Strategic Framework will be published following the 2007 Comprehensive Spending Review.

3.5 From work to date and existing policy documents we suggest that a strategy framework for Castle Point should consist of the following themes:

- **Invest in Skills** – Castle Point will continue to be a supplier of labour to Basildon, Southend, Thurrock and London. Qualifications are low and future jobs will be demanding higher skills levels.
- **Enhance and Utilise Environment** – The Thames Gateway Strategic Framework has a strong emphasis on both improve the environment of Thames Gateway South Essex and using it as a resource for economic and leisure development.
- **Develop local retail and service facilities** – The population in Castle Point will grow over the period 2001-21. Consumer expenditure is likely to rise by at around 3.1% p.a. over this period.
- **Sites and Premises** – Castle Point should not be preparing for any major new inward investment but still needs to ensure that it has a supply of sites and premises to meet the changing needs of businesses.
- **Business Development** – There is a high failure rate amongst businesses in the borough. Also there is little evidence of significant growth amongst local firms. Business development programmes can be targeted at dealing with these issues.
- **Improve transport infrastructure** – major new road building or rail lines in Castle Point are not likely to come forward as priority investments. The development of South Essex Rapid Transit (SERT) is a project that could improve access for the borough as a whole and for Canvey Island in particular in the medium term.

3.6 We examine each of these themes in detail in the following sections.

Theme 1: Invest in Skills

3.7 A government review has found that the key factor explaining the UK's low productivity compared to countries such as the US and France is the lack of skills.[54] This generic finding, together with Castle Point's particularly poor showing on the skills statistics, suggests that skills are the single most important theme to aid the economic well-being of Castle Point residents.

3.8 Here, we cover both the quantity and quality of skilled workers resident in Castle Point.

Young peoples' education and skills provision within Castle Point

3.9 We see two particular issues here. Firstly, it is particularly important given the ageing population that the young people who emerge from the educational system are employable. Problems at a national level in this respect have been recently noted by a report by the CBI.[55] Changes to the vocational curriculum have been made by Government. These changes might go some way to re-engaging disaffected pupils. Whilst implementing these changes is a County Council responsibility, we suggest that CPBC lobby for and back these changes. CPBC also needs to do whatever it can to ensure that the introduction of post 16 education on Canvey Island is successful (SEEVIC have pulled out at present).

3.10 Secondly, there is a need to prepare the workforce for higher level occupations. Of the 55,000 jobs targeted for Thames Gateway South Essex, 23,800 are expected to be in the managerial, professional and associate professional occupations[56]. The Essex Learning and Skills Council has identified four priority sectors:

- Retail, Wholesale and Hospitality
- Construction
- Transport and Logistics
- Health and Social Care

3.11 These fit well with the sectoral strengths of Castle Point identified in the earlier analysis. CPBC needs to ensure that the LSC's attention remains on problems in Castle Point. Without this encouragement it is possible that the LSC might become focused on issues in the main urban centres of Basildon and Southend to the detriment of Castle Point.

Access to New Academies

3.12 There are major new HE initiatives planned in Thames Gateway South Essex with the Logistics Academy in Thurrock and the University in Southend. It is important that these are perceived as 'local' institutions by Castle Point residents in order that they take full advantage of these new educational investments. CPBC can assist in this role both in terms of 'owning' these local facilities and disseminating information.

3.13 We note that the Local Education Authority is currently consulting on a programme of renewal for Education Provision on Canvey Island. As part of this programme the LEA will be seeking to provide a further education college for vocational skills training on the Island.

Developing a strategy to develop older peoples' skills and activity rates

3.14 Castle Point has a higher than average proportion of retirees within its population, and it population is expected to age further in coming years. To gain more from existing labour resources in the Borough, retirees aged both below and above the retirement age should be encouraged to transfer their knowledge or re-join the local workforce.

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[54] Treasury, DTI (2001) *Productivity in the UK 3 - The Regional Dimension*
[55] Financial Times, 21 Aug *Employers alarmed at skills shortage*
[56] Delivering Thames Gateway South Essex Economic Future - July (2005)

3.15 All partners should seek to encourage more retirees back into the labour market or into training and transferring their knowledge and skills, exploring this through training and business networks.

3.16 Castle Point should produce a topic paper for member discussion/ sub strategy, perhaps utilising expertise from University of Surrey Centre for Research into the Older Workforce (CROW). Such a paper could be produced alongside EEDA. It could include the following types of actions:

- Review Castle Point Borough Council's own practices regarding older employees.
- Run workshop days and awareness raising with employers – perhaps working through Chambers of Commerce.
- Lobby for exploratory work with the PCT and Social Services on a) the possibilities of Social Service intervention with those likely to retire on health grounds, b) development of older peoples' employment in service provision, with a higher proportion of older people delivering health and social care.

Developing work based learning opportunities

3.17 Work elsewhere shows that around the country there is an ongoing need for Work Based Learning providers (companies and organisations providing apprenticeship placements for those in vocational education).

- CPBC is itself an important employer in the Borough. The Council should set an example by providing apprenticeship or equivalent placements.
- The Council should also ensure that it is using recruitment opportunities such as New Deal employer subsidy to secure opportunities for those coming off long term benefit.

Attracting and keeping a workforce of employment age

3.18 Castle Point is projected to have an ageing population. However, this is a prediction, not a certainty, and population ageing can be influenced to a small degree by planning policy. We suggest a two-fold strategy to ensure that Castle Point maximises is chances of being able to supply labour to reach its 2,000 new job target.

3.19 New housing created in Castle Point needs to

- attract people of working age. Accommodation that is able to accommodate young families will be of most use in this respect; and/or
- free up the existing housing supply for occupation by families (for example, retirement properties of the McCarthy and Stone type can provide the benefits of freeing up family housing)[57].

