

Draft

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Chelmsford Economic Strategy 2017

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Foreword

A joint message from Councillor Neil Gulliver, Cabinet Member for Planning and Economic Development, Chelmsford City Council and David Rayner the Chair of the Chelmsford Business Board

Driving forward Chelmsford as the economic, cultural, leisure and retail centre of Essex is at the heart of what we do. Our vision and determination to deliver saw Chelmsford become England's newest City in 2012 and we have continued to build upon this success more recently, seeing years of strategic planning come to fruition.

Through building on successful partnerships with business, the South East Local Enterprise Partnership, Government departments and key infrastructure delivery partners, we have seen the delivery of many new homes, jobs and infrastructure. With a strong retail offer, a highly-skilled workforce and unrivalled connectivity, Chelmsford can look forward to a prosperous and bright future.

However, no City can afford to become complacent and stand still, and nor would we want to. Significant challenges lie ahead for Chelmsford that we must address head on. One of our biggest challenges is retaining land in employment use at a time when residential values are compelling for

potential developers. Ensuring that the local workforce has the necessary skills to meet the needs of businesses, allowing them to innovate and compete on quality is also a significant challenge. Another key pressure is meeting the expectations of our businesses and residents in providing the necessary supporting infrastructure that additional growth requires.

This economic strategy addresses these challenges and identifies opportunities which will enable Chelmsford to further unlock its full potential. The strategic focus this document provides will help to support business, attract inward investment and growth and provide more innovation and employment opportunities.

It is essential that this strategy and its delivery is driven by the business community, working alongside the Council and other public sector bodies across Chelmsford. As such, we invite you to read our local economic strategy and, more importantly, continue to play your part in delivering on its ambitions to create a more prosperous future for the City of Chelmsford.



Councillor Neil Gulliver
Cabinet Member,
Planning & Economic Development,
Chelmsford City Council



David Rayner
Chair, Chelmsford Business Board

Executive Summary



Chelmsford has thrived over recent years, delivering significant new growth, which has brought about many exciting changes and opportunities. With a strong economy boasting particular strengths in the financial and business services sectors, research and development, and advanced manufacturing sectors, Chelmsford plays a key role in ensuring the prosperity of the wider Essex region.

Our economy continues to grow and as we look ahead we are now planning Chelmsford's future growth in the period to 2036. This timeframe will see a period of immense growth with 725 new jobs each year, 14,500 new homes in this period, a £2.1m increase in GVA and a 25.5% increase in labour productivity.

Our partnerships will continue to be crucial in order for Chelmsford to continue to flourish and to overcome the significant challenges that come hand-in-hand with rapid growth and development. For Chelmsford to succeed, we need shared priorities, objectives and delivery to be agreed with a range of our partners.

Through consultation with the Chelmsford Business Board, a representative group of Chelmsford business, business support organisations and our universities and colleges, we have identified seven strategic priorities for Chelmsford. These strategic priorities will build upon Chelmsford's location advantages and strong business base and will use our key assets to secure further growth.

The seven strategic priorities which have been identified in consultation with the Chelmsford Business Board and which form the focus of this strategy are;

- Delivering enabling infrastructure
- Creating a skilled workforce
- Enhancing the City Centre
- Supporting businesses
- Ensuring a supply of suitable land and premises
- Developing the rural economy
- Targeting priority sectors

The Chelmsford Business Board will play a key role in monitoring and evaluating the delivery and impact of the projects identified within this strategy. The success of which is critical to Chelmsford achieving its ambition for maintaining a thriving sustainable economy, with growing businesses and job creation.

We will continue to work closely with our partners in order to succeed and overcome the challenges identified within this strategy and maximise the opportunities. In doing so, we will ensure that our actions benefit not only Chelmsford, but the wider Essex and regional agendas.



