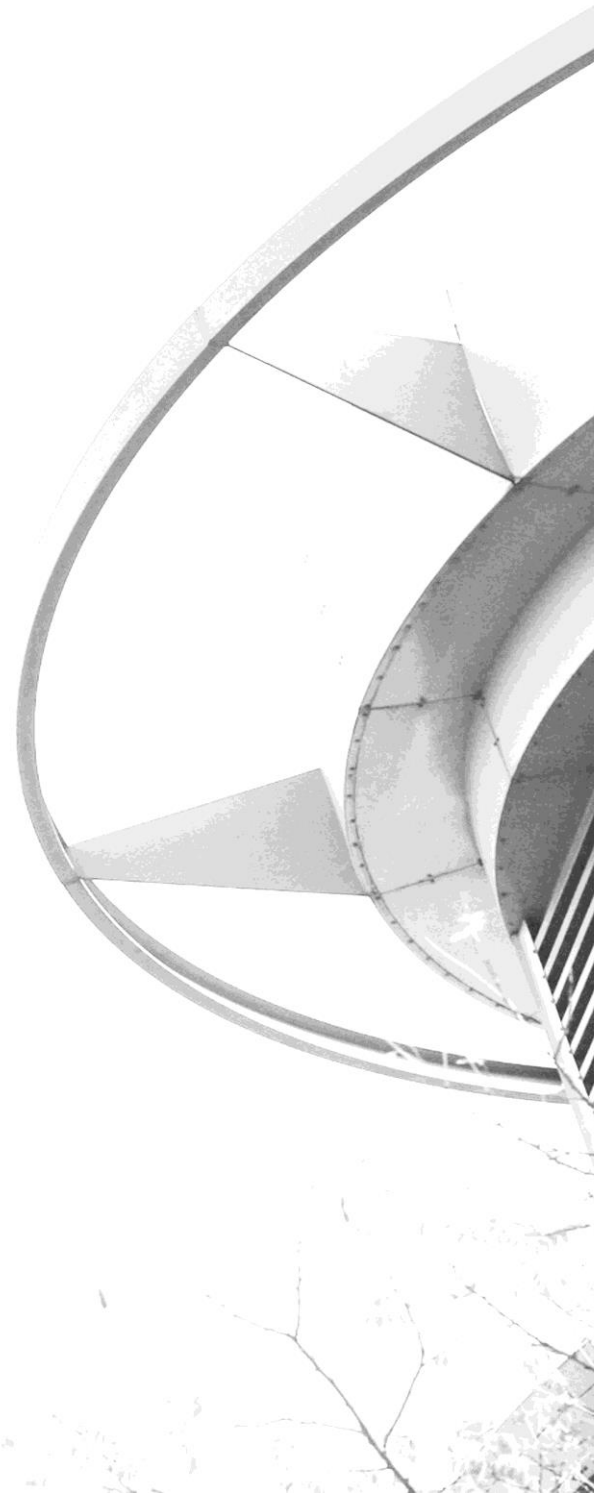
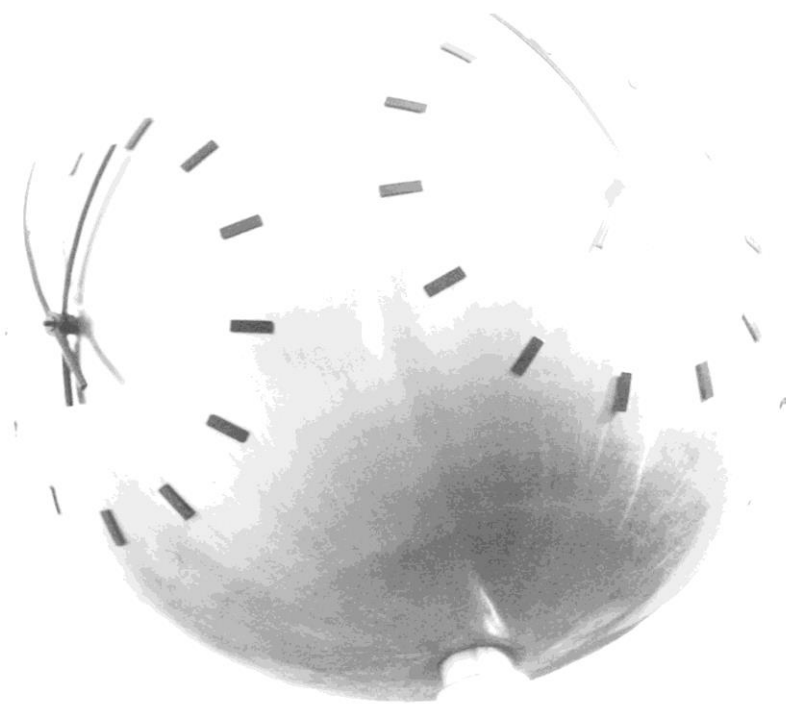