Theme 2: Enhance and utilise the environment

3.20 This strategic theme may have only modest impacts in terms of jobs but is important because of the role of the environmental theme to the success of the Thames Gateway South Essex proposals as a whole. As the Thames Gateway Strategic Framework makes clear, unless the sub-region works to improve its image as a place to live, some of the broader economic objectives for the area will be called into question. We have argued throughout this work that Castle Point's fortunes depend to a large degree on prosperity in the surrounding area, and so it follows that Castle Point has a role to play

57 We note that the 2002 Meanwhile, the Housing Needs Study indicated that a further 35% wish to purchase a bungalow, which may reflect the ageing population of the Borough. The study did not reveal a strong demand for sheltered housing, however. This may reflect the lack of desire for warden assisted accommodation. However, there is evidence elsewhere that indicates that preferences in this respect are strongly conditioned by prevailing norms; when older people do enter retirement properties they enjoy the security and companionship that can be on offer.

in developing its environmental strengths if it is to be part of a prosperous and successful sub-region.

Enhancing the attractiveness of the creeks

3.21 Work by Castle Point[58] notes that Canvey Island is bound to the north and west by creeks. These creeks are used for boating purposes at high tide, with several boat yards and yacht clubs located along them. However

- several of the boat yards are in a poor state of repair.
- number of the boats are in poor repair, and are scattered along the mud banks of the creeks.

3.22 The Council wishes to enhance the attractiveness of boating on the creeks.

Greengrid projects

3.23 The Regional Economic Strategy identifies one of the priorities for Thames Gateway South Essex as to develop the Green Grid South Essex to protect, enhance and increase access to environmental assets, and underpin the sustainability of communities and employment areas. Greengrid is a long-term project to put place-making at the heart of a more attractive South Essex in which to live and work. Greengrid covers marshes, green spaces, wildlife areas, recreation spaces, connecting infrastructure and urban and suburban environments.

3.24 Several new bridges are proposed for Castle Point in order to link the open space network with that of the Boroughs of Basildon across Holehaven Creek and Rochford across the A127.[59]

3.25 As part of this initiative the sea wall on Canvey would be substantially redesigned to enhance the open space experience at this point.[60]

Building "Merton Rules" into emerging planning policy

3.26 The EEDA Northwick Road site could make an important statement about how Castle Point intends to develop its economy along more environmentally sensitive lines in future.

3.27 We have discussed this project in more detail in the sites section, and have noted the importance of requiring high quality environmental technology in future development through the use of 'Merton Rules'.[61] This is the planning policy, pioneered by the London Borough of Merton, which requires the use of renewable energy onsite to reduce annual carbon dioxide (CO_2) emissions in the built environment.

Theme 3: Develop local retail and service facilities

3.28 The previous theme of enhancing the local environment is linked with that of developing local retail and service facilities. By making the area more attractive to live, shop and play, so a higher proportion of consumer expenditure will be retained – so creating local jobs.

Developing the Leisure, Recreation and Sport sector

3.29 Growing personal disposable income means that health, fitness and "wellness" expenditure has risen strongly in recent years, making the leisure, recreation and sport sector a growing part of the economy. In recognition of this, and as a part of improving the sub-region's image as a place to live, the sector being promoted across the Thames Gateway.

[58] para 7.3.18 Castle Point Borough Council *Core Strategy Issues Paper*
[59] para 7.4.3 Castle Point Borough Council *Core Strategy Issues Paper*
[60] ibid
[61] for more information see http://themertonrule.org/

3.30 Castle Point already has an existing base of facilities on which to build. The Canvey Island Sustainable Regeneration Report suggests improvements to the existing Waterside Farm Leisure Centre and the relocation of Canvey Island Football Club facilities to a single site at Waterside Farm. The possible job outcomes from this expansion in provision, as well as image and quality of life benefits for the area make this a project that may be worth pursuing.

Developing Canvey Town Centre

3.31 The focus of investment here is Canvey Island. The Sustainable Regeneration Report suggests that there is market demand for 22,250sqm of commercial space in Canvey town centre. This scale of development would create 1,425 new jobs at an average job density of 50sqm per workspace.[62] Clearly not all these jobs would fall into the retail and service facility category, but many would.

3.32 We find these estimates high, and worry that insufficient market demand exists to generate this level of employment and floorspace density. Clearly, though, there is scope for Canvey town centre to be renewed, and the Council should certainly back development projects in the town centre.

Enhancing Castle Point's other town centres

3.33 Canvey is likely to see the strongest town centre improvements. However, townscape and environmental improvements in other retail centres in Castle Point (in Benfleet, Thundersley, Tarpots and Hadleigh) would help support town centre leisure, retail and possibly office businesses.

Retaining the "grey pound" in Castle Point's town centres

3.34 Alongside clear economic benefits, there would be social benefits associated with improvements to Castle Point's town centres for the local (ageing) population.

3.35 Development should ensure that it attracts "the grey pound" – a sector that will grow in importance. There may need to be accompanying revenue schemes to assist in this process.

- Research shows that Castle Point's town centres are competing with managed shopping spaces such as Lakeside and Bluewater for older peoples' custom. The urban realm needs to be maintained to a similarly high standard if it is to retain its older clientele.
- Research shows the importance of security to older people. Uniformed warden schemes might be considered if these are proven to improve older peoples' sense of safety in town centres.

Theme 4: Sites and premises

3.36 There are three types of sites and premises investment that will be required:

- Investment/upgrading of existing sites
- Additional space to meet new demand
- Provision of different types of facilities to those that now exist

3.37 We look at each in turn.

Investment and Upgrading of Existing Sites

3.38 The existing employment stock in Castle Point is old. 52% dates from before 1970. Whilst this is now a dated stock compared to most locations, if new investment does

[62] p86 Canvey Plan

not occur the stock will be even more dated by the end of the plan period. Or to put it another way, without renewal half the stock will be fifty years old or more.