Chelmsford in Context

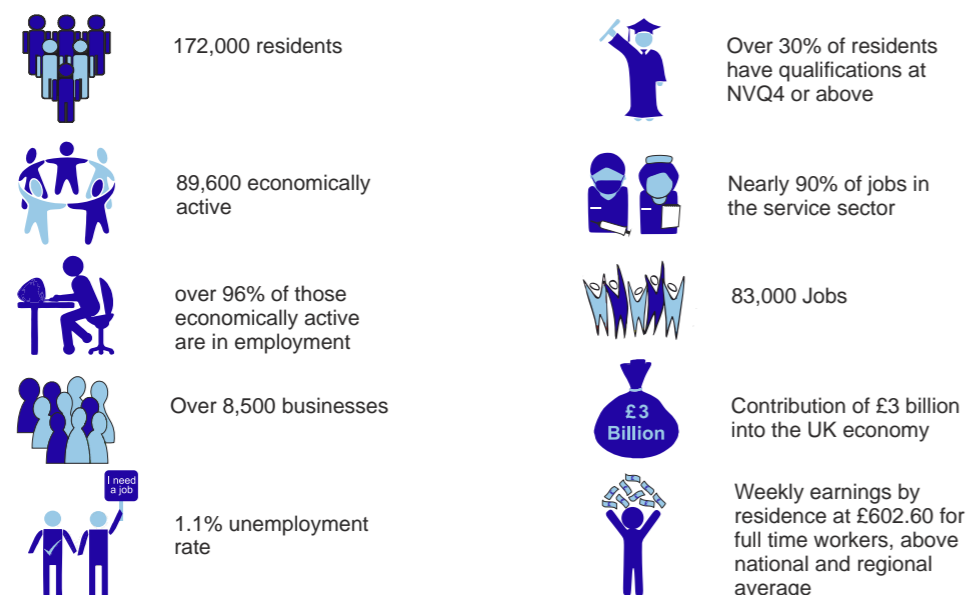


Chelmsford occupies a strategic location in the heart of Essex, and as the only City in Essex it is one of the fastest-growing centres in the region. It has always played a key role as the administrative capital of the County and makes a major contribution to economic and housing growth. Chelmsford's location, only 35 minutes away from London by rail, is one of its greatest assets and is an opportunity to be exploited.

Our current adopted Local Plan to 2021 is delivering significant new growth now – over 2,000 new homes in the City Centre, a major urban extension in north Chelmsford of over 4,000 new homes, rail station, new business park, schools and community facilities. In the City Centre, the Bond Street development comprising a John Lewis department store together with a significant addition to Chelmsford's retail and leisure offer is transformational and has provided over 350 new jobs.

We have a very strong economy that supports a healthy range of sectors and a contribution of over £3 billion per year to the Essex economy. Some 83,000 jobs and over 8,000 businesses form the heart of the City's economy¹, with very low unemployment rates close to just 1%². Chelmsford has particular strengths in the financial and business services sectors, research and development, and advanced manufacturing. Major international companies that have a significant presence in Chelmsford include MS Amlin, IFDS, BAE Systems, e2v, Visteon, Baltelle and Grant Thornton.

Chelmsford in Numbers



¹ NOMIS labour profile, 21st April 2016
² JSA claimant count

Our economy continues to grow and as we look ahead we are now planning Chelmsford's future growth in the period to 2036. This timeframe will see a period of immense growth with 725 new jobs each year, a £2.1m increase in GVA and a 25.5% increase in labour productivity³.

Like any rapidly expanding place we face challenges, not least of which is the provision of the necessary infrastructure to support housing and economic growth. We have been relatively successful in securing a good level of supporting infrastructure linked to the current planned growth of Chelmsford. This has come from a variety of sources – direct site provision, through S106 agreements, through the South East Local Enterprise Partnership (SELEP) and through other funding streams, such as Local Pinch Point funding. Other key challenges to be overcome include ensuring a suitable supply of land and premises, particularly in the context of the increasing office to residential conversions and ensuring that the local workforce has the necessary skills that businesses want.

Our partnerships will continue to be crucial in order to overcome these challenges and deliver further economic growth in Chelmsford. For Chelmsford to continue to succeed, we need shared priorities, objectives and delivery to be agreed with a range of our partners. Through consultation with the Chelmsford Business Board, a representative group of Chelmsford businesses, business support organisations and our universities and colleges, we have identified strategic priorities for Chelmsford. Together we will work to guarantee our needs are fed into the Greater Essex Business Board and ultimately the SELEP to ensure that the vision for Chelmsford's future growth can be realised.