# Economic Development Policy

## Basildon Borough Council



## Key Information (To correspond with Pentana)

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## 1. INTRODUCTION

Basildon Borough Council is committed to delivering efficient services that meet the needs of the local community. A key aspect of this is ensuring that the design, planning and delivery of services have a positive impact on the borough and the lives of residents. An Economic Development policy will provide guidance to all council services, policy and strategy functions involved in the delivery, commissioning and procurement of services to enhance economic, social and environmental well-being in the borough.

## 2. EXECUTIVE SUMMARY

The Economic Development Policy for Basildon Borough Council provides direction for economic development activities over the next 4 years and outlines a number of areas for action to build a sustainable economy. The outcomes of the actions supported by this Policy are to improve the capacity of the local economy to deliver long term, sustainable economic wellbeing for Basildon residents.

The Policy provides a framework for action and investment covering economic growth, community development, strengthening long standing industries in the area and establishing new economic opportunities in knowledge industries and other sectors. This economic growth will support long term sustainability of communities in Basildon and retain the high quality environment of the area.

Basildon Borough Council's Corporate Plan 2019-2022<sup>1</sup> sets out an ambitious vision to improve the lives of all residents and the Economic Development Policy complements this vision. The crossover between the three Corporate Plan promises and potential Economic Development outcomes is illustrated below:

### A place for everyone to call home:

- *Economic Development outcome:* Create more empowered communities where people have a stronger sense of belonging and security.

### A place where everyone prospers

- *Economic Development outcome:* Promote inclusive economic growth that enhances community resilience and well-being.

### A place to be proud of

- *Economic Development outcome:* Residents are satisfied with the services that help improve their lives and environment.

## 3. POLICY STATEMENT

Basildon Council's vision is to improve the quality of life for people who live and work in the borough and to create wider access to opportunities and prosperity for all. An Economic Development policy will allow for more coordinated and integrated approach that prioritises the importance of achieving the best social and economic outcomes for residents in the borough.

This policy seeks to embed further Economic Development within the Council so as to ensure that it is a point for consideration throughout all services and activities and feeds into the wider plans and strategies of the Council.

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<sup>1</sup> Basildon Borough Council Corporate Plan 2019-2022 - <https://www.basildon.gov.uk/corporate-plan>

## **4. CONTEXT**

### **I. NATIONAL CONTEXT**

#### **Industrial Strategy**

The government's industrial strategy white paper was published in November 2017 and sets out the government's plans for growth. This includes five foundations of productivity, including:

- Ideas – the world's most innovative economy
- People – good jobs and greater earning power for all
- Infrastructure – a major upgrade to the UK's infrastructure
- Business environment – the best place to start and grow a business
- Places – prosperous communities across the UK

#### **Brexit**

The UK Parliament ratified the EU withdrawal agreement, and the UK left the EU at 11 p.m. GMT on 31 January 2020. This began a transition period that is set to end on 31 December 2020, during which the UK and EU are negotiating their future relationship. Whilst negotiations have yet to conclude, it is clear that Brexit will result in some changes in the way our businesses trade with the EU and we need to be sure they are ready for these changes.

#### **Post Covid-19 Recovery**

The coronavirus pandemic has had a significant impact on the lives of many residents of the borough and has highlighted increased social, health and economic inequalities. As a result of this, local authorities across the country are being encouraged to consider emerging covid-19 recovery plans and service delivery arrangements.