Detailed study on moving Manor Trading Estate to a new site

3.39 Of the existing major estates the least fit for current purpose is the Manor Trading Estate. One option is to look at wholesale replacement of the Manor Trading Estate. The site is currently 8.7 ha, of which 8.1ha is employment use.

3.40 The Annual Monitoring Report suggests the site is currently configured as:

2.9 ha B1

2.7 ha B2

0.4 ha B8

2.1 ha Sui Generis

0.6 ha Non-employment (retail/food)

3.41 Using ABI data and two super output areas (SOAs) to estimate Manor Trading Estate, we estimate there are currently around 1,500 jobs on the estate. This is 8% of all jobs in Castle Point (18,600 in total). 500, or 31%, of these jobs are in Manufacturing, 240, or 15% in Construction and 300, or 20%, in Distribution, Hotels and Catering.

3.42 Some of these jobs will lie outside of Manor Trading Estate. Using estimates for business space jobs and excluding jobs we believe are not on the industrial estate (e.g. health and social work employment), we estimate Manor Trading Estate provides space for around 1,200 workers.

3.43 This is as accurate a jobs figure as we can make for such a small area. The Council has some GIS data about their employment sites and occupiers but the size of the sites does not correspond with the figures given in the Annual Monitoring Report. We therefore have not used these figures. However, we have used the indications the database gives to show what *kind* of employment is on the site e.g. it suggests that the sui generis employment is mainly at garages.

	Estimated jobs	% of jobs
B1a	120	9%
B1c/B2	878	69%
B8	161	13%
Sui generis (car sales/vehicle dismantinng and repair)	77	6%
Retail/leisure	31	2%
	1,267	100%

Source: RTP, Nomis, 2004

3.44 It is interesting to note that the majority of B1 employment is light industrial rather than offices. This is also clear in the Castle Point database of firms occupying space on Manor Trading Estate.

3.45 This suggest that although the layout and premises are not good the site as a whole is not inefficient in land use terms as benchmarked by standard density and plot ratios.

3.46 We are not able to undertake a detailed appraisal but have considered whether wholesale replacement of the Manor Trading estate to an alternative site freeing the existing site for residential land might be an option. On the basis of broad estimates about land values, rents and building costs we think there would be a considerable gap that would need funding. If this were an option the Council would wish to look at further we would suggest that it undertakes a more detailed appraisal of this option.

Additional space to meet new demand

3.47 We have stated that we do not think that Castle Point is well placed to attract significant new inward investment. There is not a critical mass of activity, its locational and natural asset base are not strong, and the transport infrastructure is poor. Building the success of existing companies appears to be a better idea than attracting newcomers. A finding of several of the evaluations of area-based business development programmes has been that the main source of new investment comes from businesses that are already in a local economy or at least in the surrounding region.[63] These findings highlight the importance of indigenous investment and 'follow-on' investments by existing inward investors.

A watching brief on developments at Southend Airport

3.48 We have investigated the potential for Castle Point to accommodate jobs created as a result of development at Southend Airport. We suggest that it would be unwise to rely too much on development at Southend airport. All the same, we suggest keeping a watching brief on development at the airport in order to respond appropriately to change.

Providing new space and making a quality design statement at the Northwick Road site

3.49 EEDA bought the Northwick Road site on Canvey Island in 2002. The site has approximately 9.6ha of development land scheduled for employment uses (11.2 ha is now an SSSI). Planning detailed consent has been obtained for infrastructure and landscaping works.

3.50 EEDA is currently in the process of determining how the site might be developed. Consultants are looking at developing a detailed understanding of three areas:

- Demand and supply analysis
- Development options (including Joint Ventures or EEDA direct development)
- Assessment of land values arising

3.51 The aspiration is to develop an exemplar project trying to encourage new forms of development. EEDA has described its support for the scheme on Northwick Road in terms of, "A pioneering scheme to develop land for business use, create jobs and raise aspirations for local people and conserve a wildlife habitat on a site in Canvey Island." This aligns with the Thames Gateway Strategic Framework desire to promote the Thames Gateway as an exemplar location for developing environmental technologies. EEDA wish to

- Use sustainable building techniques such as water recycling and green roofs.
- Accommodate environmental technology occupiers on the site.
- Develop an ecologically themed visitor centre.

3.52 However, there is no EEDA money dedicated to delivering these aspirations, and EEDA are looking for a "market led" solution, with an emphasis on developing higher value jobs. EEDA accepts that some of the site might go for industrial uses, but there is a strong emphasis on ensuring that these uses are clean and sit well alongside the SSSI on the remainder of the site.

3.53 Consultants are due to deliver their report by the end of 2006; this work will give a more detailed view of potential than we can in a study such as this one. However, we point out that

[63] ODPM (2003) *Business-led regeneration of deprived areas – a review of the evidence base*

- the market may be unwilling to fund the environmental aspirations for the development, and EEDA appear similarly unwilling. We therefore question how deliverable these aspirations are likely to be.
- the track record of "eco-tech" projects in commercial terms is not strong. An example of an ecotech centre developed with public support elsewhere in the region is at Swaffham in Norfolk. But in addition to requiring public funding to build the business park in terms of occupiers is a standard commercial/industrial estate, with no "genuine" environmental businesses.