³ East of England Forecasting Model 2013-2037

Our vision for Chelmsford

For the City of Chelmsford to enhance the economic, cultural, leisure and retail heart of Essex and to become a leading regional centre in the East of England.

Strategic Priorities



To realise our vision for a thriving sustainable economy, with growing businesses and the creation of new jobs we have, together in consultation with the Chelmsford Business Board, developed a set of strategic priorities, to guide our interventions. These seven priorities are:

- Delivering enabling infrastructure
- Creating a skilled workforce
- Enhancing the City Centre
- Supporting businesses
- Ensuring a supply of suitable land and premises
- Developing the rural economy
- Targeting priority sectors

In developing these seven priorities we have considered the '10 Pillars' identified in the Government's Industrial Strategy 2017¹, which are evidenced to drive forward growth. We have ensured that these 10 Pillars compliment our own priorities and frame the overall approach of this strategy.



Delivering enabling infrastructure

With significant growth, comes pressure on infrastructure and the expectation from businesses and local residents that supporting infrastructure will come hand in hand with growth. There are a number of key infrastructure improvements that are required to support the level of growth over the strategy period. Indeed the emerging Greater Essex Growth and Infrastructure Framework puts Chelmsford's infrastructure bill to 2036 at close to £500 million.

Some of the infrastructure delivery is being secured through direct on-site provision, through S106 agreements. Chelmsford has also benefited from other infrastructure provision supported by a variety of other funding streams and through working in partnership with a range of organisations, including ECC, Abellio Greater Anglia, the Environment Agency and our Universities. Specific examples include:

- Abellio Greater Anglia's investment in the Station (£3.2m)
- Pinch Point Funding at the Army & Navy roundabout (circa £3m)
- Highways England, Chelmer Viaduct (£30m +)
- ECC and CCC capital programme investments in schemes such as Park and Ride, strategic open space investment and the first phase of the Chelmsford Flood Alleviation Scheme at Chelmer Village.

In addition, funding via the SELEP has also been secured for a number of projects. For instance £12m was secured via the SELEP, alongside £22m from Countryside Zest towards supporting the delivery of a



new rail station in North Chelmsford. Beaulieu Station will serve a new community of 4,000 homes as well as a 50,000m² business park and will unlock the capacity at the City Centre rail station, which is currently the busiest two-platform station in the country.

We have developed a 'Chelmsford 2050' document which sets out the infrastructure needed to support Chelmsford's future economic and housing growth to 2050. This document identifies a number of Chelmsford infrastructure projects in the pipeline that we will continue to develop, promote and support including:

- Army & Navy junction improvements
- Widford Park and Ride
- West Chelmsford Transport Access
- Anglia Ruskin MedBIC Phase 2
- City Centre Public Realm at Tindal Square
- North East Chelmsford Bypass
- A132 improvements

We will also continue to support nationally funded improvements, for example the A12 widening scheme.

It is clear that key to delivering enabling infrastructure in Chelmsford is our ability to identify a range of funding options to deliver each of these projects. This includes funding from the Local Growth Fund, S106, Community Infrastructure Levy (CIL), government funding and direct investment.

We will:

- Continue to work with Network Rail, Countryside Zest, Essex County Council and Abellio Greater Anglia to deliver Beaulieu Station
- Identify a range of funding options to deliver the key infrastructure projects as follows: Army & Navy junction improvements; Widford Park and Ride; West Chelmsford Transport Access; Anglia Ruskin MedBIC Phase 2; City Centre Public Realm at Tindal Square; North East Chelmsford Bypass; and A132 improvements
- Continue to campaign for improvements along the Great Eastern Main Line in order to decrease journey time into London
- Support and promote the A12 widening scheme and lobby for improvements to the A12 junctions that impact on our business and workforce
- Lobby SELEP, Government and other agencies to support our infrastructure needs



Creating a skilled workforce



Skills levels in Chelmsford are above the national and local average. 87% of Chelmsford residents have some form of nationally recognised qualification (NVQ Level 1 and above) and 33.5% of the population are educated to NVQ Level 4 or higher⁴. As a result, many Chelmsford residents are engaged in high level occupations; nearly half working in managerial, professional and technical roles.