The magnitude of the recession caused by the coronavirus outbreak is unprecedented in modern times. UK GDP was 25% lower during the depth of the crisis in April than it was two months earlier in February.

Whilst economic activity picked up over the spring and summer, reflecting the opening up of the economy and pent-up demand from the lockdown period, overall, GDP was still 9% lower in August than before the pandemic.

The economy faces a less supportive environment in the autumn and winter. Coronavirus case numbers increased in September and October and a national lockdown has again been introduced in order to reduce the spread of the virus. This is expected to contribute to a fall in GDP in November.

The reaction of consumers and businesses to the second national lockdown and the general high level of uncertainty is also an important factor in determining the economy's outlook. Consumers may be unable or reluctant to return to 'normal' pre-coronavirus spending patterns. This may be due to health concerns but also perhaps due to concerns over their income. For instance, unemployment levels are expected to rise. Uncertainty may also dampen businesses' inclination to invest. Forecasts for GDP point towards a large decline in 2020. The Bank of England in early November forecast UK GDP growth of -11% in 2020 and +7.25% in 2021<sup>2</sup>.

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<sup>2</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-8866/CBP-8866.pdf>

## Skills Policy

Future government aspirations include plans to establish a world class technical education system, digital and technical education, and a new National Retraining Scheme supporting people to re-skill.

The UK Industrial Strategy acknowledges the importance of investment in technical education which it notes ‘for too long has not had the prestige it has enjoyed in other countries. The system can be complex and confusing, not always meeting the needs of individuals or those of employers.’

In addition to encouraging investment in technical education, Basildon’s unique challenges also means there is a strong requirement to raise the skills aspirations of some of the ‘low skill’ sectors and improving access to skills and development opportunities for all residents, to ensure that growth is experienced by all parts of the community.

The productivity challenge has both a supply and a demand side; skills shortages are a significant factor, but so too are the proliferation of low-skilled jobs.

## The Impact of Automation

The impending automation of low skilled jobs will have a considerable effect on current and future employment rates. In 2019, the Office for National Statistics published its findings on the impact of automation, which put the proportion of UK workers at high risk of automation at 7.4 per cent, but with 64.9 per cent of workers at medium risk.

Their study found that overall, in 2017, younger people were proportionally more likely to be working in jobs at high risk of automation since over 45% of the high-risk jobs were held by people between the ages of 20 and 30 years. More specifically, young people aged 20 to 24 years have the highest proportion of jobs at high risk of automation of all age bands, at 15.7%.

From the jobs at low risk of automation, 87% were held by employees with a degree, while employees with lower education than GCSEs and those with A level or GCSEs made up most of the jobs at high risk of automation, 59.8% and 39% respectively.

These results show there is some correlation between risk of automation and the level of education which pose some serious threats for the residents of Basildon.

## II. LOCAL CONTEXT

Basildon has the biggest economy in Essex with £3.9billion of total value-added accounting for 14.7% of GVA in the county. In the whole Thames Estuary, only Canary Wharf has a bigger economy.

In 2018, the total population of Basildon was an estimated 185,862 people making it the second largest local authority area in Essex in terms of population size. With 411 businesses per 10,000 residents, Basildon is ranked 9th in the country for number of businesses per 10,000 residents and 10th in the country for the proportion of private sector jobs.

However, the Indices of Multiple Deprivation 2019 also reveal that Basildon is third out of 12 districts in Essex for overall deprivation.<sup>3</sup> In terms of education and skills, just over a quarter of the population age 16+ has no formal qualification, with residents achieving lower levels of NVQ

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<sup>3</sup> Basildon District Profiles - [https://www.basildon.gov.uk/media/2008/Basildon-District-Profile-Basildon-District/pdf/Basildon\\_District\\_Profile\\_-\\_Basildon\\_District.pdf?m=634079760499200000](https://www.basildon.gov.uk/media/2008/Basildon-District-Profile-Basildon-District/pdf/Basildon_District_Profile_-_Basildon_District.pdf?m=634079760499200000)

level 4 or higher qualifications and much lower rates than the Essex and national averages. Centre for Cities research into the inequality of UK cities found that Basildon is the joint 5th most unequal city in the UK.