3.54 We suggest that it will be difficult to obtain "environmental technology" occupiers for the site, but we believe that the Northwick Road site must be developed to incorporate high quality environmental features, whatever the eventual occupiers. These features need to make a clear statement that Castle Point will be developing along cleaner, greener lines in future. Micro-renewable sources of power and high-spec insulation could be incorporated. Given the difficulties in obtaining direct funding, environmental technology could be implemented through use of 'Merton Rules'.[64] This is the planning policy, pioneered by the London Borough of Merton, which requires the use of renewable energy onsite to reduce annual carbon dioxide (CO_2) emissions in the built environment. The first project to comply with this target – ten light industrial units - was completed in June 2005 at Willow Lane, Mitcham, using micro turbines and solar PV to meet the requirement. Croydon have followed Merton's lead, and their first project designed to reach a '10% target' was completed in July 2005. North Devon has chosen to demand 15% CO_2 reduction from renewables and Kirklees Council have proposed that by 2011, 30% of energy consumption in every one of its new buildings is from renewable sources.

3.55 Recent ministerial statements on emerging policy indicates that this approach will be mainstreamed in PPS22.[65] All developments will be required to work to similar targets. If the development is to be genuinely above average, then, the project's environment credentials will need to exceed the levels mentioned in mainstream policy. EEDA will be required to absorb a fall in the residual value of the site, but we suggest that this is very much part of their role given the overriding strategic requirements of demonstrating change in the Thames Gateway.

3.56 Notwithstanding difficulties in achieving the environmentally friendly development and uses for the site, though, the site may provide space for a significant number of new jobs in Castle Point. Standard job density calculations for B2 development would suggest that the Northwick Road site alone might accommodate around 1,100 jobs – over half of Castle Point's target. However, this does not mean there would necessarily be the demand to meet this capacity based estimate.

Provision of new types of facilities

3.57 The business services sector is one that is projected to grow and in Castle Point is expected to deliver 500 jobs even on the revised RTP projections (and higher on the original Cambridge Econometrics projections). An additional 500 jobs would equate to about 9,000 sq m of new floorspace. But we would not anticipate any significant new office development. Instead, is likely to be achieved through some incremental growth of professional service types activities in existing town centres.

3.58 The provision of a modern small B1/workshop type facility would provide for new start-up businesses. This could help to provide a different type of job opportunity for local residents and help to alter the image of Castle Point's employment base, although such a facility would not deliver a large amount of jobs. This space could be provided with communal facilities and links to business development initiatives.

[64] for more information see http://themertonrule.org/
[65] http://www.publications.parliament.uk/pa/cm200506/cmhansrd/cm060608/wmstext/60608m0068.htm

Theme 5: Business Development

3.59 In this section we explain some of the key elements of a business development programme.

3.60 Innovation Hubs are being promoted by EEDA, but again these will be promoted alongside the new higher education facilities elsewhere in TGSE.

Managed Workspace

3.61 If small workshops were developed as a project this may provide some opportunity to introduce managed workspace as a means of assisting start-up businesses. This is a form of subsidy to businesses in the difficult formative years. This would require public funding support but might be supported for a variety of wider economic development reasons such as job creation, social inclusion, creation of an entrepreneurial culture[66].

3.62 Castle Point Borough Council will need to examine a range of funding sources if it is wants to pursue a scheme of this type. There may be opportunities available under EEDA Investing In Communities (IiC) fund; one of the three strategic priorities for IiC is enterprise, suggesting that there might be opportunities if a link can be demonstrated between managed workspace and social exclusion. IiC strategy in the Thames Gateway area is currently in a state of flux, so it might be possible to work to have such a scheme included in the strategy. Alternatively, EEDA have a workspace provision "product" which will be rolled out in the medium term that could provide a source of funding.

Develop market opportunities

3.63 Whilst there may not be major new investment projects in Castle Point itself, there are a number of major development projects programmed within the market catchment area of Castle Point businesses.

3.64 Construction is an important industry in Castle Point, and there could be important implications for Castle Point reaching the target of 2,000 new jobs.

3.65 As our earlier stages of analysis indicated, the key opportunities are in the construction sector around

- the Olympics. The construction sector is one that is well represented within Castle Point and with an estimated £2.8 billion of construction work as a result of the Olympics this is an area that Castle Point business should be well placed to target as 2nd and 3rd tier suppliers.
- the housebuilding sector. With some 43,000 new dwellings proposed for Thames Gateway South Essex over the plan period 2001-21, there will be significant market opportunities in construction and fitting for these new dwellings.

3.66 Improving the ability of local construction firms to take a share of these big-picture development projects will be very important to the achievement of Castle Point's jobs target. We see the following role for the Council (perhaps alongside Business Links and EEDA).

- There could be a role for the local authority in ensuring that local firms, particularly in the construction sector where Castle Point is particularly strong, are aware of the various procurement opportunities.
- EEDA work suggests using the Games as a catalyst to encourage SMEs to become e-procurement ready and provide support to local businesses through established business support channels by sharing information on procurement opportunities, tender processes and quality systems and assisting SMEs to understand their fit within the supply chains.

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[66] See Managed Workspace and Business Incubators: A Good Practice Guide for Local Authorities - LGA

Improve Business Skills

3.67 The strategy goal is not just about securing an additional 2,000 jobs in the borough but about improving the quality of the existing base. As we do not see much potential for transformational change through new sectors or inward investment, this should come from qualitative improvements in the existing base. Encouraging businesses to improve their products and processes is the route to doing this.

3.68 This should just be building on things that Business Link are doing already. EEDA's vision for Business Link is set out as follows:

- build on the current strengths of Business Link, engage with more SMEs and business start-ups, and offer better information, advice and brokerage services at a local level.
- provide a better co-ordinated, more consistent service which will improve start-up and growth rates amongst the region's small businesses which are the life-blood of the region's economy.
- provide greater access, for businesses, to advisors
- ensure that quality, consistency and efficiency improvements are gained
- ensure that the way Business Link is delivered, and how it develops in the future, will be informed and underpinned by customer and stakeholder feedback.