It is clear that a highly skilled workforce attracts investment and enables businesses to innovate and compete on quality. Skills development is central to the SELEP's strategy for growth. The SELEP Skills Strategy⁵ identifies significant opportunities for growth in a number of areas, including

advanced manufacturing and medical technologies. This growth will bring about new investment and generate new employment – much of which will require high level technical skills.

The most recent Essex Employment and Skills Board (ESB) Skills Profile for Chelmsford⁶ has identified significant sectors of employment in Chelmsford as being; advanced manufacturing and engineering, construction, finance and insurance and health. The ESB also recognises that the skills most in demand in Chelmsford include sales and business management. With Chelmsford continuing to experience substantial levels of growth, the construction sector in particular is likely

experience skills shortages over the medium to longer term. The Construction Skills Network for the East of England estimates that between 2016-2020 a minimum of 1,320 more Painters and Decorators, 240 Bricklayers and 1,500 more Carpenters, 5,260 Construction Managers will be required.

The Chelmsford Education, Learning and Skills Group (CELS), a partnership formed of agencies that work with the skills agenda post 16 years, work to establish a shared vision for the development of education, learning and skills for the post 16 population of the City. Working towards the priorities outlined by SELEP and ESB the Group deliver events and activities that target the opportunities and challenges identified. The CELS Group support the demand from all sectors, promoting growth through employer led skills development, including the promotion of apprenticeships and other work based learning routes.

Essential to supporting businesses with skills development are the universities, colleges and training providers who are key to raising aspirations, nurturing talent and supporting workplace learning. Chelmsford offers excellent Higher Education and Further Education provision through Anglia Ruskin University, Writtle University College, and Chelmsford College, amongst other training providers. It is essential that we continue to work closely with our partners to support them to further grow and find new ways of responding to local business and community skill needs.



We will:

- Continue to work with the CELS Group and the Chelmsford Business Board to better understand our local businesses and their current and future skills needs
- Work with our partners to attract skills funding to continue to drive development in Chelmsford
- Work with the ESB and local skills providers such as Anglia Ruskin University, Writtle University College and Chelmsford College to ensure skills requirements are met
- Encourage the take up of apprenticeships, higher apprenticeships and other training schemes by local employers

Enhancing the City Centre

Chelmsford's City Centre is a key focus for investment activity, as it will always be a critical part of Chelmsford's future success. The City of Chelmsford has all the right ingredients; quality public realm; a strong night-time economy; excellent shopping and eating establishments to name but a few. We must ensure that we build upon the City Centre's strong credentials to ensure that it remains a competitive and attractive location for businesses to invest.

Providing quality public space within Chelmsford's City Centre is vital to add to vibrancy and further enhance Chelmsford's appeal. We have already invested heavily in our public realm. A £4m programme, using public and private sector funding, has seen investment to Station Square, Half Moon Square and Exchange Square. We have plans to invest further in a second phase at the Station, Bell Meadow and Tindal Square.

The Bond Street development sets the precedent for the scale of development that Chelmsford will embrace; high quality, large scale development, which creates new spaces, giving Chelmsford a greater regional pull. The Bond Street scheme will see Chelmsford's core catchment shopper retention increase by 19.4%, and the market potential of comparison goods increase to £314.6 million – an increase of 27%⁷.



Retailers in Chelmsford are supported by the Chelmsford City Retail Group (CCRG). As a result of recent investments and developments which have given a boost to the whole of the City, the CCRG are proposing a Business Improvement District (BID) within the City Centre. A feasibility study is now underway, to scope out the form of the BID and its objectives.

It is clear that investing in public realm helps bring commercial success. Our investment to date has provided a sound foundation on which to build upon. A wider investment in the public realm and the implementation of a new way-finding scheme is necessary if Chelmsford is to keep pace with competing centres and continue to be a leading destination in Essex.