Policy interventions to maintain the strength of the business base in Basildon are vital to supporting the continued delivery of high quality public sector services. The cyclical nature of the economy means a strong business base, results in a strong tax take and a strong public sector.

However, it's not sufficient to stimulate the growth of businesses by drawing a strict line between economic and social policy. If we are to address some of the challenges Basildon faces, we need to develop a strategy for inclusive growth, to ensure the benefits of business growth works for everyone, not just the privileged few.

Today the majority of households living in poverty are in work. Far too many people suffer from low pay, low job security and low status jobs. According to the Joseph Rowntree Foundation over 50 percent of people living in poverty are in working households<sup>4</sup>

Tackling areas of inequality has now become more urgent as these socio-economic factors determine people's life outcomes. Significantly, these factors "determine the extent to which different individuals have the physical, social and personal resources to identify and achieve goals, meet their needs and deal with changes to their circumstances."

### **III. BOROUGH APPROACH TO ECONOMIC DEVELOPMENT**

This policy will build on work already in progress by Basildon Borough Council and local partners to maximise economic development delivery within the borough.

In order to facilitate maximum economic development from the delivery of services within Basildon Borough Council, the Economic Development Policy will ensure that:

- (i) The Council will implement the principles of economic development across all services.
- (ii) The Council will support business growth and sustain the Borough's strong economy by
  - a. Engaging and supporting local businesses to enable them to grow and prosper.
  - b. Developing Leadership Skills & Promoting Sector Networking
  - c. Strengthening our town centres
- (iii) The Council will support the growth and development of early stage businesses in the Borough, particularly businesses that have the potential to create high added value jobs, by strengthening the Start-up Ecosystem
- (iv) The Council will encourage investment in skills to improve the employment prospects, education and skills of local people, by;
  - a. Promoting Workforce Development;
  - b. Ensuring young people are better prepared for the world of work;
  - c. Increasing apprenticeships and industry relevant qualifications, particularly in priority sectors and at technician and degree level;

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<sup>4</sup> Tinson, A. et al (2016) Monitoring Poverty and Social Exclusion 2016. York: Joseph Rowntree Foundation

- d. Ensuring those marginalised or disadvantaged from work are moved closer to the labour market and supporting and encouraging older workers to consider vacancies in areas of skills shortage
- (v) The Council will work with our partners to promote sustainable economic growth and ensure the provision of essential strategic infrastructure and connectivity in the Borough.
- (vi) The Council will further strengthen the "Basildon Brand" to attract inward investment and work to bring about an economy that can adapt to global trade and competition.
- (vii) The Council will encourage investment in Collaborative R&D by collaborating with the private sector and academia to establish a 'living laboratory', to test-bed innovative technological ideas
- (viii) The Council will seek to 'lock in' the value of this growth into the local economy through the adoption of Inclusive Growth principles, by ensuring businesses support local supply chains; create job opportunities for local people; and ensure employees are paid a fair wage.
- (ix) The Council will monitor all the performance of the local economy to maximise the chances of agreed outcomes being achieved and report annually to the Economic Development and Recovery Committee on the returns achieved.

## **5. OUTCOMES**

- Residents are satisfied with the services that enhance the local neighbourhoods
- Help create access to more and better jobs and good business growth
- Increase skills to get more people working
- Strengthen the local economy
- People are healthier, happier, independent and active
- Increased pride in the borough and community.
- Increased engagement from SMEs and under-represented groups
- Increased opportunities for disadvantaged people and increased social mobility.

## **6. LINKS TO OTHER CORPORATE POLICIES/PARTNER DOCUMENTS/LEGISLATION**

- Corporate Plan 2019-2022 – Believe in Basildon
- Health and Wellbeing Strategy
- Social Value Strategy
- Employment and Skills Strategy
- Leisure and Culture Policy
- Basildon Procurement Plan
- Safer Basildon Partnership Strategy
- Consultation and Engagement Policy
- Basildon First Charter
- Basildon's Good Employer Charter



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