Encourage Home Working

3.69 Our analysis above has suggested that homeworking could have an important role in delivering rising employment in Castle Point. If current trends continue there could be over 3,000 more people working from home by 2011 against 2001 numbers. We note, though, that statistics on the incidence of homeworking are unreliable, and therefore evidence of hitting the 2,000 job target might be difficult to come by if Castle Point relies on homeworking to produce the jobs it needs to meet the target.

3.70 Homeworking is one way of mitigating the problems of a shortage of up-to-date business space in Castle Point. Assuming that homeworking growth took place within the existing Castle Point population (and did not simply attract in-migrants from more built up areas where workers and jobs are already co-located) it would be sustainable and would reduce commuting to some extent.

3.71 On balance, homeworking in Castle Point should be encouraged. In the action plan we have set out ways of delivering this.

Theme 6: Improve Transport Infrastructure

3.72 Congestion and poor transport links is a theme that has emerged frequently during the consultation phase of this study. But there are not any cheap or easy solutions.

3.73 Whilst continuing to press for the transport improvements already set out in the Regional Transport Strategy we recommend that the strategy does not become dependent on them. In any event even successful delivery of these schemes would probably not impact upon Castle Point until the latter part of the plan period at best. More immediate benefits may derive from transport schemes outside the Boroughs such as the proposed J30 improvements.

Maximising the effectiveness of existing infrastructure

3.74 It is important that we maximise the effectiveness of the Borough's transport infrastructure if the Borough is to continue to provide a labour supply both for its own jobs and for those in surrounding areas. It may be possible that the current system could be run or managed better with little or no extra funding.

3.75 We suggest that Castle Point BC should run a conference / workshop to refresh the issues, link businesses with public and private transport providers /regulators to take a comprehensive view of current transport management issues in the Borough and identify actions possible from within existing budgets.

Third Crossing on Canvey

3.76 Canvey is particularly isolated and traffic flows are limited especially during peak hours. The Canvey third crossing has recently been costed at £70m and featured in the London to Southend Transport Strategy (LOTS).

3.77 The scheme was identified as being of sub-regional significance in the Draft RSS, but for the time period 2016-20. It is not however in the Local Transport Plan, and so is likely to remain a longer term objective.

South Essex Rapid Transit

3.78 South Essex Rapid Transit (SERT) is a proposal based on guided bus technology. It aims to provide “speed and a high quality service with flexibility, responsiveness and reliability”[67]. SERT would be developed on a hub and spoke basis serving the three key areas of Basildon, Southend and Thurrock. The stated aim is that, “The first SERT services will improve access to and from these areas. In addition it is proposed to link Canvey Island with the network and provide linkages to the future opportunities at Shellhaven”. The proposed network is described as follows:

3.79 “The principal centres of Basildon, Southend and Thurrock will be the focus of ‘hubs’ of interconnecting services that will comprise SERT. In the longer term, a fuller network may be provided, with radial routes providing connections between these. SERT routes will be developed specifically to:

- Link new and existing employment centres with new and existing areas of housing;
- Provide access for people to mainly use the existing rail network for longer east/west travel, and to interchange with existing bus services;
- Link local and Borough centres, particularly remote and disadvantaged areas such as Canvey Island; and
- Provide significant improvements in frequency and/or journey times for both work and non-work trips throughout the day (early morning to late evening).
- Form part of the local development and transport strategies.”

3.80 This is the most likely of the transport project to come to fruition in the medium-long term. CPBC should lobby for its implementation.

Lower Thames Crossing

3.81 Proposals for a further crossing of the Thames east of Dartford have been around for a long time and many feasibility studies have been commissioned. But there is at present still no preferred crossing option and we understand that this does not have high priority in government transport plans. This point is reiterated in the Thames Gateway Strategic Framework discussion document[68]. This document notes that this would be a very expensive and environmentally sensitive scheme but acknowledges that many believe a new crossing would stimulate additional activity.

3.82 Publication of the key choices report provides an opportunity to engage in this debate. Castle Point needs to keep a watching brief to understand how the crossing could impact on the borough, and become actively involved if necessary.

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[67] South Essex Rapid Transit (SERT) The Concept Explained: July (2006)
[68] Thames Gateway Strategic Framework Key Choices Report

Integration of Strategy Themes

3.83 The projects identified above have been selected so that they do not just exist in isolation but cut across themes. They have also deliberately been selected in order to be consistent with the themes of the broader Thames Gateway Strategy objectives

3.84 The table below sets out a matrix linking the projects and themes.

Table 3.1 Matrix of Projects and Themes

	Skills	Environment	Services	Sites	Business	Transport
Invest in Skills						
Young People	X	X			X	
Access to Academies	X				X	
Older People Skills	X		X			
Work Based Learning	X					
Attract & Retain wkg pop	X		X			
Enhance environment						
Enhance Creeks		X				
Greengrid		X			X	
Merton Rules		X		X	X	
Canvey Town Centre		X	X			
Develop retail and services						
Leisure development						
Canvey Town Centre			X			
Other Town Centres		X	X			
Grey Pound		X	X			
Sites and premises						
Manor study				X	X	X
Airport watching brief				X	X	X
EcoCentre	X	X		X	X	
New Types of Space				X		
Business Development						
Managed Workspace				X	X	
Market Opportunities		X			X	
Homeworking	X				X	
Homeworking business Skills	X				X	
Maximise Existing Infra.					X	X
Improve Transport						
Workshop on existing infra.					X	X
3rd Crossing					X	X
SERT		X		X		X
LTC watching brief					X	X

4 THE ACTION PLAN

Introduction

4.1 In the section above, we have set out and justified a strategy framework upon which Castle Point can hang a series of projects and interventions.

4.2 In this section, we indicate the actions that need to be undertaken. These actions are intended to achieve Castle Point's objectives, and should be undertaken over the lifetime of the strategy.