We will:

- Continue to work with partners to ensure continued investment in the City Centre
- Deliver public realm improvements to Tindal Square, Barrack Square, Bell Meadow and Station Square (phase 2)
- Support the CCRG with the Chelmsford BID proposal



Supporting business



Chelmsford has 8,715 businesses⁷ of which the majority are small and medium sized enterprises (1-249 employees). As a Council, we offer individual support to businesses with specific issues to do with planning, skills, funding or premises requirements, as well as visiting businesses to discuss their needs.

We also provide a free major annual business event, the Chelmsford City Showcase for Business, which provides a range of business support for local businesses. Seminars and workshops in the past have included topics such as 'How to speak and present like an expert' and 'Getting the sales that others can't get', and

the exhibition provides a useful opportunity for networking with potential clients as well as other support agencies.

In Essex, the BEST Growth Hub (Business Essex Southend and Thurrock) provides the majority of the business support services in the area through workshops, seminars, business navigators and one-to-one advice sessions. This central support is funded by The Department for Business, Energy and Industrial Strategy (BEIS) and through the European Regional Development Fund (ERDF) projects, and launched in June 2014. To December 2016, 81 Chelmsford businesses have already benefitted from support from the Growth Hub.

Chelmsford City Council is a member of the Essex Rivers Local Action Group, which has been awarded £1.8million of funding through the LEADER scheme. This funding can be applied for by rural businesses in the area who wish to undertake projects that will contribute towards the priorities of the scheme. In addition, from time to time, other funding streams arise e.g. LOCASE which we support and promote to businesses.

We recognise that the growth of existing business, the relocation of business to the City and new business start-ups in Chelmsford are key to supporting growth through bringing in new jobs, skills and ideas.



We will:

- Continue to identify potential streams of funding for our local businesses as they are made available and communicate these through the relevant channels
- Through the Chelmsford Business Board, build relationships and identify business support needs across various sectors
- Establish a single point of contact for all business support through the BEST Growth Hub
- Pro-actively support and promote events which support businesses, such as those run by the Best Growth Hub, the pop up café and our own Business Showcase
- Hold an annual Chelmsford Business Board briefing for all our businesses

Ensuring a supply of suitable land and premises

The Employment Land Review published in October 2014 highlighted that Chelmsford is a strong City Centre with higher levels of office floorspace than any other town in Essex, but less than other regional cities. The City Centre has a strongly performing retail sector, a significant proportion of available second hand office space but a shortage of high quality Grade A office development opportunities and limited land available to cater for a flexible range of business uses.

Recent research carried out by Chelmsford City Council showed a wide variety of businesses operating in the smaller urban employment areas in Chelmsford, with very few vacant units, highlighting that these sites are an important part of the supply for the area. Businesses in the rural areas choose their location owing to better value for money, increased space, environmental quality and better parking provision.

Key to the future growth of Chelmsford's economy will be the provision of high quality development opportunities including high quality office space and industrial unit space, in order to attract new investors. The new Local Plan will seek to identify a variety of sites, to include a range of sizes, including smaller grow-on space to facilitate the expansion of existing businesses.



We will:

- Identify suitable employment land in the new Local Plan
- Promote Chelmsford as a location for business through partnerships with local commercial agents, Invest Essex and the Department for International Trade
- Support and promote the development of a new business park in North Chelmsford, as well as the site of the MedTech Campus
- Work with the private sector to identify appropriate grow-on and innovation space
- Through the new Local Plan, have appropriate policies that enable existing employment areas to be retained for business purposes

Developing the rural economy

The Employment Land Review published in October 2014 highlighted that the rural areas of Chelmsford make a significant contribution to business floorspace provision with some key non-allocated employment locations. Excluding Great Baddow, Springfield, Broomfield, Writtle and South Woodham Ferrers, there were 1,300 businesses occupying over 200,000m² of floorspace.

It is clear then that there is a significant amount of business activity taking place within the parishes and rural areas and that the rural area is making a significant contribution to Chelmsford's employment stock. The rural areas will continue to provide new business floorspace over the coming years, so long as local planning policies continue to support this.