4.3 It is worth noting at the outset that the purpose of this study was not to develop an economic development strategy for the borough. Such a process would have entailed more detailed consultations and engagement with local partners.

About the Action Plan

4.4 Each action point has an identified partnership input with named partners and lead.

4.5 Under the Local Government Act 2000, local authorities have a power to promote or improve "the economic well being of their area". Not all actions can (or should) be carried out by the Council. Instead, it is Castle Point Borough Council's role to "develop partnerships and networks particularly with business organisations and individual businesses [and] with the public sector and individuals to create meaningful and achievable strategies".[69]

[69] p5 Treasury (2000) *Productivity in the UK - the Evidence and the Government's Approach*

Theme 1: Invest in Skills

Aim: To ensure that the supply of skills and human capital to businesses is maximised - so attracting businesses and allowing local businesses to employ local people

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Improve school leaver quality	1.	CPBC lobby for and back extensions to the Vocational Curriculuum. CPBC to back Post 16 education provison on Canvey Island	Ageing population reinforces the importance of ensuring that school leaver population is employable	All	CPBC	
a need to prepare the workforce for higher level occupations in the right sectors	2.	CPBC needs to ensure that the LSC's attention remains on problems in Castle Point.	CPBC needs to ensure that the LSC's attention remains on problems in Castle Point. Without this encouragement it is possible that the LSC might become focused on issues in the main urban centres of Basildon and Southend to the detriment of Castle Point.	All	CPBC	
		CPBC to disseminating information on skills opportunities outside the borough	Castle Point residents must take full advantage of these new educational investments in Thames Gateway South Essex with the Logistics Academy in Thurrock and the University in Southend	All	CPBC	

3.

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Develop older peoples' skills and activity rates	4.	Castle Point to produce a topic paper for member discussion/ sub strategy perhaps including a) Review the Council's own practices regarding older employees. b) Run workshop days and awareness raising with employers - perhaps working through Chambers of Commerce. c) Lobby for exploratory work with the PCT and Social Services on a) the possibilities of Social Service intervention with those likely to retire on health grounds, b) development of older peoples' employment in service provision, with a higher proportion of older people delivering health and social care. For example, parts of health service are active at looking at using older workforce. Ashford St Peters make it an active part of their recruitment process. South Downs has won an award for management of older workforce - developing teams of older workers - help coverage round the clock. There is a National Health Service Agency which specialises in the older workforce - see "National Workforce Projects" on www.healthcareworkforce.org.uk	Castle Point has a higher than average proportion of retirees within its population, and it population is expected to age further in coming years. To gain more from existing labour resources in the Borough, retirees aged both below and above the retirement age should be encouraged to transfer their knowledge or re-join the local workforce	All	CPBC	

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Council to assist with skills development	5.	Expand work based learning provision. The Council should set an example by providing/ expanding apprenticeship or equivalent placements. The Council should also ensure that it is using recruitment opportunities such as New Deal employer subsidy to secure opportunities for those coming off long term benefit.	The Council is a significant local employer, and is in a position to use this aspect of its influence for broader social ends	All	CPBC	
Need to attract and retain a workforce of employment age	6.	Planning policy to reflect the need to Attract and keep a workforce of employment age. New housing created in Castle Point needs to attract people of working age. In new housing stock, Castle Point should ensure it develops a) Accommodation that is able to accommodate young families b) retirement properties of the McCarthy and Stone type that can provide the benefits of freeing up family housing[70] for occupation by families	Castle Point is projected to have an ageing population.	All	CPBC	

70 We note that the 2002 Meanwhile, the Housing Needs Study indicated that a further 35% wish to purchase a bungalow, which may reflect the ageing population of the Borough. The study did not reveal a strong demand for sheltered housing, however. This may reflect the lack of desire for warden assisted accommodation. However, there is evidence elsewhere that indicates that preferences in this respect are strongly conditioned by prevailing norms; when older people do enter retirement properties they enjoy the security and companionship that can be on offer.

Theme 2: Enhance and utilise the environment

Aim: To attract skilled labour and high value businesses to Castle Point, and support sub-regional image change

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Improve Castle Point's environment	7.	Enhance the attractiveness of the creeks by improving the state of repair of boat yards and boats	Unless the sub-region works to improve its image as a place to live, some of the broader economic objectives for the area will be called into question	Canvey Island	CPBC	
Improve Castle Point's environment	8.	Actively consider new bridges and sea wall renewal and associated funding opportunities via the Greengrid project	As above	Canvey Island	CPBC	
Improve Castle Point's environment	9.	Building "Merton Rules" into emerging planning policy	This is an important component of sustainability policy. It will be particularly important if the Northwick Road site is to be of the high quality required to send a signal to the market about Castle Point's intent to sponsor high quality development	All	CPBC	

Theme 3: Develop local retail and service facilities

Aim: To boost employment in Castle Point by capturing more of Castle Point residents' spending

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Developing the Leisure, Recreation and Sport sector	10.	Undertake improvements to the existing Waterside Farm Leisure Centre and the relocation of Canvey Island Football Club facilities to a single site at Waterside Farm	Growing personal disposable income means that the leisure, recreation and sport sector a growing part of the economy, and the sector being promoted across the Thames Gateway as a part of improving the sub-region's image as a place to live. The possible job outcomes from this expansion in provision, as well as image and quality of life benefits for the area make this a project worth pursuing	Canvey Island	CPBC	
Work to retain more of Castle Point's retail spend	11.	Council should back development projects in Canvey town centre	The Canvey Island Sustainable Regeneration Report suggests that there is market demand for 22,250sqm of commercial space in Canvey town centre. This scale of development would create 1,425 new jobs	Canvey Island	CPBC	
Work to retain more of Castle Point's retail spend	12.	townscape and environmental improvements in Benfleet, Thundersley, Tarpots and Hadleigh	This would help support town centre leisure, retail and possibly office businesses	All	CPBC	

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Work to retain more of Castle Point's retail spend	13.	Revenue schemes to assist Castle Point retaining the important "grey pound" The urban realm needs to be maintained to a very high standard to retain older shoppers Research shows the importance of security to older people. Uniformed warden schemes might be considered if these are proven to improve older peoples' sense of safety in town centres.	Research shows that Castle Point's town centres are competing with managed shopping spaces such as Lakeside and Bluewater for older peoples' custom. Castle Point's retail centres need to compete.	All, with Canvey Island focus	CPBC	

Theme 4: Sites and Premises

Aim: To provide more employment within Castle Point to generate up-to-date sites and premises

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Investment and Upgrading of Existing Sites	14.	Detailed study on moving Manor Trading Estate to a new site, and using the Manor site for housing	We are not able to undertake a detailed appraisal but have considered whether wholesale replacement of the Manor Trading estate to an alternative site freeing the existing site for residential land might be an option. On the basis of broad estimates about land values, rents and building costs we think there would be a considerable financial gap that would need funding. If this were an option the Council would wish to look at further we would suggest that it undertakes a more detailed appraisal of this option	Benfleet	CPBC	

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Developing additional space to meet new demand	15.	A watching brief on developments at Southend Airport	We have investigated the potential for Castle Point to accommodate jobs created as a result of development at Southend Airport. We suggest that it would be unwise to rely too much on development at Southend airport. All the same, we suggest keeping a watching brief on development at the airport in order to respond appropriately to change.	All	CPBC	
16.		Eco-centre - providing new space and making a quality design statement at the Northwick Road employment site	The aspiration is to develop an exemplar project incorporating high quality sustainable construction and/or incorporating environmental technology end users. No funding is available for higher construction standards so these can only take place through incorporation of planning policies directing development types. Recent ministerial statements on emerging policy indicates that this approach will be mainstreamed in PPS22.[71] All developments will be required to work to similar targets. If the development is to be genuinely above average, then, the project's environment credentials will need to exceed the levels mentioned in mainstream policy.	Canvey Island	CPBC	

[71] http://www.publications.parliament.uk/pa/cm200506/cmhansrd/cm060608/wmstext/60608m0068.htm

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Provision of new types of facilities	17.	provision of a modern small B1/workshop type facility would provide for new start-up businesses	Could help to provide a different type of job opportunity for local residents and help to alter the image of Castle Point's employment base.	All	CPBC	

Theme 5: Business development

AIM: To provide more employment in Castle Point by assisting in the development of new enterprises and the survival and prosperity of existing enterprises

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Provide further small workspace within Castle Point	18.	Identify the potential for creating managed workspace, and explore partnership arrangements with developers for delivery, possibly through Section 106 agreements. Castle Point to work with specialist providers in bringing forward provision. Investigate funding available under EEDA IiC fund and through the emerging EEDA "products".	The Borough is reliant on small companies. Research shows that business incubators are effective in ensuring higher growth and survival rates in resident firms.	All	CPBC	

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Develop market opportunities	19.	We see the following role for the Council (perhaps alongside Business Links and EEDA). There could be a role for the local authority in ensuring that local firms, particularly in the construction sector where Castle Point is particularly strong, are aware of the various procurement opportunities. EEDA work suggests using the Games as a catalyst. The Council could to encourage SMEs to become e-procurement ready and provide support to local businesses through established business support channels by sharing information on procurement opportunities, tender processes and quality systems and assisting SMEs to understand their fit within the supply chains.	The construction sector is one that is well represented within Castle Point. There are therefore particular opportunities from an estimated £2.8 billion of construction work as a result of the Olympics some 43,000 new dwellings proposed for Thames Gateway South Essex over the plan period 2001-21, there will be significant market opportunities in construction and fitting for these new dwellings	All	CPBC	

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Increase homeworking	20.	CPBC will undertake the following steps to assist home-based working. a) goals against which the performance of those responsible for providing business support for homeworkers can be measured. b) Information produced encouraging a growth in home working within the Borough, and clarifying the likely permissible limits to the types of activity that can be pursued from home. (Eg covering issues such as planning regs and business rates). c) Policy issues taken into account in the employment Development Plan Documents. d) running items in the local press announcing support for home business and publicising fact of any council workers teleworking. e) ensuring Borough websites feature a welcoming stance on home based businesses, with answers to frequently asked questions and key contact details. f) providing information about support to home business in libraries and other information points used in the Borough.	Our analysis above has suggested that homeworking could have an important role in delivering rising employment in Castle Point (even if it is difficult to count effectively). Assuming will allow a higher level of economic activity without the negative implications of land and transport development. Evidence suggests that they are in higher value added sectors of the economy. Homeworking is an ideal solution to the shortage of up-to-date business space in Castle Point. Assuming that homeworking growth took place within the existing Castle Point population (and did not simply attract in-migrants from more built up areas) it would be sustainable and would reduce commuting to some extent. It should be strongly encouraged wherever possible. The Commission for Rural Communities (Under the Radar, 2005) argues convincingly that rural home workers are a sector of very significant potential, but are under-supported. This logic is, we suggest, likely to apply equally to more built-up areas such as Castle Point	All	CPBC	

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
	21.	CPBC to lobby within business support services (currently in a state of flux in the East of England) to deliver necessary support to home-based businesses	The Commission for Rural Communities (Under the Radar, 2005) argues convincingly that rural home workers are a sector of very significant potential, but are under-supported. This logic is, we suggest, likely to apply equally to more built-up areas such as Castle Point.	All	CPBC	

Theme 6: Improve transport infrastructure

AIM: To improve the ability of local companies to access the labour they need, and to help Castle Point perform its broader sub-regional role in labour supply