We will:

- Ensure that flexible planning policies enable the appropriate expansion and development of rural employment areas in Chelmsford
- Continue to work with Superfast Essex to ensure that further improvements to the broadband network in rural Chelmsford are implemented
- Support rural businesses in taking advantage of any potential funding streams that would enable the expansion of their business, such as the LOCASE scheme and LEADER scheme which runs until 2020



Targeting priority sectors



Research undertaken by Regeneris in 2014, highlighted opportunity sectors for Greater Essex, which offer the potential to drive forward future growth, building on the assets which exist. These are: advanced manufacturing; low carbon and renewables; life sciences and healthcare; digital and creative services; business services; and logistics. There are also a number of other sectors which will remain important to Essex. These are already major employers and will become even more important as the population grows. These sectors are wholesale and retail, health, education, construction and tourism.

Evidence provided through the research undertaken by Regeneris in 2014 also indicates that there is a large opportunity for growth in the finance and professional services sector. We will continue to work with Invest Essex to identify potential new occupiers for Chelmsford. We will, however, need to ensure that we provide a range of high quality office space and industrial unit space in the City Centre in order to maximise this potential. A report undertaken by CBRE⁸ into the City Centre office market concluded that there is demand for quality space, in floor plates of up to 10,000 sq ft.

The medical technology sector provides a great opportunity for Chelmsford over the next Plan period. The global MedTech market is very large (at £150-170 billion) with the UK market estimated at £15 billion. Research on forecasting the market suggests growth at 5-10% per annum⁹. As part of the MedTech Campus and in the heart of Essex, Chelmsford is well placed to make the most of this opportunity; exploiting links with Broomfield Hospital and other private hospitals in the area, as well as excellent transport links, especially with the forthcoming Beaulieu Station. The Anglia Ruskin University MedBIC has already been a successful start to this project, with 100% occupancy ahead of the target date and some innovative medical products have already been developed from this Centre. MedBIC Phase 2 is now proposed, seeking to expand the space on offer to such innovative companies - thereby growing this important cluster. The proposed medical school at Anglia Ruskin University will further enhance this project.

Tourism related spend contributes approximately £275m¹⁰ to the Chelmsford economy. We will continue to invest in this significant sector through further developing parts of the tourism product. Complimenting this, we will also continue to invest and develop our leisure offer. A major redevelopment of the Riverside Ice and Leisure Centre will be carried out from late 2017. This will modernise the facility and will enhance Chelmsford's leisure offer.

We will:

- Identify locations in the new Local Plan for high-quality business space
- Working with Invest Essex, continue to market Chelmsford and its opportunities to businesses as a place to invest
- Support the MedTech development and the MedBIC Phase two development
- In partnership with VisitEssex, market Chelmsford City Centre as a visitor destination to maximise the benefit of investment activity
- Invest in our leisure offer, with a major redevelopment of the Riverside Ice and Leisure Centre



⁸ CBRE report

⁹ MedTech Campus website

¹⁰ The Economic impact of the Essex Visitor Economy 2013, Essex and Chelmsford district, the South West Research Company Ltd.

Measuring Success



The Chelmsford Business Board will play a key role in feeding into and evaluating the success of this strategy. Both internal and external data sources will be used to measure the success of this strategy. In addition to focusing on data and national benchmarks, we will also work closely with our partners to gain a richer understanding of our comparative economic performance.

The Chelmsford Business Board will regularly review the delivery and impact of the key projects outlined within this strategy.

A report will be produced on an annual basis for the Chelmsford Business Board, based on the seven strategic priorities identified in this Strategy and will detail progress made against these.

It is important to recognise that the projects prioritised by this strategy are not static, nor do they reflect all activities undertaken by partners in delivering economic development. Therefore, while the overarching strategic framework will remain stable, the projects themselves will be more fluid, subject to periodic review and amended to incorporate new opportunities/interventions as they emerge.

As we move forward, we will continue to work with our partners in order to succeed and overcome the challenges identified within this strategy and maximise the opportunities. In doing so, we will ensure that our actions benefit not only Chelmsford, but the wider Essex and regional agendas.