Objectives		Actions	Rationale	Areas affected	Responsibility	Timetable
Maximise the effectiveness of the Borough's transport infrastructure	22.	Run conference / workshop to establish issues, link businesses with public and private transport providers / regulators to take a comprehensive view of current transport management issues in the Borough and identify actions.	There is no funding available for significant transport expansion. However, it is possible that the current system could be run or managed better with little or no extra funding.	All	CPBC	
Develop additional transport infrastructure	23.	Lobby for Third Crossing on Canvey	Canvey is particularly isolated and traffic flows are limited especially during peak hours. The Canvey third crossing has recently been costed at £70m and featured in the London to Southend Transport Strategy (LOTS)	All	CPBC	
Develop additional transport infrastructure	24.	Lobby for South Essex Rapid Transit (SERT)	Castle Point has an important sub-regional function in supplying labour to adjacent areas.	All	CPBC	
Develop additional transport infrastructure	25.	Watching brief on Lower Thames Crossing	the Thames Gateway Strategic Framework discussion document72. This document notes that this would be a very expensive and environmentally sensitive scheme but acknowledges that many believe a new crossing would stimulate additional activity. Castle Point needs to keep a watching brief to understand how the crossing could impact on the borough, and become actively involved if necessary	All	CPBC	

[72] Thames Gateway Strategic Framework Key Choices Report

Monitoring the Action Plan

4.6 Each of the tasks set out in the previous chapter will have its own targets and outputs. The tasks are set as discrete actions and their completion or otherwise can be readily monitored. Here we are concerned with whether the individual actions are keeping the overall objective of delivering 2,000 extra jobs by 2021 on track.

4.7 Progress towards this overall goal needs to be made at the rate of 100 jobs per year. Clearly, external circumstances (not least macro-economic conditions) will influence the rate at which progress is made, but the Council needs to ensure that it works to ensure that progress in good years makes up for ground lost when the economy slows.

4.8 This targets can be monitored annually using ABI data. The targets can also be annualised and disaggregated spatially to monitor progress in particular parts of the borough (for example, in Canvey town).

Theme Indicators

4.9 There should also be a set of headline monitoring indicators for each of the themes. In some instances we have set specific targets whilst in others, the purpose of monitoring should be to identify emerging issues which are dealt with in future reviews of the strategy.

4.10 These indicators should be set for consistency with the wider Thames Gateway Strategy but we suggest that the theme indicators might be as follows:

Table 4.2 Theme Indicators

Theme	Headline Indicators	Target
Invest in Skills	Proportion of Workforce Qualified to NVQ 3 and NVQ 4	To converge to national average by 2021.
	Activity Rates of 50+ workforce	
Enhance and Utilise Environment	New Environmental Projects Implemented	At least 3 by 2011
Local Retail and Services	Town centre rankings (from commercial sources)	To at least maintain existing rankings
	Zone A rentals	
Sites and Premises	Proportion of stock < 20 years old	
	New Commercial Space	
Business Development	Business Failure Rates	Decrease to Regional Average by 2016
	Events/Projects to highlight new business opportunities	
Transport Infrastructure	Implementation of SERT	By 2016

Monitoring of Action Plan

4.11 The above represent the headline indicators for the strategy as whole. These are so the policy makers can assess whether the strategy is broadly on track to achieve the desired outcomes and to suggest interventions or revisions where necessary.

4.12 Beneath this higher tier strategic level, the individual programmes or projects will also need to be monitored for progress. Each of the Action Plan tasks set out in Chapter 6 should be monitored by the lead organisation.

4.13 In the same way that the strategy actions should be tied into the business plans of each of the partner organisations, so should the target indicators be consistent. This does not mean they must necessarily be the same.

APPENDIX 1

STATISTICS UNDERPINNING THE ALTERNATIVE JOB FORECASTS

	Total Jobs, 2004	LQ	Size of firms				Per annum change 1995-2001
			1-10	11-49	50-199	+200	
Agriculture, Hunting, Forestry and Fishing	0	0.0	100%	0%	0%	0%	0
Mining, Manufacturing and Utilities	2,200	0.9	83%	14%	3%	0%	-11
Mining	*0*	*0.0*	*-*	*-*	*-*	*-*	*1*
Manufacturing	*2,200*	*1.0*	*83%*	*14%*	*3%*	*0%*	*-9*
Utilities	*0*	*0.0*	*-*	*-*	*-*	*-*	*-2*
Construction	1,500	1.8	97%	3%	0%	0%	108
Wholesale, Retail Trade and Repairs	4,200	1.3	88%	10%	1%	0%	72
Wholesale	*600*	*0.8*	*92%*	*7%*	*1%*	*0%*	*-4*
Retail Trade	*3,000*	*1.4*	*86%*	*12%*	*1%*	*1%*	*93*
Repairs	*600*	*1.6*	*91%*	*9%*	*1%*	*0%*	*-17*
Hotels and Restaurants	1,200	1.0	80%	18%	2%	0%	35
Transport, Storage and Communications	1,100	1.0	90%	6%	4%	0%	40
Financial Intermediation	300	0.4	74%	26%	0%	0%	-8
Real Estate, Renting and Business Activities	2,300	0.8	95%	4%	1%	0%	19
Real Estate	*300*	*0.9*	*99%*	*0%*	*1%*	*0%*	*51*
Renting	*200*	*2.2*	*94%*	*3%*	*3%*	*0%*	*-27*
Business Activities	*1,800*	*0.7*	*95%*	*4%*	*1%*	*0%*	*-5*
Public Admin and Defence	600	0.6	27%	45%	18%	9%	30
Education	2,400	1.4	24%	53%	22%	2%	12
Health and Social Work	1,900	0.9	57%	35%	8%	0%	-39
Other	900	0.9	94%	5%	1%	0%	23
Total	18,600	1.0	89%	9%	2%	0%	281